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Title: Introduction of the Specified Bank Notes (Cessation of Liabilities) Bill, 2017.

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY) : Madam, I beg to move for leave to introduce a Bill to provide in the public interest for the cessation of liabilities on the specified bank notes and for matters connected therewith or incidental thereto.

HON. SPEAKER: Motion moved:

"That leave be granted to introduce a Bill to provide in the public interest for the cessation of liabilities on the specified bank notes and for matters connected therewith or incidental thereto."

PROF. SAUGATA ROY (DUM DUM): Madam, I oppose its introduction....(*Interruptions*) Let me speak before he speaks....(*Interruptions*) Even before I have spoken how does he know what I have to say?

SHRI ARUN JAITLEY: I have got a notice. I have a right to speak. I am questioning his right to speak under Rule 72. So, I should be allowed to question his right to speak under Rule 72.

PROF. SAUGATA ROY : I am within my rights to allow you not to speak. I am questioning his right to speak. He cannot speak at this stage. He has sought leave to introduce the Bill. I am questioning his right to speak....(*Interruptions*) Let him go to Rajya Sabha and speak there.

SHRI ARUN JAITLEY: Rule 72 says that if his objection is legislative competence, he is allowed to speak. The notice shows that his objection is something other than legislative competence. Then Rule 72(1) comes into play and he cannot be allowed to speak. Kindly read Rule 72 (1) and (2) together....(*Interruptions*) Let me raise my objection on your right to speak and what is the nature of my objection.

**माननीय अध्यक्ष :** उसमें आप भी तो कोई बिन्दु उठाते हैं।

SHRI ARUN JAITLEY: Rule 72 says:

"If a motion for leave to introduce a Bill is opposed, the Speaker, if he thinks fit, after permitting brief statements from the Member who opposes the motion and the Member who moved the motion, may without further debate, put the question:

Provided that where a motion is opposed on the ground that the Bill initiates legislation outside the legislative competence of the House, the Speaker may permit a full discussion thereon."

Now, his objection is that it is not a good Bill. That is not the legislative competence....(*Interruptions*)

PROF. SAUGATA ROY : Madam, I would like to respond to this....(*Interruptions*)

HON. SPEAKER: I am allowing you to make your submission.

PROF. SAUGATA ROY : Madam, let me first reply to his point of order. ...\* Madam, please read with me...(*Interruptions*) I should be allowed to speak....(*Interruptions*)

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI ANANTHKUMAR): Madam, I object to his statement.

HON. SPEAKER: I will see and withdraw it.

...(*Interruptions*)

SHRI ANANTHKUMAR: Madam, Speaker, that has to be expunged. He cannot question...(*Interruptions*)

HON. SPEAKER: Let me hear what he wants to say. I will hear you also.

...(*Interruptions*)

SHRI ANANTHKUMAR: Madam Speaker, our hon. Finance Minister has been the esteemed member of the Union Cabinet as the Finance Minister. He has been a Distinguished Parliamentarian. He has also been adjudged the Outstanding Parliamentarian. Therefore, he is well within his knowledge of the rules of both the Houses of Parliament. He need not be questioned on those things. He can only make his point...(*Interruptions*)

PROF. SAUGATA ROY : Madam, please allow me to speak.

HON. SPEAKER: Do not make any comment like that. You can take it back also.

...(*Interruptions*)

PROF. SAUGATA ROY : Madam, it is not fair if you do not allow me. Please read with me.

HON. SPEAKER: But do not say something like that.

PROF. SAUGATA ROY : Rule 72(1) says:

"If a motion for leave to introduce a Bill is opposed, the Speaker, after permitting, if he thinks fit, brief statements from the Member who opposes the motion and the Member who moved the motion, may, without further debate, put the question."

The Rule is up to this. The Finance Minister, the clever lawyer he is, read the proviso. The proviso is not connected with this. Any Member can just say that I oppose the introduction of the Bill and whether I am questioning the legislative competence, comes in later. That is part of the proviso. Just read the original first paragraph of 72(1) which says that any Member may oppose the introduction of the Bill. I am not raising questions on the legislative competence. So, let me now put my objection to the Bill.

Madam, this Bill is actually illegal because the basic statement by the hon. Prime Minister without any notification on the 8<sup>th</sup> of November, 2016 announcing demonetisation was illegal. No reference was made to the Parliament. Again Madam, you see, sub Section (1) of Section 34 of the Reserve Bank of India Act, 1934, on the liabilities of the Reserve Bank. The Reserve Bank writes on the note, "I promise to pay the bearer the sum of Rs.1000 or Rs.500." Now, the notification for demonetisation should not have been given by the Government. Rather, it should have been given by the Reserve Bank of India. What happened in this case is that the Government wrote to the Reserve Bank of India telling them to hold a meeting quickly because the hon. Prime Minister wanted to announce demonetisation and disrupt the State tonight. That is why, the Reserve Bank wrote back to the Government. The notification should have been issued under sub-Section (1) of Section 34 of the Reserve Bank of India, 1934 and sub-Section (1) of Section 26 of the Reserve Bank of India Act, 1934. That is why, I think it is outside the Minister's competence and the legislative competence to bring in this Rule. This notification should have come from the Reserve Bank of India because according to the Act, the Reserve Bank of India is the ultimate authority which will guarantee the safety of the legal tender. Madam, please read with me what is written on the note.

HON. SPEAKER: Why are you opposing the introduction of the Bill?

PROF. SAUGATA ROY : Here it is written, "I promise to pay the bearer the sum of One Hundred Rupees" by Shri Raghuram Rajan, the ex-Governor, who was opposed to this demonetization.

Now, the Reserve Bank has to say that we are denotifying and not this Government. That is why, this Bill is illegal. This Ordinance is illegal and the Government has imposed a disruptive step on the whole economy, on the whole country and disrupting the lives of millions and crores of people. They have put everybody to shame. I am told that the hon. Finance Minister did not know about demonetization till the afternoon of November 8. He was told at the last moment. ...(*Interruptions*) I oppose the introduction of the Bill. It is totally illegal and unparliamentary. I totally oppose this demonetization. This is anti-people. ...(*Interruptions*)

SHRI ARUN JAITLEY: Madam, the hon. Member is incorrect in several aspects that he has raised. First is the scope of the objection when a Bill is introduced. A Bill can be opposed only on two grounds and no other ground. ...(*Interruptions*)

HON. SPEAKER: Now you have made your statement. Please keep quiet.

SHRI ARUN JAITLEY: One, a Bill can be opposed on the ground that this House does not have the legislative competence and second, a Bill can be opposed on the ground that it is unconstitutional. His objection does not fall into either of the categories. His objection is not withstanding his experience. His objection is that the 8<sup>th</sup> November notification was not under Section 1. Let me correct him that he is wrong on that also. The 8<sup>th</sup> November notification by which high denomination currency ceases to be a legal tender was under Section 26(2). The Reserve Bank of India Act is competent to pass that order and therefore, he stands corrected on the second ground also. I think it will add to his long parliamentary experience that he is now getting to learn.

Thirdly, this not being an objection, after it ceases to be a legal tender post 30<sup>th</sup> of December, 2016 that liability which he has been reading has to be extinguished and the Government's guarantee to that also gets extinguished for which purpose this particular Bill has been brought in.

HON. SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide in the public interest for the cessation of liabilities on the specified bank notes and for matters connected therewith or incidental thereto. "

*The motion was adopted.*

SHRI ARUN JAITLEY : I introduce \* the Bill.

HON. SPEAKER: There will be no 'Zero Hour' today. Now we will take up Motion of Thanks on the President's Address.

...(*Interruptions*)

PROF. SAUGATA ROY : Madam, I have given notice of Adjournment Motion.

HON. SPEAKER: I have disallowed all the notices of Adjournment Motions.

...(*Interruptions*)

*(At this stage, Shri Kodikunnil Suresh and some other hon. Members came and stood on the floor near the Table.)*

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