

# ***Press statement by Shri L.K. Advani on UPA Govt's deafening silence about secret Swiss bank accounts***

**BJP questions UPA Govt's deafening silence about Indian wealth, estimated at between Rs. 25 lakh and Rs 70 lakh crore, hoarded in secret Swiss bank accounts.**

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**This money belongs to the people of India – the farmers, the landless and the workers, who are in great economic stress today; BJP promises to bring it back.**

Prime Minister Dr. Manmohan Singh is going to attend the G-20 summit in London on April 2. Ahead of this meeting, I wish to bring a highly important matter to the attention of the people of India.

It is well known that Swiss banks provide secrecy and safety for tax evaders, corrupt individuals and criminals of various nationalities to hoard their monies. Several offshore tax havens are also used for murky financial dealings. The extent of illicit money lodged in Swiss banks is mind-boggling. Estimates vary.



**According to Wikipedia, they totaled \$ 2.6 trillions (Rs. 130 lakh crores in today's exchange rate) in 2001. In 2007, they were believed to be about \$5.7 trillions (Rs. 285 lakh crore), a staggering 80% increase in six years.**

It is equally well known that many wealthy Indians have deposited their illicit monies in secret Swiss bank accounts and tax havens elsewhere around the world. **As per credible estimates, these amounts range between \$500 billion (Rs. 25,00,000 crore) and \$1400 billion (Rs. 70,00,000 crore).**

So long as the West-dominated world economy was doing well for the western countries, their governments winked at the secretive functioning of Swiss banks and tax havens. However, the current global economic crisis, which put several of their important financial institutions on the verge of collapse, has forced them to take many unconventional steps to revive their ailing economies.

**The leaders of France, Germany, UK and other countries have joined forces with the US President Barack Obama in the battle against tax havens.** They are mounting pressure on Switzerland and offshore tax havens to put an end to banking secrecy to bring back their tax-evading citizens' hidden wealth.

**This is likely to be an important point on the agenda of the G-20 Summit in London.** In February, UBS, the largest Swiss bank, was forced by the US tax authorities to reveal the names of some 300 presumed tax evaders. The US threatened to sue the UBS. Fearing that this could lead to the demise of the bank, the Swiss authorities invoked an emergency clause in their banking law and gave the data to the US. **Soon thereafter the Obama administration announced a law to uncover illicit American money in all secretive tax havens, including the Switzerland.**

### **UPA government's evasive reply to my earlier demand**

It is baffling that, in the face of this growing governmental activism in the West, the UPA Government has adopted a policy of deafening silence and inaction. It has taken no steps whatsoever to get information about illicit money kept abroad by Indian nationals and to strive to get it back.

**Last year, I had written a letter to Prime Minister Dr. Manmohan Singh about the need to get the names of Indians, presumed to have secret accounts in LGT Bank in Liechtenstein in Western Europe. I was disappointed to see that the reply I received from the then Union Finance Minister was evasive. (Copies of both letters attached.)**

**Commenting on India's ambivalence, Transparency International (TI) said that India has maintained "a stoic silence over the issue and has not approached the German government for this data" (The Economic Times, 25.5.2008). Some ministers in the UPA Government are reported to have made several trips to Switzerland as the personal leg of their official tours abroad.**

Considering the size of the Indian wealth hoarded abroad, the government is duty-bound to take proactive steps to bring it back. The amount involved constitutes 3-10 times India's overseas debt, and 50-120% of India's GDP. **Even if we take the lower limit of the estimated amount of Rs. 25 lakh crore, the money is sufficient to:**

- **Relieve the debts of all farmers and landless**
- **Build world-class roads all over the country – from national and state highways to district and rural roads;**
- **Completely eliminate the acute power shortage in the country and also to bring electricity to every unlit rural home;**

- **Provide safe and adequate drinking water in all villages and towns in India**
- **Construct good-quality houses, each worth Rs. 2.5 lakh, for 10 crore families;**
- **Provide Rs. 4 crore to each of the nearly 6 lakh villages; the money can be used to build, in every single village, a school with internet-enabled education, a primary health centre with telemedicine facility, a veterinary clinic, a playground with gymnasium, and much more.**

What a transformation it can make to the ordinary and poor Indian lives!

## **Financial RDX with terror links**

The need to put an end to hoarding of Indian wealth abroad, and to bring back the wealth already hoarded, is all the greater since **the illicit money seems to be a mix of political bribes, crime money and venal business**. The money trail in the Bofors scam in the 1980s had revealed the involvement of secret Swiss bank accounts. **Last year, when the stock market was booming, National Security Advisor Shri M.K. Narayanan publicly stated that terror money might be operating through fund flows**. What he had in mind was the Participatory Note [PN] mechanism for investment of undisclosed funds from abroad in Indian stock markets. The PN mechanism was introduced when India was desperately in need of forex inflow. The UPA government has permitted this mode of investment even after it had grown to alarming proportions. More recently, a hawala operator from Pune was found by the Income Tax department to have unaccounted wealth valued at Rs 35,000 crore. He is also suspected to have secret bank accounts abroad.

**The BJP sees in secret banking the RDX that has the potential not only to blow up national financial systems but also to support and fund global terror networks whose attacks on India increased during the UPA regime**. We do not expect any action from the UPA Government, which has shown total disinclination to act in this matter. In any case, its days are numbered.

**If the people of India elect a BJP-led NDA Government in May 2009, we assure the nation that India will join the global effort to put an end to banking secrecy and intensify it by every means – diplomatic, political and economic – to get back the real Sovereign Wealth of our country**. The BJP will intensely and actively educate the public opinion on this issue and take it to the masses and create intense public pressure on the system to uncover this nexus between secret foreign money, terror, and politics.

## **BJP's promise and plan of action**

1. **The Bharatiya Janata Party will conduct mass public opinion polls on April 6, 2009, Foundation Day of the BJP, on Indian money in secret accounts abroad.**
2. The Chief Ministers of the BJP-ruled States will write to the Prime Minister urging him to write to the Swiss and other authorities to disclose the names of hoarders of Indian monies abroad, since it is

a huge loss to the state exchequer.

3. **The BJP will form a Task Force comprising experts** in law, accounting, management and intelligence to prepare a strategic document for India to recommend ways to get back the national wealth stashed away illegally by the corrupt politicians, venal businessmen and criminal overlords. **Shri S. Gurumurthy**, well-known chartered accountant and writer specializing in investigative journalism; **Dr. R. Vaidyanathan**, Professor of Finance at the Indian Institute of Management, Bangalore; **Shri Mahesh Jethmalani**, a renowned lawyer; and **Shri Ajit Doval**, an acclaimed national security expert, have agreed to work voluntarily on this Task Force.