RAJYA SABHA

***SYNOPSIS OF DEBATE**

(Proceedings other than Questions and Answers)

Thursday, November 24, 2016/ Agrahayana 03, 1938 (Saka)

Discussion on Demonetization of Currency - *Contd.*

DR. MANMOHAN SINGH: I rise to highlight some of the problems arisen due to demonetisation of 500 rupee and 1,000 rupee currency notes. I do not disagree with the argument that it has been done to curb black money and also to control terrorist finance activities. But, it is important to take note of the grievances of people who have suffered most as a result of its disastrous effect on them. The step can erode people's confidence in the currency system and in the banking System. Implementation of this scheme will hamper agricultural growth, growth of small industry and will hurt all those people engaged in the informal sector of the economy. The GDP of the country can decline by about two per cent point as a result of such a decision. Hence, there must be some constructive proposals for implementation of this scheme. Practical and pragmatic ways and means must be found out to relieve the distress of the people of this country.

SHRI NARESH AGRAWAL: We are happy that the Hon'ble Prime Minister is present in this House. Our party does not support the decision of demonetization. As a result of demonetization the situation of economic emergency has been

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emerged throughout the country. People are facing so many problems. No elected Government should be allowed to take any such decision without the consent of both houses. This decision is not taken in the public interest. The condition of poor people and farmers is very bad. If this Government have decided to root out the black money in the country then this is also a fact that they had promised to bring back the black money stashed in foreign countries. But nothing has been done in this regard. I would like to know the details regarding NPAs of the banks. Government is giving help to cheating capitalists. Some of those fraudulent capitalists are now living in foreign countries comfortably. The Government is not taking any step to nab them. The amount of money accumulated through household savings by our ladies, has also been affected adversely due to the decision of demonetisation of currency notes. Though 2000 rupees new currency notes have been issued by the Government, the people are facing hardships due to the lack of currency notes of smaller denominations . We demand that a JPC should be constituted to inquire into the matter of leakage, if any, with regard to the decision of demonetisation of currency. I would also like to know from the Government that how would the Indian business men who are dealing in Nepal, Bangladesh and Bhutan be able to exchange their Indian currency notes? I would also like to request the Government to lift the ceiling on withdrawal of money from their accounts. With these words, I once again oppose the decision of demonetisation of currency notes and urge upon the Prime Minister to roll back his decision.

SHRI DEREK O'BRIEN: Our party is strongly against the black money and corruption but at the same time we are deeply concerned about the hardships being faced by common people and small traders because of this decision of demonetisation of currency. The Prime Minister could not get back the promised black money from abroad that is why this decision has been taken. There is anger among traders, citizens, employees and housewives towards this decision. I would like to ask the Government that what you are doing to electoral reforms, because eighty per cent of donations which are received by political parties today are from unknown sources. Our

suggestion towards this decision of demonetisation is, why don't you allow the old 500 rupee notes and the new 500 rupee notes to function parallelly for a longer period of time? The Government should have printed and circulated more small currency notes before implementing this decision of demonetisation. Today, four out of five villages in India don't have a bank. Most of the people in India don't use plastic money. They only use hard cash for purchasing. It is being told that 0.02 per cent of India's cash have fake currency. So, for this you have penalized the whole country. I would like to make it clear to the Government that anyone who opposes your policy is not for black money and not anti-national. We are opposing you because people are suffering and we believe that the economy will be killed by it. I would make an appeal to the Prime Minister to take note of our suggestions and find a solution of this problem.

Discussion not concluded.

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