

Title: Introduction of the Election and Other Related Laws (Amendment) Bill, 2002.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): Sir, I beg to move for leave to introduce a Bill further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961.

MR. DEPUTY-SPEAKER: Motion moved:

"That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961. "

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I oppose the introduction of this Bill. My opposition to this Bill is confined to one material aspect that this legislation is beyond the competence of this House. Now, the main purpose for which the Bill is introduced, according to the Statement of Objects and Reasons, is to bring in transparency in the financial contribution to political parties by corporate sector and other persons. To bring in transparency in the contribution to political parties is an impossibility.

We cannot legislate upon those subjects. It is concerning the relationship between the political parties and the company. We cannot legislate on that business. It would be a futile exercise to dwell upon that subject because there would be no end of the matter.

Political parties contribute according to their will and pleasure. If the contribution is allowed, definitely that would be a death blow to the Indian democracy. We all know in elections money is a deciding factor. Money can influence our elections and electoral process. It would be a futile exercise if money is made a deciding factor in the matter of elections.

Sir, you would agree that the election is the most important thing. Without elections, we cannot decide the will of the people. So, in that process, if money is allowed to have a free play, that would be a death knell to our democracy. That is why, it was banned long before. Now, the present Bill seeks to amend that portion and that the political contribution by companies to political parties is made legal by this legislation. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: You are going into the merits of the Bill. You can only object on the basis of the legislative competence.â€¦ (*Interruptions*)

SHRI VARKALA RADHAKRISHNAN : Now, the Committee also did not make any recommendations and it was left to the court. ...(*Interruptions*) Let me conclude.

My humble submission is that we may be making a futile exercise. Now, our democracy is built upon the political will and that political will should not be influenced by money. I strongly hold that nothing can succeed unless and until there is a political consensus. So long as there is no political consensus, any attempt to bring in the idea of contribution of money in the elections by the corporate bodies would not be successful. After all this is the political process.

The hon. Member is even attempting to bring in a legislation wherein we have no power. ...(*Interruptions*) Moreover, in the present case, there is no consensus between the political parties. The Election Commission has also not made such a recommendation. Therefore, my humble submission is that this is a premature exercise and this would be a futile exercise. I may repeat that we are entering into a field wherein we have no control. Political parties are controlling the system. ...(*Interruptions*) There can be no transparency in money matters by this legislation. So, I would suggest that as per the Goswami Committee Report the present system be allowed to continue until the political consensus is arrived at between the political parties. So, I strongly oppose the introduction of the Bill.

I once again urge upon the Minister not to proceed with the present Bill.

SHRI ARUN JAITLEY: Sir, the Bill seeks to amend three legislations – the Representation of People Act, which is Entry 72 of the Union List, the Companies Act, which is Entry 43 and 44, and the Income-tax Act, which is Entry 82 of the Union List. In all the three matters, this Parliament has the full legislative competence to enact this law.

* Published in the Gazette of India, Extraordinary, Part-II, Section-2 dt.19.3.2002

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961. "

The motion was adopted.

SHRI ARUN JAITLEY: Sir, I introduce the Bill.

13.40 hrs.

*The Lok Sabha then adjourned till forty minutes
past Fourteen of the Clock.*

14. 46 hrs.

*The Lok Sabha then re-assembled at forty-six minutes
past Fourteen of the Clock.*

(Shri P.H. Pandian *in the Chair*)