

RAJYA SABHA

* -SYNOPSIS OF DEBATES

(Proceedings other than Questions and Answers)

Tuesday, December 20, 2005/ Agrahayana 29, 1927 (Saka)

CONCERN OVER A PROGRAMME TITLED, "OPERATION CHAKRAVYUH" TELECAST ON A PRIVATE TELEVISION CHANNEL

MR.

CHAIRMAN:

Hon'ble Members, yesterday evening a private Television Channel had shown a programme titled, "Operation Chakravayuh" in which the names of two Members of this House had also figured. The events as shown in that programme have struck a blow to the dignity of our Parliament. All of us are deeply distressed over it and, no doubt, it is a matter of concern for all of us.

Recently, some days back, I have referred a matter to the Committee on Ethics. I have also decided refer this matter relating to Members of Parliament shown in the programme which was telecast yesterday on the television channel to the Committee on Ethics of the Rajya Sabha and expect the Committee recommendations to the House for necessary action at the earliest after a thorough investigation in to the matter.

MATTERS RAISED WITH THE PERMISSION OF THE CHAIR

I. Demand for a corrected version of the reply given to an Unstarred Question

SHRI DIPANKAR MUKHERJEE: On the 6th of December, myself and Mr. Chittabrata Majumdar had put a question to the Minister of Civil Aviation asking whether the Minister is considering transfer of assets of Nagpur Airport to the State Government of Maharashtra at a notional cost in lieu of waiver of stamp duty and other taxes applicable to modernisation of Mumbai Airport. I am sorry to say that the answer did not say either 'yes' or 'no'. I had again put the same thing before you for reconsideration.

My second part of the question was not replied at all. I am afraid, this is the trend where the Parliament is being taken for a ride. I, therefore, demand that either the Minister should come with a corrected version of the reply or it is for the Parliament to decide keeping in view its dignity. I want a detailed reply in this regard.

SHRI NILOTPAL BASU: This whole issue is against the backing of irregularities at different stages and, therefore, we want that an inquiry should be instituted and the accountability should be fixed. The House cannot be taken for a ride like this. It is clear that the House has been misled.

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRA PATEL):

I note the concern of the hon. Members. Whatever information was given in our written reply to the House was and is the stated position. Whatever document has been given through you or what he has authenticated and placed on the Table, I have not seen them. So, there is no question of misleading the House.

II. *Setting up of a National Institute of Science in Bhubaneswar*

SHRI**B.J.****PANDA:**

I am raising a grave matter which is agitating the people of Orissa. It relates to the National Institute of Science. In 2003, the then Government announced the establishment of four National Institutes of Science in Chennai, Pune, Allahabad and Bhubaneswar along the lines of the Indian Institute of Science which exists in Bangalore. The explicit purpose of this was to bring about regional equity in providing high quality scientific and technical education to the people of India, particularly in Bhubaneswar. In the meantime, we have been shocked to note a newspaper report in 'The Statesman' two months ago, in October, saying that two similar institutes are going to come up in Pune and Kolkata. There is no further news about what is happening to the NIS which are supposed to be set up in the four places, i.e. Pune, Bhubaneswar, Chennai and Allahabad. What is really agitating us is that there are newspaper reports that the Government has made statements that there was no such plan and there was no such commitment to set up an NIS in Bhubaneswar.

There are reports that the Government has filed an affidavit in a PIL somewhere, perhaps, in the Orissa High Court that there was no such commitment to set up the NIS which is patently false because of the evidence we have got. We have no problem, if something is to be set up in Pune or if something new is to be set up in Kolkata. But what was already announced should not be taken away from Orissa. It must be set up in Orissa. I understand that the hon. Minister has, perhaps, given an assurance to the other House that the Government will respond to it. My request is, a similar assurance be given to this House also that the commitment shall be kept.

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SURESH PACHOURI):

This is a very sentimental issue. As per the information made available to me by the Ministry of Human Resource Development, on its meeting held on 9th April, 2003 the University Grants Commission had taken a decision regarding establishment of four NIS Institutes at Bhubaneswar, Allahabad, Chennai and Pune. This decision was taken under Section 12 of the University Grants Commission Act. Thereafter, on 28th October, 2003, the NDA Government, after consultation with the Ministry of Law and Justice in this regard stated that the University Grants Commission is not empowered to open such Centres as per the decision taken under the said Section 12 and, therefore, cannot materialise. I do not know whether it is true or not but as per the documents provided to me by the Ministry of Law and Justice, this was well beyond their jurisdiction.

A meeting of the Scientific Advisory Council was held on March 4, 2005 which decided to establish two new institutes. Therefore, firstly, it should be ensured that whether during the NDA Government's tenure, such a decision was not taken by the University Grants Commission but it was taken by the Government itself and if that decision was taken by the then Government, the Government will never hesitate to express its positive response over it. So far as the decision taken regarding Pune and Kolkata, I think that the Government is still committed to that. However, I would convey the sentiments of the hon. Members to the Ministry concerned.

(Shrimati Sushma Swaraj, Shri Sitaram Yechuri and Dr. Murli Manohar Joshi associated.)

III. Problems being faced by the farmers due to unprecedented rains in Ananthpur district, Andhra Pradesh

SHRI RAVULA CHANDRA SEKAR REDDY: More than 20 lakh acres of groundnut crop was washed away due to unprecedented rain during the months of October and November, 2005 in Ananthapur District of Andhra Pradesh. The total loss, according to the District Collector is estimated to be to the tune of Rs.1323 crores in one district. The farmers are staging dharnas and they are agitating. But the State Government, has miserably failed in helping the farmers. On the contrary, they are also trying to foist charges against the farmers and their leaders. I would like to request the Government to react on this. The

Government have extended some help to the State under the NCCF. But, despite that help from the Government of India, the State Government is not coming forward to help the farmers of the Ananthap District.

The farmers want a package for the Anantapur district wherein 20 lakh acres of groundnut crop has been washed away. They are in real distress. They want subsidised seeds at the rate of 90 per cent. The another request is waiver of loans. Since power supply is erratic in Andhra Pradesh, they want continuous supply of power for 12 hours. I request the hon. Prime Minister to pay a visit of that area to realise the situation prevailing there.

IV. Threat posed by the CPI (Maoist) of Nepal in India

SHRI

ANAND

SHARMA:

I want to draw the attention of this House on a very serious development. On the 14th December, the CPI (Maoists), for the first time, had an open press conference in a village in Indo-Nepal Border. Two front-ranking leaders, addressed the press conference and hundreds of heavily armed guerrillas of People's War Group were also present there. What gives it a serious dimension is that this conference took place in a border village, in a broad daylight where the media was invited and the authorities had the information, but they were not in a position to prevent that.

The leaders of the CPI (Maoists) made two significant revelations in the press conference. They said that they have been trained by the LTTE. This must receive the urgent and serious attention of the Government and this House. They have also claimed that they work very closely with the Maoists in Nepal and they also support each other. If the State in that particular region was not in a position to prevent that there is a need of a coordinated action both by the Central Government and by the concerned State Governments to address this issue, especially the gathering in large numbers of armed guerrillas. The concerned Government authorities have to identify the source of weapons from where such sophisticated weapons are coming in large numbers into the country and take measures for the seizure of weapons and disarming these armed extremists.

(Dr. Chandan Mitra, Shri S.S. Ahluwalia, Shri Pyarelal Khandelwal and Shri Mangani Lal are associated)

V. Deaths due to stampede in Tamil Nadu

SHRI V. NARAYANASAMY: It is matter of sorrow to the people of this country, and, especially, to the people of Tamil Nadu that about 42 people died in a stampede in the State. More than 37 people had suffered severe injuries because of the mal-administration in Tamil Nadu. On November 6, 2005 also six people died. Now, this is the second incident. I demand a statement from the honorable Home Minister on this issue.

GOVERNMENT BILLS - INTRODUCED

I. The Armed Forces Tribunal Bill, 2005

II. The Essential Commodities (Amendment) Bill, 2005

THE ANDHRA PRADESH LEGISLATIVE COUNCIL BILL, 2005

THE MINISTER OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ), moving the consideration of the Bill, said:

The Andhra Pradesh Legislative Council Bill, 2004, was introduced in the Lok Sabha on 16th December, 2004, and was passed by the Lok Sabha on 17th December, 2004. The Bill seeks to provide for the creation of Legislative Council in the legislature of the State of Andhra Pradesh for matters supplemental, incidental and consequential thereto. Article 16 Constitution of India provides that Parliament may by law provide for the creation of the Legislative Council, if the legislative Assembly of the State passes a resolution to that effect by majority of the total membership of the Assembly and by a majority of not less than two-thirds of the members of the Assembly present voting.

The Legislative Assembly of Andhra Pradesh had passed a resolution in July 2004 to this effect. Thereafter, a Bill to the effect, containing a similar provision for the State of Tamil Nadu also, was introduced in the Rajya Sabha on 10th May, 1990, and had been passed by that house on 28th May, 1995. This Bill, however, lapsed on the dissolution of the ninth Lok Sabha, and the State of Andhra Pradesh, later, withdrew its request for the revival of the Council. The present Bill seeks to provide for creation of the Legislative Council in the State of Andhra Pradesh, with a total strength of 90 Members. The local authorities like Municipal corporations, Municipalities, Nagar Panchayats, Cantonment Boards, Zila Praja Parishads and Mandal Praja Parishads have been represented in the Legislative Council.

The Bill was introduced in the other House on 16th December, 2004, and was referred to the Department-Related Parliamentary Standing Committee of Personnel, Public Grievance and Law and Justice for examination and report. The Committee presented its report wherein it favoured the Bill and recommended to have a re-look on the issue of enrolment of primary teachers in the teachers' constituency.

The Government, therefore, does not accept the recommendation of the Departmental-related Standing Committee to have a relook at the issue of enrolment of teachers in constituencies. I commend that this Bill may be taken into consideration.

SHRI

PENUMALLI

MADHU:

The Bill is regarding revival of the Legislative Council for the State of Andhra Pradesh. The Communist Party of India (Marxist) is opposing the Bill. Some political parties are supporting it in the State of Andhra Pradesh and opposing in the Parliament. In view of the federal nature of the Indian Union, the Rajya Sabha, has to be there to represent the views of the different States in India. Such is the situation all over India, but in the State of Andhra Pradesh, a similar situation does not exist. So, we think that for the State this Council is not necessary. It will only be a body with extra expenditure.

The people of Andhra Pradesh think that it is not advisable to revive the Council, as it is proposed to solve the problem of political unemployment. The people who are defeated in elections and who are having some money, are provided membership to the Councils. Due to this experience, in 1985, it was decided to abolish the existing Council. For twenty years, without any Council in Andhra Pradesh, we were able to provide good governance there. So, we, the Communist party of India (Marxist), have decided not to support this Bill.

SHRI KRIPAL PARMAR: I support this Bill. There is a provision of Council of States at national level and Legislative Councils at States level in Constitution itself so that all sections of our society get representation at the Centre and State level. As far as Andhra Pradesh is concerned, it is a big State. Although, there are more than 200 seats in the Legislative Assembly but in spite of this, diverse sections of the society in such a big State can not be incorporated in Assembly.

Although, one member has said that this practice is expensive and this practice should be abolished. But I do not agree with the above view because in the name of extravagance we can not avoid any institution. In all larger States, whether it is Uttar Pradesh, Bihar, Maharashtra, Karnataka or J&K, legislative

Councils are playing very important role in these States. I would request that such Councils should be established in all the States.

DR.T. SUBBARAMI REDDY:

I support this Bill. In 1957, the Legislative Council came into existence in Andhra Pradesh. Whatever the case might be we have the utmost respect for democracy and democratic values. Following in democratic tradition in 1985, Andhra Pradesh Government passed a Resolution for abolishing the Legislative Council. So, in 1985 the Legislative Council was abolished. In the meanwhile, the people of Andhra Pradesh have been feeling as to what is the role of the Legislative Council.

Members of Legislative Council are not hundred percent political people who will unnecessarily fight for political motivation everyday. In fact some people are elected by the graduates and teachers. Thirty MLCs are elected by local bodies. Local bodies have also got intellectuals. Only 31 Members are elected as Assembly Members. So, the role of Legislative Council is definitely useful to the State.

It is not an argument that other States are not having Legislative Council. You cannot link it with other States. Each State has its own culture, heritage and its own circumstances. It cannot be said that if Legislative Council comes into being simply one party will dominate. Only the people will decide who will dominate. Therefore, from all these logics, it is good that the Legislative Council comes into existence. Some people say that expenditure will be more. The Budget of such a big State is in thousands of crores and it costs three crores for the maintenance of democracy and democratic values, which is very important. People's views will be transmitted through the Legislative Council of Andhra Pradesh. The role of Legislative Council would be very important, constructive.

SHRI

P.G.

NARAYANAN:

I oppose the Bill. I submit that Legislative Councils in the States serve no purpose at all. Really, it has no power to approve or reject any Bill. There is no use of Legislative Councils in the States. At present, only five States have Legislative Councils. It is waste of money. Once the Legislative Council is abolished, it cannot be revived again. It goes against the law. I appeal to the Government to withdraw this Bill.

SHRI RAVULA CHANDRA SEKAR REDDY: I oppose the Bill. The hon. Minister while presenting the Bill has not given any justifiable reason for reviving the Council. Even the Statement of Objects and Reasons also does not contain any justifiable reason for reviving the Council. The argument given was that it is a Resolution of the Andhra Pradesh Legislative Assembly. My contention is that there are two other Resolutions, unanimous passed by the Legislature of Andhra Pradesh. They have been kept in dark, rather cold storage. Now, here is a peculiar situation, the parties who are opposing the Government are supporting the Bill, and, parties who are supporting the Government are opposing the Bill. It is nothing but a mockery of democracy. They want to sustain in the Government with the help of left parties, and they want to get the Bills passed with the help of BJP. Is it not double standards.

They are interested in the Legislative Council Bill. They want to rehabilitate the so-called intellectuals of the Congress party in the Council. In the present scenario, people like, teachers, doctors, lecturers, lawyers are coming into the Assembly as well as the Parliament. We cannot compare Rajya Sabha with a State's Council. All the BJP-ruled States do not have the Council. Article 169 (123) is not applicable to the present Bill. In view of these reasons, I oppose the Bill.

SHRI NANDI YELLAIAH:

All the persons who do not have participation in the Legislative Assembly and who cannot become a Member of Assembly, should remain there. Therefore, I consider that there should certainly be a Legislative Council. There is a provision in our Constitution in this regard. Shri N.T. Rama Raoji had abolished the Council. In the elections, people belonging to various categories had prayed for the reconstitution of Legislative Council. So, we made a commitment to constitute the Council. That commitment would be fulfilled. Persons coming from various walks are given opportunity in the Council. After a long period of time, a resolution has been passed in the Legislative Assembly. Therefore, Legislative Council should be formed there. I support this Bill.

PROF. RAM DEO BHANDARY:

I support this Bill. There are large number of such areas in the society where many prominent persons do not get opportunity to become members of Legislative Assembly and Lok Sabha. Legislative Council is formed to give opportunities to such persons. Nowadays, it is a very difficult work to fight elections.

The system of secret ballot should be put in place for the members who are elected from the Legislative Assembly. Prominent persons belonging to many areas get representation in the Council. Prominent persons such as teachers do not get opportunity to become member of Legislative Assembly. Persons get wide area to do service. Therefore, I support this Bill that Legislative Council should be formed in Andhra Pradesh.

SHRI N.K. PREMACHANDRAN: On behalf of my party, the Revolutionary Socialist Party, strongly oppose this Bill. In order to protect the federal characteristic of our Indian Constitution, the bicameral legislative system is being adopted. But what about the State Legislature? I want to know whether the Council to be formed or to be revived in Andhra Pradesh, according to this Legislation, is the Council of Districts. The right of secret ballot has already been taken away.

Why is the Government or the Congress Party not taking a policy so that we can have a bicameral legislative system in all the States? CPM has said we should have a uniform national policy in respect of State legislative system. The BJP is also supporting this Bill. The TDP is strongly opposing it. It is not on the basis of a unanimous resolution passed by the State Legislature. There should be, at least, some consensus in these matters. Suppose another party having majority comes to power. It will abolish it. The State like Andhra Pradesh is suffering from floods and cyclones, we are going to spend Rs.150 crores per year for reviving the State Legislative Council. What is the logic of it? What about our Panchayati Raj institutions? Even now in States like Pondicherry, we are not able to conduct elections because the administration and the grassroot level democracy are not working there. At this stage, the revival of a separate Council for the State is not required. It cannot be justified in any terms. Therefore, I oppose this Bill.

SHRI M. VENKAIAH NAIDU: I rise to support the Bill. Our stand is very clear that if a particular State wants to have a bicameral legislature, if resolution has been passed, the Parliament, in its wisdom, should approve it. We had opposed the abolition of the Council. This particular Legislature was created where people can discuss the issues in a threadbare manner and in a much more matured manner. We have provision for nomination of twelve experts from various fields.

The Constitutional-framers, in their collective wisdom, have discussed it in depth and gave the scope to the States to have another legislature so that this House gets represented by various sections of the society, and then, the interests of those sections are highlighted.

Coming to the situation of Andhra Pradesh, to say that it will be a very big expenditure for the State, I don't agree with that argument. Any expenditure is expenditure. At times, it is very painful when we see good legislation being stopped by the Lower House, and we have to discuss it all over again. Of course, this is the beauty of democracy. This is the system one has to undergo. So, on this question as to whether the Upper House is required or not, we should have a debate and only then we should come to a conclusion. Now, in Andhra Pradesh you are not going to create any new infrastructure and so there is not any additional financial burden in the beginning itself. The Legislative Council can be better restructured. This is a better way of accommodating various sectional interests of the people.

The Legislative Assembly of Andhra Pradesh has made a recommendation for the creation of the Legislative Council. There is a majority opinion in favour of creating the Legislative Council. My submission is that this bicameral legislature, in one way, is a good thing. We can have a trial and then based on our experience, we can decide once for all whether we should have it or not. The sectional interests of graduates, doctors

advocates, Chartered Accountants, Engineers are represented there. Their representatives have to go to the people again; they have to reflect their aspirations also. So, that is the better way of representing the interests of various sections across the society.

If something which is to the liking of the people is done by any party, irrespective of political differences, we stand by that Bill only. As far as nomination is concerned, there is a scope for nomination of 12 people. Nomination of those 12 people should, at least, be on the basis of merit, on the basis of contribution they have made to various fields, so that there is more acceptance for the concept of Legislative Council. The Council constituencies have also to be re-organised. The regional imbalance is there. We have to address this issue also. I support this Bill because it is the wish of the people of that State.

SHRI C. RAMACHANDRAIAH:

I feel it is a retrograde and an unprecedented step. Till now, no Second Chamber in any State is rebuilt after it is dismantled. It is not mandatory Constitutionally and we cannot equate the Rajya Sabha with the Second Chamber in a State. Rajya Sabha has got a role to play. That type of a role is not there for a Second Chamber in a State. We can argue that Rs.150 crores is a pittance in a State's Budget. The argument does not hold good. Till now, there are a number of States, which do not have a council. Do you think democracy strengthened in those States?

From 1985 to 2005 there was no council in Andhra Pradesh, and nobody felt it necessary and nobody suffered in the absence of a Second Chamber. Why do you not have two Chambers in all the States ruled by you? There should be a uniform policy. This is with a noble intention of giving representation to all walks of life. Why don't you give tickets to the people with good character? Then the State Assemblies will have good people. The Lok Sabha will have good people.

SHRI JESUDASU SEELAM: There is a three-tier democratic system i.e. the Centre, the States and the Zila Panchayats. So, the voice of the Zila Panchayats also need to be articulated. I agree that the delimitation of the MLC constituencies is required to be done in Andhra Pradesh.

As a consequence of the 74th Constitution Amendment Bill, we have created three-tier institutions. That is not reflected either in the Lok Sabha or in the Rajya Sabha. It has to be reflected properly in the Legislative Council. There is a need to have the Legislative Council in Andhra Pradesh to start with. Congress Party has a great respect for democracy. Whatever the people of that concerned State might say, they come with a resolution; we are ready to accept that. While having a relook at the constituency delimitation proposal and the re-constitution of the Council, we would like to humbly request the Law Minister to have reservation for the Scheduled Castes and the Scheduled Tribes, because we can use the talent from this category. I have seen the role that money, muscle power, and expenditure play in the elections from very close quarters. Apart from that, there is a commitment before the elections not to take any populist measures. I request the hon. Minister to give representation to the Panchayati Raj Institutions. Then, only, Constitution and the 74th Amendment will have a meaningful implementation. I support the Bill.

SHRIMATI N.P. DURGA:

I rise to oppose the Andhra Pradesh Legislative Council, Bill, 2005. In many respects, Rajya Sabha has a different role and status in the scheme of things than that of a Legislative Council. The Rajya Sabha acts as an effective check on the Lok Sabha. But, when it comes to the Legislative Council, the history of the last 50 years shows that they have utterly failed in delivering the goods. More than 50 per cent of the Legislative Councils have failed to meet the expectations of the people and have become political rehabilitation centers and, moreover, they have no check on the Legislative Assemblies. Moreover, it drains the Exchequer to the tune of Rs.150 crore annually of the State which is reeling under severe financial crises. To my understanding, this Bill is unconstitutional, unethical, against the rules of procedure and against the wishes of the people of Andhra Pradesh. If you look at Article 197, the Legislative Councils have power only to delay matters, and that too only for a limited time. If a Bill that is passed by the Assembly is rejected by the Council, the form

can pass it again in the same form for transmission to the Council, and if it is again rejected, the Bill shall be deemed to have been passed by both the Houses. The other logic given by the Government of Andhra Pradesh is about giving representation to certain special functional interests such as local bodies, teachers, graduates, scholars, experts, etc. In our democratic set up, large emphasis is given on setting up of various fora, like the National Integration Council, Citizens Peace Committees, Citizens Advisory Committees, etc. So, these citizens are given due representation in these bodies. I appeal to all my hon. colleagues, to out-rightly reject this Bill and save money, and also, stop the creation of another political rehabilitation center.

Replying to the debate, hon'ble Minister, said: I would like to thank all the hon. Members, who have taken part in this debate. Some of them have eloquently spoken, to the point, as my senior colleague, Shri Venkaiah Naidu. I would not like to go in to the efficacy of a bicameral system of Legislature. Even in the States, where we have provided for legislatures, we had provided that they could also have two Houses. It is left to the discretion of the Assemblies there and the Government there. It depends upon the finances of State and the desires of the people residing there, as reflected in the Assembly. There is a purpose for which the Houses have been created. Debating forums always pay. Therefore, it is left to the wisdom of the House, the Parliament, whether it decides to have a debating forum or abolish a forum, wherever it is already there. The Parliament has been empowered that if two conditions are satisfied, namely, the Resolution is passed by the Assembly of the State, and it is passed by a special majority of two-third Members present and voting, then the Parliament may create or abolish the Legislative Council. When people elect a Legislature in the State, we have to pay due regards to that Legislature.

Having a Second House depends upon the needs, requirements and conditions of a State whether they would like to have a Second House or not. Once the Parliament passes a law and it is enforced, there is no question of a House surviving. Once this is passed, we will consult the Election Commission. Then, they are going to be notified. Thus, all aspects will be taken into consideration. I will commend that this Bill passed.

The motion for consideration of the Andhra Pradesh Legislative Council Bill, 2005 was adopted by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

The clauses etc. were adopted by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

The Bill was passed by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

THE TAXATION LAWS (AMENDMENT) BILL, 2005

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PALANIMANICKAM): I move:

“That the Bill further to amend the Income Tax Act, 1961 and the Finance Act, 2005, as passed by Lok Sabha, be taken into consideration.”

SHRI YASHWANT SINHA: I rise to speak on the Taxation Law (Amendment) Bill, 2005. Who went through this Bill which replaced the ordinance, I found that there were two types of provisions in this Bill. I would like to say that obviously the Finance Minister while presenting the Budget for 2005-06, did not do a complete job. As a result, it became necessary to come with two sets of Taxation Laws (Amendment Bill). I am not able to accept the argument of the Finance Minister that all that was not possible to anticipate at the time of framing of the Budget, and, therefore, it became necessary to do it through an Ordinance. The explanation given is that many of the airlines in India would not complete the lease agreement; therefore Finance ministry was approached by these airlines to extend the date beyond 30th September, 2005. Therefore, the date is being sought to be extended up to 31st March, 2006. Why could not this be anticipated? In the Budget itself, perhaps, he could have extended the date up to 31st March, 2006. The Finance Minister says that the Cabinet had already decided that certain incomes from international sports events to be held in India will be exempted from tax. I am absolutely amazed that when the fringe benefit provisions were being finalised by the Minister of Finance, why this very simple thing like excluding political parties from the liability to pay fringe benefit tax was not there? When we are making an omnibus provision that everyone will pay fringe benefit tax, then, at the same time, one should have thought which are the bodies, institutions and organisations which will not be subjected to fringe benefit tax. These are some provisions which have been incorporated, which necessitated the promulgation of this ordinance. Therefore the short point I am making is that except for Dabhol Power Plant, all of them should have been anticipated.

I find that two entirely unrelated and new provisions have been included in this Bill which is supposed to replace the Ordinance. And, these, are Provision 3 and 4 and they relate to taxing of export income. It was not included in the Ordinance in the first instance. It has now been included in the Bill. Every one is aware that if an important Bill, like other Taxation Laws (Amendment) Bill, is introduced in the House, it would be referred to the concerned Standing Committee. This is the Parliamentary system which has been evolved in this country over the last many years that a Bill will go to the concerned Standing Committee and the Standing Committee will get a chance to make its recommendations to the Government. You are denying an opportunity to the Standing Committee to examine the provisions of the Bill.

Now, export income has to be taxed, in this particular case. The hon. Finance Minister is a distinguished lawyer. I would say very humbly that that is not correct because an exporter will take advantage of this provision only when export has taken place. It is directly connected with export-import. This matter was represented to the Prime Minister. The Prime Minister referred it to the Prime Minister's Economic advisory Council. And, the Prime Minister's Advisory Economic Council has suggested that it should deal with it in the manner in which the Finance Minister has dealt with it.

The Economic Advisory Council of the Prime Minister consists of very eminent people. I have great respect for them. I will, most respectfully, submit to this House, that cutting across political party lines, as far as these two provisions are concerned, they should be deleted from the Bill. This Bill should be referred to a Select Committee of this House. The Select Committee of the Rajya Sabha should get an opportunity to apply its mind, and give its suggestions.

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YOGENDRA NARAIN,
Secretary-General.

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******Supplement covering rest of the proceedings is being issued separately.**

***-This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.**