

REMITTANCES OF FOREIGN EXCHANGE  
AND INVESTMENT IN FOREIGN EX-  
CHANGE BONDS (IMMUNITIES AND  
EXEMPTIONS) BILL

[English]

MR. SPEAKER: Now we shall take up item No. 9. The Minister may move that the Bill be taken into consideration...

(Interruptions)

THE MINISTER OF FINANCE (SHRI MANMOHAN SIGH): Sir, I beg to move.\*

"That the Bill to provide for certain immunities to persons receiving remittances in foreign exchange and to persons owning the Foreign Exchange Bonds and for certain exemptions from direct taxes in relation to such remittances and bonds and for matters connected therewith or incidental thereto, be taken into consideration."

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, I have to make a submission at this stage. The other Bill is much more controversial and there has to be a debate on that. At this late hour, it cannot be taken up. We have helped you in passing the earlier Bill...(Interruptions). It is just not possible, Sir...

(Interruptions)

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD): This is not fair, Sir. We have decided in the leaders' meeting in the morning that the Bills will be passed. So, we decide something in the meeting and do something inside the House.

SHRI NIRMAL KANTI CHATTERJEE: We never knew that the Place of Worship Bill will take so much time ...(Interruptions).

SHRI GHULAM NABI AZAD: We have been worshipping since yesterday morning...(Interruptions).

SHRI BASU DEB ACHARIA: It is already eight o'clock, Sir.

[Translation]

SHRI GHULAM NABI AZAD: We will provide meals to you here.

[English]

SHRI BASU DEB ACHARIA: This is not fair, Sir.

MR. SPEAKER: We would not have pressed for discussing and passing of this Bill but for the fact that tomorrow the Finance Bill is to be taken up and there are other Bills also. The difficulty is that if we do not pass the Bills here and if they do not go to Rajya Sabha, then it is not possible to extend the House also. In view of all that, we know that very sincerely some of the Members have been sitting in the House since morning itself. But you know sometimes we shall have to put in more efforts to express our views and to pinpoint what has to be done. So, in view of this and in view of the fact that there was agreement that we should pass this Bill, I am doing it.

SHRI NIRMAL KANTI CHATTERJEE: I will rather suggest that this Bill which is closely connected with the Budget Speech - the Excise and Customs Bill was on an entirely different footing - should be taken up along with the Finance Bill, rather than this being discussed now, because this is one more amnesty scheme in terms of foreign exchange. There is an amnesty scheme otherwise provided for in the Finance Bill. Therefore, I suggest that these two be taken up together tomorrow and that is much better than spending two hours today here.

MR. SPEAKER: If you agree that this Bill as well as the Finance Bill can be taken up together...

(Interruptions)

AN HON. MEMBER: They are two separate Bills, Sir.

MR. SPEAKER: I can either go by the agreement which is arrived at in the meeting or I can go by the agreement which can be arrived at in the House or you shall have to go by what I say. You shall have to choose one of the three things.

SHRI NIRMAL KANTI CHATTERJEE: They are separate Bills but can be discussed together.

*(Interruptions)*

MR. SPEAKER: You are saying; but others are not agreeing.

SHRI NIRMAL KANTI CHATTERJEE: We move that this should be discussed tomorrow. *(Interruptions)*

SHRI SRIKANTA JENA (Cuttack): The two Bills will be moved separately. But the discussion and subsequent voting can be taken up together. *(Interruptions)*

MR. SPEAKER: Let us understand that if we agreed on certain things, we agreed because of the difficulties. If we do not stick to it, then it becomes very difficult. We have change the entire programme afterwards.

*(Interruptions)*

SHRI DIGVIJAYA SINGH (Rajgarh): No Sir. it has to be passed today at any cost.

*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: If these are taken together, we are unable to agree with that. Whoever it may be it is preposterous to make these Bills to be discussed together. On the other hand...

MR. SPEAKER: Please do not pass judgements on others. The same thing can be said about your suggestion also.

*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: No, it cannot be. That is what I am trying to argue.

*(Interruptions)*

MR. SPEAKER: No, no please. Let us not pass any judgement on others. Let us consider. Let us start the discussion and then we will see.

SHRI NIRMAL KANTI CHATTERJEE: It is not possible *(Interruptions)*

MR. SPEAKER: This was agreed to.

SHRI GULAM NABI AZAD: Something was agreed in the meeting and then you disagree with it. It is not correct. Either you should not have agreed. *(Interruptions)*

It was decided that even if it were to be one-o'clock in the midnight it will be passed. It was you who pursued that the Worship Bill should not be passed yesterday and today we will pass it. You agreed that we will pass these two bills today. Whenever you want to speak, you want to linger on the House and whenever it comes to Government business, you want to go home. I am sorry. This is not correct. *(Interruptions)*

MR. SPEAKER: Motion moved:  
"That the Bill to provide for certain immunities to persons receiving remittances in foreign exchange and to persons owning the Foreign Exchange Bonds and for certain exemptions from direct taxes in relation to such remittances and bonds and for matters connected therewith or incidental there to, be taken into consideration."

Shri Mohan Singh...

*(Interruptions)*

SHRI MOHAN SINGH (Deoria): Sir, I beg to move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 6th December, 1991". (1)

SHRI GIRDHARILAL BHARGAVA  
(Jaipur): Sir, I beg to move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 12th December, 1991". (2)

[*Translation*]

SHRI BHARGAWAN SHANKAR RAWAT (Agra): Sir, I beg to move.

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 18th December, 1991". (5)

[*English*]

SHRI SRIKANT JENA (Cuttack): Sir, we may not pass it today. Tomorrow, we can pass it.

MR. SPEAKER: Please. Let us discuss it.

(*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: What amnesty you are going to get? Are you getting something from foreign? (*Interruptions*)

MR. SPEAKER; Shri Hannan Mollah. if you want some more time, let Shri Rawat speak. Either you speak or sit down.

(*Interruptions*)

AN HON. MEMBER: We can sit for another half-an-hour.

MR. SPEAKER : We will see. Now Shri Rawat.

[*Translation*]

SHRI BHAGWAN SHANKAR RAWAT (Agra): Sir, the declared objectives of the Remittances of Foreign Exchange And Investment in Foreign Exchange Bond (Immunities And Exemptions) Bill are appeared to me as an illusion. Of course, it is correct that

the country needs foreign exchange. It is assented to earn foreign exchange but the efforts and means to get it should be lawful and reasonable. If it is not kept in mind the faith of the crores of people, who believe in the sanctity of law, will be shattered into pieces. Though this Bill looks very purposeful and we also hope that we will have foreign exchange in abundance too yet we will not be able to resolve our economic crisis. Therefore I would like to say that through this Bill the economy of the country is being disrupted. According to the provisions of this Bill any foreigner can send money to anybody in this country, whether this money is earned by legal or illegal means. The Government will not be able to ask the recipient of the money how it has been earned, how it has been received by him. In this connection, no investigation and enquiry can be made against the recipient of the money. With due regard, it allegation against this Bill that this provision will not fulfill the real objective of the non-resident Indians who wish to send foreign exchange to India to provide strength to Indian economy.

Since 1947, the money earned by the politicians, multinationals and their agents, whether it be earned through illegal means i.e. commission in Defence deals including Bofors guns etc. has been deposited in Swiss Banks or other foreign banks. This is a way to legalise that amount which has been earned by those persons. The main lacuna of this Act is that, there can be a legal enquiry till date against those who have been depositing illegal money in Swiss banks. We are adopting the same process in the case of Bofors as well, but the money which will come as a gift, cannot be now challenged for its legality and no enquiry can be made against it. Even the senders, name can not be asked. Therefore, it is a great scandle and it is an attempt being made by some vested interests to convert their black money into white money.

Secondly, I want to say that the moving of this Bill in Parliament has stopped the incoming of foreign exchange. Today, the people do not want to bring foreign ex-

change to India. Because of so many taxes etc. Now they know that it is going to be free hand. Besides, after taking 40% of black money for the purpose of National Housing Bank the rest 60% has been permitted to be converted into white money, but today the situation is that the inflow in that scheme is decreasing. Its inflow will come down because in foreign countries they take 20 per cent of the amount and the rest amount they return to the individual in foreign exchange. A very big racket is going on in the world on a large scale. This business is also running in the Arab countries as well as in the western countries. Indian capitalists take their money there and get their black money converted into white money. In spite of these things, it is being hoped that the day this Bill is passed, they will bring this money back. Therefore, after paying 20 per cent discount on the amount in foreign countries, instead of 40 per cent here, their money will come back here after being converted into white money and they will get respect as well. The Indian Finance Minister will be full of appreciation of them, he will welcome them for bringing foreign exchange to our country. I want to say that through this Bill, the people who are doing illegal business, whether they are smugglers or missionaries which are involved in converting religion on which there was some control upto now, they will find an opportunity, the terrorists will get an opportunity and those who are earning foreign exchange through narcotics drugs will also get an opportunity to send money. So it has become a threat to the freedom, integrity, law and order, and to the social structure of the country.

20.09 hrs.

[SHRI P.M. SAYEED *in the Chair*]

I would like to request you that there is the provision of Foreign Exchange Bonds in this Bill. The overseas corporate bodies or the non-resident Indians have the right to buy these Foreign Exchange Bonds. This has one great lacuna that the structure of the Overseas Corporate bodies is very strange. The clause 5 of the Bill states that

any institution; association or body whether incorporated or not, established under the laws of the country outside India wherein any non-resident Indian has any interest. It is very serious provision. Taking the advantage of this clause, any foreign personnel or institution, having a very nominal interest of the person of Indian origin, may constitute such Overseas Corporate Body a may have a little interest of Indians and have major interest of foreign persons. Therefore I would like to state that such bond shall be inadmissible as evidence in any proceedings relating to any offence against the owners of such bonds received through the overseas Corporate bodies. Even, it cannot be asked from him, if it was a foreign money, and whether this money was given by the persons of Indian origin or of what kind, it was.

In addition to it, provision has not been made about the use of foreign exchange received as donation as has been made in the case of national housing bank 40 per cent of the money deposited in this bank will not be allowed to be withdrawn and rest of the 60 per cent will be converted into white money. But what modalities will be adopted in this regard? Nothing has been said about the money that will be received in foreign exchange, and about its use. It may destroy the countries economy and it may also be misused. I would like to say that present Government has failed to provide any facility in the present budget to the tax payers and crores of law abiding people. It does not seem that the Administration has any intention to take action against those political leaders and bureaucrats who are responsible for the destruction of the economy of the country. Who have devastated this country to such an extent that India is facing difficulties even in getting loan. And now we are helplessly going around with begging bowls in our hands to seek loans. We are not providing any relief to the tax payers of this country. We are not providing any relief or assistance to the producers and manufacturers which may inspire the peasants, labourers of this country to rise and improve the economy of this country by increasing the production.

There is a great resentment among the tax payers because on the one hand there are several restrictions on an exploitation of Law abiding people, on the other hand the deeds of law breaking people which were crime till yesterday, under "FERA" are getting Government protection today. Why should they then tolerate atrocities and troubles? Mr. Speaker Sir, I want to recite few lines of a "Sher" to the honourable Minister of Finance on behalf of Indian Youth which have been presented by the youth of my constituency to convey to you:-

"Najnin Bamko Tumse Hai gila  
Hamse Karti Ho Perda aur  
gairon Se Karti Ho Wafa."

You are harassing and creating problem for hardworking peasants and labourers. You are not providing any facility to them while countless facilities are being provided to non-resident Indians.

Sir, it may be possible that honourable Minister of Finance will not like my submission but the clear position may be before cabinet and the country after having known the mandate once. The country had been under the fetters of slavery and victim of the conspiracy of East India Company and now this time again it is going to become a victim of the capitalists and the other conspirators.

Mr. Speaker, Sir this case is not so simple that it should be passed but it is a web. Save this country from being entangled in this web. With these words, I oppose this Bill and appeal to the government to withdraw it.

[English]

SHRI NIRMAL KANTI CHATTERJEE:  
Let the House be adjourned now and we will discuss this Bill tomorrow as the first item.

SHRI BASU DEB AHCARIA: This is a Bill on which much has to be said.

[Translation]

SHRI GEORGE FERNANDAS (Muzaffarpur): Mr. Chairman, Sir, please take it up tomorrow. You as well as we are tired. Please accept our submission. The full day has passed crying. Now you please conclude it, please take it up tomorrow.

[English]

MR. CHAIRMAN: No party has given any names. So, it will take another 10 or 15 minutes only.

SHRI NIRMAL KANTI CHATTERJEE:  
We all would like to speak on this Bill.

SHRI BASU DEB ACHARIA: Nirmalji will speak for one hour.

SHRI NIRMAL KANTI CHATTERJEE:  
Tomorrow let us sit again upto 8.00 p.m.

[Translation]

SHRI GHULAM NABI AZAD: Mr. Chairman, Sir, Our problem is this that the promise which we make in the morning is forgotten in the evening and the promise which we make in the evening is forgotten in the morning.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): We will sit up to 8 P.M. tomorrow but not beyond that.

MR. CHAIRMAN: The House stands adjourned to meet again tomorrow at 11 AM.

20.15 hrs.

*The lok sabha then adjourned till eleven of the clock on Wednesday, September 11, 1991/Bhadra 20, 1913 (Saka).*