

**14.38 hrs.**

**ELECTION AND OTHER RELATED LAWS (AMENDMENT BILL), 2003**

**Title: Discussion on the Election and Other Related Laws (Amendment ) Bill, 2003. (Bill passed)**

**MR. DEPUTY SPEAKER:** The House shall now take up Item no. 14. The time allotted for this item is two hours.

**THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY):** Sir, I beg to move:

**"That the Bill further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961, be taken into consideration."**

Sir, the need for this Amendment Bill which seeks to amend the Representation of People Act, the Income Tax Act as also some provisions of the Companies Act has arisen on account of the fact that there has been a larger consensus both in the democratic polity of India as also amongst the various political parties that 56 years after Independence, we have still not been able to establish a transparent mechanism by which politics, political activities and political parties in the country are to be funded. The Committee headed by late Shri Indrajit Gupta had submitted a Report in 1999 where it had given some very valuable suggestions in relation to State funding of elections.

It was envisaged that the funding would take place on the basis of a corpus created, and which would be contributed by the Central Government and the State Government. Most State Governments expressed their reluctance to contribute amounts to it on account of various fiscal pressures on the State Governments themselves. Therefore, the Government looked into this question as also several other suggestions which are being made by different political parties and also by the persons outside the parliamentary arena as to how to make and develop a transparent mechanism of funding of Indian politics. I do recollect that about a year and a half ago the Congress Party also had set up an internal Committee headed by Dr. Manmohan Singh. The Committee had made several suggestions in regard to streamlining of this entire process. Therefore, this (Amendment) Bill is really intended to develop this transparent system as an alternative to what many believe has to be no system by which politics is being funded or any invisible system by which it is being funded.

Sir, the ingredients of this Bill are that any person, and "any person" includes not only an individual, a partnership, HUF, also a company, but it excludes Government companies that are entitled to make contributions to a recognized political party. In order to incentivise contributions to be made by cheque, a procedure had been streamlined in this Bill that contributions can be made by cheque as far as individuals are concerned, partnerships are concerned, and HUFs are concerned. This is private money of individuals. There is no limit imposed on it. But as far as companies other than Government companies are concerned, because it is also shareholders' money, there is an upper cap of five per cent imposed under the Companies' Act. More than five per cent of profits cannot be contributed. Whatever is the amount so contributed in order to incentivise donations by cheque, an Amendment is being proposed to the Income Tax Act wherein a suitable deduction as an admissible expenditure for the amount so contributed would be available to the donor under the Income Tax Act. This is intended so as to incentivise persons to give donations to political parties by cheque. There will be an incentive for that in terms of the fiscal regime being amended in that purpose. Political parties in turn will have a responsibility to audit their accounts, to strictly maintain their accounts. They will be required to maintain a list of all donors who donate more than Rs. 20,000, in a given financial year. That entire statement of accounts, signed by the authorised person of the political party, would be submitted before the Election Commission each year. So, the object of this Bill is two-fold. One is to switch over from the present system where many believe that contributions are made to political parties through black-money which is generated. As a replacement to this contribution which could be incentivised and be made by cheque, there will be a responsibility on the political parties to maintain their accounts, to audit their accounts, and to regularly file their returns before the Election Commission in addition to the returns being filed before the appropriate income tax authorities. Additionally, the Committee, headed by late Shri Inderjit Gupta made certain suggestions with regard to the State funding. We could not implement all the suggestions made by the Committee because the States were reluctant to contribute to the funds which were to be created for the State funding. But we decided to make some beginning in this matter, and the beginning which has been suggested in this particular Bill that as far as electronic media is concerned, which include both the public broadcaster and also the private electronic media and the cable channels, the Election Commission would be empowered at the time of elections to draw out a code for them so that there is equitable and fair sharing of time by all political parties as far as the electronic media is concerned. The time would be allocated on the basis of the votes polled by the political parties in the preceding elections. Additionally, voters lists would be made available to political parties and candidates free of cost. There is also an empowering provision in this Bill that depending upon the improvement in the finances

both with the Central Government and the State Government, such other facilities at the expenditure of the State, which could be given to candidates at such an election as the financial position improves and also the ability of both the Central and the State Government improves. Those additional amenities to be given to candidates at elections, could also be provided under this particular Act.

There is also a proposal to add an explanation to Section 77 to obviate any requirement for any ambiguity that may arise in future in relation to the expenditure incurred by a candidate at the time of elections. Candidates incur expenditure on their own behalf, for, at times, when national leaders of political parties visit constituencies or State leaders visit constituencies, the expenditure which is incurred for the visit of these national leaders or State leaders, particularly in relation to their transportation – some may fly in planes or even private planes or helicopters – now if that expenditure is added to the expenditure to be incurred by each individual candidate, then, perhaps, for inviting a State or a national leader of his party, bulk of expenditure of the candidate would be included by that one visit. So, this Bill has clarified – because such ambiguity had arisen in the past – that this expenditure would not be treated as an expenditure attributable to any particular candidate which is in relation to the national and the State leaders of that particular party who incur the expenditure. There are also certain persons in relation to whom there is – because of security requirements – some responsibility of the Governments to provide some mechanism in relation to security or such other facility as in the case of the Prime Minister or other VIPs who are protected VIPs. Now, a lot of Government employees, including security personnel, are deployed for such persons to whom security is to be provided or other arrangements are to be made, the expenditure incurred on them also would not be attributable to any particular candidate because such expenditure is not really in furtherance of his election prospects.

Sir, this is a modest beginning which we are attempting to make to, at least, cleanse the process of politics by which there is a transparent funding mechanism of Indian politics. Parliament, Parliamentary democracy and political parties are inherent aspects and components of Indian democracy. What should be the funding mechanism of political parties, candidates, has remained a big question before the public, as a result of which several questions relating to the credibility of politics and political parties is involved.

These amendments, which have been proposed, amalgamate some suggestions, if not all a few suggestions, made by the Committee headed by the late Indrajit Gupta, as also suggestions which have been made by several parties and several other well-meaning persons so as to cleanse the funding mechanism as far as Indian politics is concerned.

With these few observations, Sir, I commend to this hon. House that this being a modest beginning in this regard, that this Bill may be discussed and finally approved by this hon. House.

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961, be taken into consideration. "

SHRI E.M. SUDARSANA NATCHIAPPAN (SIVAGANGA): Sir, I stand to support this Bill which is the need of the hour. It is because the political parties and politicians are very important subject matters of discussion nowadays in the media. Now, the politicians have got a very important role of governing the country and also the States. We have made three-tier system where the local administration is also under the people's representatives. At such a juncture, we need a lot of money for reaching the people and putting forth our ideas when we are contesting the elections. Running a political party is also a very big task. In such a position, there will be a lot of allegations regarding the corrupt practices, misusing the Government machinery, and also getting the contributions from different sources.

A very important allegation made by the media is that the black money is circulated for the purpose of the political activities. Therefore, it is a very important thing on which the entire nation is now debating, but the Government is coming forward with certain suggestions which were made by the Standing Committee on Home Affairs. But, at the same time, as the hon. Minister has mentioned, Dr. Manmohan Singh has given a lot of suggestions to the Congress Party and we are implementing them in a proper way.

At the same time, the contribution level of Rs.10,000 is now increased to Rs.20,000, which is to be accounted for

and the reports which are to be given by the treasurer or a representative of the party to the Election Commission also have to follow according to the new amendments made in this Bill. So, the funds that are coming through different sources are restrained now by this Bill. The Government-owned companies cannot contribute but at the same time individuals and private companies can contribute. These contributions would be shown in the accounts given and reported by the political parties to the Election Commission. In the same way, the parties who are contributing can also show it in their accounts.

There are political parties now coming up in multiple numbers. At the same time, independents are also contesting elections. Now, there is a vacuum regarding contribution to individual candidates. This Bill is confined only to political parties and not to individual candidates. So, candidates ought to depend upon the political parties. This is where corruption comes in. A candidate should have the freeness and he should not have any binding that there is a financial crunch for a particular candidate. Political parties are now coming up in different guises and are spending a lot of money which is not accountable. They can very easily escape in different ways but the individual candidates in different areas are facing the financial crisis. If you take the example of Tamil Nadu, it is one of the places where the costliest electioneering is going on. We cannot say that it is restricted to the accountable limit of Rs.15 lakh for an election to a Parliamentary constituency. We can see that the expenditure goes up to Rs.1 crore or even Rs.2 crore. The public can easily see that while the limit for spending is Rs.15 lakh, the actual expenditure is Rs.2 crore. They are lavishly putting up their own advertisements, wall writings, posters, banners, hoardings and cut-outs and spending money for transport facilities and everything else.

It was only during the period when Shri Rajiv Gandhi was the Prime Minister and when Shri T.N. Seshan was the Chief Commissioner of the Election Commission that things went on properly and the expenditure was confined within limits. If someone went outside the limit, that was exposed then and there and he was penalised. Even now, the Election Commission is giving out rules and observers are reporting matters. We cannot shut our eyes. We cannot dupe the people saying that everything is happening within the laws laid down. That duality is now being questioned by the media and also by the people who are observing the developments in our democracy. Therefore, it is high time we brought things within the law.

Any individual or any company contributing to individual candidates should also be allowed to make such contributions and the freedom to receive contributions should not be confined to political parties alone. We have a multi-party system and independents are also allowed to contest elections, who cannot get contributions while political parties can get contributions.

I would like to draw the attention of the Government to one more aspect. There are NRIs, the people who are interested in having good governance at the Centre and also in the States. They are interested in contributing to political parties but their contributions are not coming in the legal way. Therefore, we are having a parallel economy where the contributions are not accounted for. Now, we are going to have a law where political parties would be required to properly show their accounts to the Election Commission. So, if NRIs or people living in foreign countries are ready to contribute to a particular party or a particular principle, that contribution should come through the legal route. Money is coming in but it is not coming in through the legal route. So, this should also be considered in future and amendments should be brought in.

Regarding this Bill, I would like to confine myself to saying that the system that is now being created by this amendment is welcome.

At the same time, I would like to say something about the equitable sharing of the time on the cable TV and electronic media. Now, the publicity is given in the newspapers. Newspapers are carrying a lot of advertisements for individual candidates and the political parties. There are some parties which cannot contribute to that level. How are we going to make it? It is just like the Government advertisements. So, why do you not allow some expenditure by the Government to be allowed to the recognised political parties to advertise in the newspapers also? Then, they can very easily see and have a comparative study. So, instead of having the contribution from different political sources, the Government should allow and treat it as one of the advertisements of the Government and the recognised political parties should be allowed to participate equitably in the advertisements during the course of the election period.

In the United Kingdom and in other countries, the entire expenditure of the election is born by the Government. We cannot go to that extent because our exchequer cannot allow it. But, at the same time, we have to consider it, at least, and we should go nearer to it.

Now, the posters are very costly ones. We have to restrict it. There are some restrictions also. But, at the same time, there should be a sort of contribution by the Government, by allowing the posters by the candidates. However, it should be a confined one. There should not be any unequitable posters put up in a particular constituency. There should be equality given to the parties also. The Government should also consider that contribution. In the same way, there is electronic media, which is run by the local cable TVs. They are reaching the homes faster than the

national network or the regional network. Therefore, we may be having the Doordarshan or other cable TVs, which may give some chance to us and which may give some chance to political parties also to debate upon a particular issue during the time of the election.

In the same way, the Government should also help the local TV so that they will also give equitable chance to the candidates, especially to the political parties, which are recognised by the Election Commission.

Now, a very wide scope is given for the Executive by insertion of new Sections 78A and 78B where, in due course, whenever there is a necessity for a particular Government or a particular State Government, they can widen the scope by giving free distribution of certain materials, which are not mentioned. But statutory possibility is given to the Executive so that they can consult the Election Commission and give it freely. The voters' list is mentioned as one of the free materials given to the parties.

Now, nothing is mentioned regarding the candidates. There, again, I want to say that independent candidates are standing and unrecognised parties are also standing in the elections. I want to know whether they are going to be helped by giving these free distribution of the voters' list or not. It is because every candidate is not given the voters' list and only the recognised parties are given the voters' list. I would like to know whether that would also be considered. It has to be answered by the Government.

Now, using of vehicles, fuel and other things are very important. It is a welcome measure to give possibility for the leaders of the political parties, which is numbering about 31 to 41. That way they are given funds and they are allowed to incur their own expenses when they are going throughout India for the election purpose. But what about the candidates? A number of candidates are having a lot of money to utilise. They can hire many vehicles. But what about the individual candidates? Will a substantial number of vehicles be given to them because the number of voters to be reached is very large in India? It is from ten lakh to 50 lakh. How many people have to be reached by using these vehicles by a single candidate? In the same way, the fuel charges are going up very heavily. Once, it was rationed in certain years, but, now, at least, some fuel charges should also be born by the Government. These are some of the things which will help in reducing the possibility of the corrupt measures and use of black money.

In the same way, I would like to suggest that the State Governments are suffering because of the financial crunch. When they go for Legislative Assembly elections, they should also be contributed by some way or the other. We have to find out the funds and those should be utilised for the State Governments.

In the same way, I would like to point out that around 50,000 people or above elect representatives for the Local Boards and for the District *Zila Parishad*.

#### **15.00 hrs.**

Those people also need a lot of funds. There, the ordinary people cannot stand for that election and they cannot reach the 50,000 people without the help of the Government. Therefore, the State Governments also should help the candidates when they are conducting the Zilla Parishad elections and Local Board elections so that the crunch of the money for genuine candidates, who is ready to help the people and who is ready to fight for the cause of the people is not felt. They should not feel that because he is poor and he is having no money he could not serve the people. That aspect should be looked into by the Government.

With these words I support this Bill.

SHRI ANADI SAHU (BERHAMPUR, ORISSA): Thank you, Mr. Deputy-Speaker, Sir. I stand here to support the Election and Other Related Laws (Amendment) Bill, 2003. Before I go into the provisions of this Bill I must congratulate the hon. Minister of Law and Justice for the resilience he has shown in accepting the recommendations, in toto, of the Standing Committee on Home Affairs, and a new and freshly drafted Bill has been presented to the House.

#### **15.02 hrs** (Shri P.H. Pandian *in the Chair*)

Mr. Chairman, Sir, any legislation, for that matter requires an assessment of factors that govern a particular situation at a particular given point of time. The factors are political, social and economic considerations. In amending the Representation of the People Act, the NDA Government has taken into consideration all aspects which have been bothering the Parliament and the contesting candidates for the last 52 years. The hypocrisy part of it is being removed slowly, steadily but effectively. We have already enacted a number of amendments relating to the Representation of the People Act and I hope this is the fourth Amendment which is coming up today and I am



hoping also that another two amendments are in the anvil and those will also come.

We must thank Shri Indrajit Gupta, who is no more with us, for having started a dialogue and a comprehensive policy for State funding of elections. This Bill aims at part of State funding – not full State funding but part of State funding – and this Bill also aims at transparency at all levels. It aims at accountability and fairness. The Government is to be congratulated and the hon. Minister of Law and Justice is to be congratulated for having meticulously taken into account all aspects of electioneering. As I said, the hypocrisy is being removed which is known to everybody and everybody has been practising it also as to how to manipulate the records so that the Election Commission does not put the axe on the candidate or the Party concerned.

It is also a fact that when a number of VIPs belonging to different political Parties visit a particular area, lot of *bandobust* has to be done, arrangements have to be done. Since there is a threat perception to large number of VIPs or important persons, an elaborate arrangement has to be made whether he or she goes by air or by road or whatever it is and it involves a lot of expenses. By making a provision in Clause 4, the expenditure of all political Parties has been explained in a very beautiful manner so that the candidate is not put to any difficulty at all. He is able to go in another matter and the accountability part is taken away from his expenses itself. The threat perception has been rising everyday. The fundamentalist groups have been attacking people at different places. Only the other day, in Mumbai, there was a bomb explosion where a number of people had been killed. As you know, everyday, in Jammu and Kashmir, an average of ten persons are being killed and there are repercussions of it all over the country where the fundamentalist groups from across the border have been creating problems. At the time of elections also, this will be a problem of greater magnitude.

So, by bringing this amendment to Section 77 of the principal Act, the Government has taken into account the reality that has been prevailing in this country itself. As I said, the most important fairness that is coming is regarding the use of the electronic media and the cable television network. It has been explained in a very proper manner and section 39A of the Representation of the People Act is being amended by this enactment itself.

I would like to know one thing. A lurking doubt comes in my mind about those who have not harnessed or who have not controlled the print media. We have put some sort of a restriction on the electronic media or on the cable network and the cable network may, in a way, circumvent this provision by making advertisements for a particular candidate. That has to be curbed. I would urge upon the Minister himself to give guidelines to the Election Commission to prescribe different rules – there is a question of prescription also – so that advertisement part of it is also a part of this control over electronic media and cable network communication media, to put a restriction so as to see that they do not allow different people to circumvent this legislation itself.

The third thing, which requires a little bit of thinking also, is of giving 40 members of VIP category in a recognised political party as per Explanation 1(a) and 20 members for the unrecognised political party. To my mind, this is too liberal a matter because there is mushrooming of unrecognised political parties to some extent and regional parties are coming up in large number as a result of which this 20 number, which has been indicated, would be too large a number so far as Explanation 1 to Section 77 of the Representation of the People Act is concerned. I would request the hon. Minister to ensure by a dialogue with the Election Commission to see that there is some restriction on those political parties which are not recognised at all. If they come up at the time of elections, a period should be there, a gap should be there between the election and the parties which are coming up for facing elections because if a political party comes up at the nick of the moment and asks for 20 people to be of the VIP category, I think, it would be too much to ask for.

Mr. Chairman, Sir, the Statecraft or managing a State is a complicated affair and anybody, who wants to be a part of the Statecraft itself or the ruling party itself for forming the Government, requires to incur expenses. May I quote from Bhartruhari's *Niti Shatkam*, a beautiful presentation which has been made?

"नित्यव्याया : प्रचुर नित्य धनागमा च; बारांगनैव नृपनिति अनेक रूपाः।"

नित्यव्याया : means that you must have lot of expenses everyday. How do you meet the expenses unless you get money from whatever source it is possible? प्रचुर नित्य धनागमा - money has to come from different sources. How नृपनिति is formed? How the Statecraft is formed? It is formed like a courtesan, a prostitute presenting herself before a customer in different ways, in different garbs and that is what is Statecraft. So, we have to take into account that money is required, more money is required, but it has to come in a proper manner so that there is no criticism of anybody in whatever manner possible. So, I support this Bill and conclude my speech.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I strongly oppose the provision regarding funding of elections and support some other provisions in the Bill. Now, I shall deal with these two aspects separately.

I am a person who is conversant with the process of election in India for over half a century. I have contested seven State Assembly Elections and three Parliament Elections, out of which I succeeded continuously four times, and two times respectively. So, from my personal experience I am speaking in this august House, about the way in which money power is influencing our election process.

After our experience for the last 50 years, a stage has come wherein the money power and the muscle power are the most predominant factors in the process of Indian democracy.

Now, we are fighting for a free and fair election. We are fighting, so that the election should be free from all external influence either in the form of money or in the form of physical extortion. The muscle power can be prevented by collective action of the people, but money power cannot be prevented by any such actions.

I am surprised, and I am very much aggrieved also that the Government had not done justice to Comrade Indrajit Gupta -- after whom the Committee was named. If Shri Indrajit Gupta were alive, he would be the first person to oppose this process of election funding as provided in the amended Bill. In the amended Bill, the provision is that the companies other than Government companies can contribute to the election process; and to the political parties.

I would say that we are living in an age of multinational companies. In India, multinational companies are definitely functioning under the cover of national companies. In the Bill also, there is a provision that foreign contribution is prohibited, but there is an indirect way of foreign contribution to the process of elections in India.

I would submit that the candidate can be purchased, and the process may be made a mockery by the multinational companies functioning in India. In the ultimate analysis, I am afraid that we will be risking our State security also. Our policies; our political decisions; and such other legislative business would be decided by the Board of Directors of the multinational companies; and that we never expect to happen, and the result will be that the multinational companies will be having the remote control of Indian Parliamentary Democracy. If you do not agree with me, you will feel it within a short time. If I am alive, I can also feel it myself. But, the question is how to prevent this money power; how to prevent this influence of money in the election processes. The Gupta Committee is also very vehement of having a State Election Funding.

Now, the argument advanced is very unreasonable, that the Central Government, as well as the State Governments are not in a financially sound position to contribute to the corpus of the State Election Funds. We must find out for what purpose this is done. We must find out the corpus to prevent the money power from influencing our election process. It will not be an excessive expenditure. We will have to fight it out; we will have to find a method by which the election funding can be done by the State itself.

What was the purpose of our fighting for an independent India? We were fighting for a democratic India; and we were fighting for the liberties of the individuals. By this amendment, I am sure that we will be subject to money power; and not only money power in India, but, in an indirect form, even abroad. I am very much afraid that we are also doing injustice to the Gupta Committee.

Therefore, the first and foremost thing we would have is to revive State funding to save Indian democracy and to save Indian parliamentary democracy, which we hail as the largest democratic country in the world; and we have a free and fair electoral system. All these will be jeopardised within no time, when these companies are allowed to pay to the political parties, who are sponsoring the candidates.

Gentleman, you please hear and understand me. I am an old man having the experience of ten elections.

Every year, the election expenditure will be high. The candidate will have to find money -- either he will have to sell his family property or his personal property to meet the election expenses, which is on the increase. Now, this could be prevented. The poor candidate should not be left to the mercy of the multinational companies for fighting elections because he will then be duty bound to obey the orders of the Board of Directors of the multinational companies.

There are political parties in India, who are fighting for equitable distribution of wealth among the electorate. Throughout my life, I am arguing that the wealth should not be concentrated in a few hands and in a few companies. We are fighting for equitable distribution of wealth throughout India. Everybody should get a chance to earn wealth. It must be equitably distributed. Do you argue for concentration of wealth in a particular company? Their interest is in the candidates who support their ideas, that is, the concentration of wealth in their hands. They will contribute liberally to them, and not to those candidates who are fighting against their interest. There are socialist parties, there are communist parties and there are peasants and workers' parties who are fighting all along for equitable distribution among the masses and the electorate. They will never argue for multinational companies to run in India, and they will never work for a multinational company, which wants to amass wealth in India. The people of the company, which is contributing to the political party, are definitely interested to see that their wealth is safe in the hands of the people who come to power. They can influence the parties. What will be the state of

affairs? Can the party which is advocating for distribution of wealth among the electorate get a cheque from these companies? They would not do it. The political party which is advocating their interest will get a cheque with no difficulty.

Our learned friend talked about transparency. He was arguing for transparency in the election funding. Is transparency at work in India? In spite of the Income-Tax Act, the Companies Act and all those other legislations, our poll is influenced by black money. Black money is the real challenge today and we could not control the black money. Now, we are arguing that these companies should be allowed to influence the electorate and influence this Parliament. I would say that even the submissions before this House would be on the dictates of the company, which has funded his party. The company will give a direction to the Member of the House to take up a particular issue in the House, and he is duty bound because he has accepted a huge amount, in a transparent way. According to Shri Arun Jaitley, that is transparency. It is not transparency, it is political bribing. We are giving licence to political bribing in India. These big companies are being given the licence to bribe the candidates, to bribe the political parties by issuing cheques in one way or the other. Not only that, the Government also is coming to their help by giving income-tax exemption. No income-tax will be paid on the amount that is given to the political parties. It is exempted from income-tax. The Government is also encouraging the big companies to donate to the political parties, which could influence them.

Indian democracy, I am sure, will become a mockery. Indian democracy will become a mobocracy. In other words, it will be a rich man or a capitalist who can control the Indian parliamentary system.

SHRI SUDIP BANDYOPADHYAY (CALCUTTA NORTH WEST): Sir, all companies of Bengal will donate only to CPI(M). That is their monopoly.

SHRI VARKALA RADHAKRISHNAN : If any political party - whether CPI(M) or CPI, or any other - is receiving donation from any company, I am opposed to that. I do not know whether the CPI(M) has accepted such donation or not. Any party accepting donations from any company is not acceptable. Otherwise, our process of democracy will be curtailed. Hence, I oppose this provision with all vehemence. I am sure that in the next decade we would be forced to bring in an amendment because the multinational companies will start influencing Indian Parliament by then. Such a situation will arise, I am sure, in future. The Government may be able to pass this amending Bill, but in due course, Indian democracy will get into a crisis. To tide over that crisis, the Government would have to bring another amendment to this.

I support the provision of sharing of time on the electronic media. There must be equitable sharing of time. I support that provision. I support the provision that sharing of time should not be the business of the Ruling Party. All parties should equally share the time on the electronic media. Justice must be done. There must be a detailed procedure evolved for sharing this time. I support this provision. I support the provision which refers to supply of copies of electoral rolls by the Government and also other election material to the parties. I support those issues because they are justifiable.

My opposition is to the point related to the expenditure of leaders. That will be disadvantageous to the parties in Opposition. The Members belonging to the Ruling Party, the Prime Minister, the Deputy Prime Minister or the Chief Minister, or Ministers, can travel throughout India. They can spend any amount. It would put the candidate belonging to the Opposition party in a disadvantageous position, if this amount is not included in the election expenditure. That is why I oppose it. If the Ruling Party is given that power, that prerogative, or that privilege of using the state machinery, that will be disadvantageous to the contesting candidates because they do not have that capability. To curtail the misuse of the Government machinery, this should not be allowed. The Government's propaganda machinery and all other Government machinery should not be misused for election purposes by the Ruling Party. The present amendment will give ample opportunity to the Ruling Party to misuse the Government machinery in the election campaign. That is why I oppose that provision.

Then again, there is a provision which says, in respect of voluntary contribution of up to Rs.20,000 the political parties need not maintain any records. Below that limit, the political party can keep the money without record; no accounts need be maintained; no audit is done; and the accounts need not be produced before the Election Commission. The political parties which are supporting certain companies will get an opportunity of amassing wealth in respect of elections being held periodically in India. I oppose that provision.

MR. CHAIRMAN : Please conclude now. I already rang the bell thrice.

SHRI VARKALA RADHAKRISHNAN : It is rather very unfortunate and objectionable. It has to be deleted. That is my humble submission.

We have not done justice to the Indrajit Gupta Committee.

So, the first thing is that we must not be a victim to money power. The Indian parliamentary democracy should not be made a victim to money power, power to be influenced by the multinational companies as well as the monopoly companies in India. That will be a death-knell of the Indian democracy.

With these few words, while supporting certain provisions of the Bill, I am strongly opposing the funding process amendment contained in the Bill.

KUMARI MAMATA BANERJEE (CALCUTTA SOUTH): Mr. Chairman, Sir, I thank you very much for giving me this opportunity. This is a very important Bill and I thought that every political party would taken part in the debate on this Bill. But what I observed a few minutes ago was that everybody was interested more in raising their issues than to discuss this Bill. But I do not think that this Bill is less important than any other subject.

Sir, as a political party, I feel ashamed to say that nowadays, it is very difficult for anyone to say that he belongs to a political party. Nowadays, people criticise a political party like anything. We cannot attract the new generation because there are so many lacunae, and our image is getting down before them. But it is also a fact that political party is not fully free from honesty, sincerity, dedication to duties, vision, mission and action.

Sir, I am really happy to hear the views and voice of Shri Varkala Radhakrishnan. But may I tell him one thing...(Interruptions)

Let Shri Varkala Radhakrishnanji, just ask their West Bengal party unit that when they were not in power what was their party funding? Now, he is saying about the influence of the multinational companies and big monopoly companies in India... (Interruptions) Sir, you will be surprised to know about the building of their party office. It is like a 10-star hotel building that they have created as their party office. Crores of rupees are flooding there...(Interruptions) I am really sorry to say this, but this is a fact...(Interruptions) This is just one point. I have got so many points. Sir, I want to congratulate the Law Minister because of his intention ...(Interruptions) That is why with so many political parties, you are here...(Interruptions) You people do not have the guts to speak on this Bill. All of you criticise the Bill but you always take all sorts of advantages. When the Members Salaries and Allowances Bill is discussed, you criticise it like anything, but when it is passed, you are the first one to take advantage of this. It is a double standard. You double-speak. Do not be hypocrite. I feel really sorry to say this.

Mr. Chairman, Sir, I want to congratulate the hon. Minister. His intentions are very clear. At least, he tried to bring the Bill which had been unanimously supported and recommended by the Standing Committee. I came to know this from the hon. Minister's statement.

I have seen a mention about electoral rolls. It is already there. All recognised political parties get electoral rolls in a free manner. We also get the electoral rolls. I also want to congratulate the hon. Law Minister for having the sharing of timings for the TV and other electronic media. It is there. Though I have not seen the full clarification, I think, only one new point is being included here. There is a point regarding free voter slips to be given to the candidates. If it is there, then I think, one-fourth of the problems of the candidates would be solved. There are small constituencies, medium constituencies and larger constituencies. In some constituencies, the number of voters is from 10 lakh to 15 lakhs; and in some big constituencies, the number of voters is even between 20 lakhs to 25 lakhs. So, distribution of free voter slip, of course, would be very helpful for the candidates and for the political parties. So, to bring this Amendment Bill with a successful intention is one part of the Bill.

But Sir, I have some questions also. The Government should have brought this Bill as a comprehensive one. Here, I must congratulate Shri Indrajit Gupta, though he is not alive today, for giving very valuable suggestions and recommendations from that Committee. At that time also, I remember correctly that all the political parties gave their opinion. This time Vajpayee's Government is stable. But before that we faced a lot of troubles when within three to four years, every year we had to face general elections. After the Government of 1998 was toppled, I remember that I wrote a letter to the hon. President. Hon. President was kind enough to forward my letter to Hon. Prime Minister.

We are the smallest party, and how can we go in for election every year? From where will we get funds? Funds would not come from the sky. The Government can audit our Party. I challenge, they would not find anything in our accounts. I am very happy to say here that, we submit our updated audited accounts to the Election Commission every year. But it is very difficult for a smallest recognised State political party to contest election every year. There are some political parties who are in power either in the Centre or in the States. My party is not in power either in the Centre or in the State. But, ours is a recognised political party, and we also have people's supportâ€¦(Interruptions) This is my chance. Let me be allowed to speak. You can speak whatever you want to speak when your turn comes. I do not want to waste the time of the House. But, let me express my feelings here in this House. If I am not allowed to explain my feelings here in the House, will you give me money to contest the next election?



Sir, the Opposition is raising so many points. Why I am saying all these things because, we are fighting a battle. We know how CPM Party is spending money for the election. We know it is very difficult for us to contest election without money. That is why I am saying that the Government must bring a comprehensive Electoral Reforms Bill in the Parliament.

Shri Radhakrishnan has raised a solid question regarding State funding. You said: "Yes, there was a proposal where the Central and the State Governments will jointly fund the parties." Is it a fact? West Bengal Government was the first Government that opposed State funding. I really condemned it. It was because, we were in favour of it. If there is a State funding, at least, good people will come; grassroot-level workers will come; and the common people will come who may not be having money but who may be having good intention of serving the country. They cannot come to Parliament because they do not have the money. The message should not go that because of money, muscle, and *mafia* power, we are here. There are many good and bad people everywhere. Potato and potato chips are not one and the same thing. I appreciate the modesty of the Minister for bringing this Bill. Of course, it will be helpful. I do not think this Bill will fulfil the commitment of the people. It is because, it is neither comprehensive nor impressive. I do not know whether it is a modest beginning or the end.

Sir, I feel very sorry for the political parties. I think the Government must investigate one thing, namely, where from the political parties are getting funds; what are the amounts; what are their assets till now, and so on. I want to know these things from the Government. It is because there are so many political parties in this country. Audit is done. But their accounts show that they have only a small amount of money. Now, you take the examples of UTI and other scams. You will see how people have invested their money by way of many schemes. So, I want to ask the Minister to disclose the assets of all the political parties in this House so that, at least, people of this country know which are the political parties owning assets, and so on....(Interruptions) Then your cat will be out of the bag first.

Sir, I know they will disturb me, but they cannot disturb the people. Sir, I should not mention the names of the NGOs. I do not know why we give incentives to the companies. They generate a lot of black money. This is my feeling. There may be some differences of opinion but this is my personal feeling as also my party's feeling, namely, why unnecessarily we give incentives to the companies. There may be some parties that may stand for accountability, credibility, transparency, sincerity, honesty, dedication, etc. but there may be parties which may not stand by these things. But today we are lagging behind and we need four or five reforms immediately.

We need a comprehensive Bill on electoral reforms and political reforms. We have to see how the political parties are misusing the power. They are saying one thing and doing quite another. Therefore, if you want to attract the younger generation, political reform is a must. We also need to have administrative reform and judicial reform. Without these reforms I do not think the country will be able to reach its goal.

This Bill was introduced earlier also and it had gone to the Standing Committee. I asked the Members of that Standing Committee whether somebody had given a written note of dissent. Our party Member, Shri Bikram Sarkar told me that there was no note of dissent and the Committee gave a unanimous Report. The hon. Minister has tried his best to give at least some help to the people. I sincerely feel that electoral reform and State funding are must.

In 1998 I wrote a letter to the hon. President requesting him to do something with regard to State funding, otherwise it would be very difficult for a Party like ours to contest elections and come to the House. I must confess that the hon. President had forwarded my letter to the hon. Prime Minister for taking appropriate action. Today, I am grateful to him and I want to be on record that for a recognised small political party like ours, it is very difficult to contest elections because nobody is there to help us. We do not even knock at the doors of the industrialists for money. I, therefore, appeal to you that if you need good parliamentarians, then money should not be the criterion. You should see their intentions, experience, vision and their working capacities. I would say that the hon. Minister has tried his best but he should come up with a comprehensive electoral reform Bill next time. We should not give incentives to the industrialists. कोई भी पोलिटिकल पार्टी इनकम टैक्स नहीं देती है। लिस्ट सब बनाते हैं। â€¹ (व्यवधान)

श्री संतोष मोहन देव (सिल्वर) : क्या तृणमूल कांग्रेस देती है ? â€¹ (व्यवधान)

कुमारी ममता बनर्जी : इस बारे में एन्क्वायरी कीजिए। हमारे से ही कीजिए। â€¹ (व्यवधान) Can you challenge it? I can challenge you inside the House. हमारे पास जो भी इनकम है, वह हमारे वर्कर्स के डेडिकेशन की वजह से हैं। â€¹ (व्यवधान) You must know it. You are taking money from the multinational companies. You are spending the entire Government fund for your party purpose. You are purchasing *bandooks* to kill people. You are not allowing the people to cast vote. It is your nature not ours. It is quite unnatural thing....(Interruptions)

MR. CHAIRMAN : Please do not disturb her.

KUMARI MAMATA BANERJEE : Do you think BJP gives us money? Are you supporting the Front because it is

giving you money? It is a question of ideology. We are supporting them on moral grounds....(*Interruptions*)

MR. CHAIRMAN: Madam, kindly address the Chair. Please do not look towards them.

...(*Interruptions*)

KUMARI MAMATA BANERJEE : The point is, they cannot speak here and when we want to speak they start hue and cry. Just because we are supporting the NDA, it does not mean that BJP will give us money or we are a purchasable commodity. It is our moral and ideological support to them. It is not a financial support....(*Interruptions*)

They should be ashamed of themselves. They may also have to go for coalition. Every political party may have to go for coalition politics. They cannot blame a political party supporting a particular political party and say that their support is because of money. They may also have to go for coalition in West Bengal....(*Interruptions*) They have Left Front, Forward Bloc, CPI(M) and so on. They cannot say that because they have purchased them, they are in the Front....(*Interruptions*) While speaking, please remember what you are saying and what you want to do. They cannot say it like this. On behalf of the common people, I would like to say that this House is supreme.

It is of the people, by the people, and for the people. Shri Atal Bihari Vajpayee is a man of identity, principle, and ethics. He is also a senior person and a senior politician and we are supporting him. That is why, I feel if we want to combat corruption, State funding is the only way out. State funding can save the democracy and the democratic system in this country otherwise this House will become a mockery.

SHRI ANIL BASU (ARAMBAGH): Sir, I want to ask one question from the Minister. Has he tasted both potato and potato chips?

MR. CHAIRMAN : No clarifications please.

SHRI K. MALAISAMY (RAMANATHAPURAM): Sir, first and foremost, let me thank you for giving me this opportunity to speak on behalf of AIADMK with reference to this Bill initiated by the hon. Minister.

At the outset, I want to pat and praise the hon. Minister for bringing a Bill of this nature for legitimising and legalising the permissibility of receiving donations by the political parties. I am one who belongs to a school of thought which warrants a comprehensive and total package on electoral reforms. After having seen over a period of time what is the electoral process, its operation, its governance, I feel we need a comprehensive package of electoral reforms, as has been well said by the previous speakers also. But the Minister has rightly said in his all modesty that this is only a beginning and as such he has made a marginal attempt to touch the fringe of the problem.

As far as I am concerned, as a student of management, I have been given to understand that any single problem will have more than one solution. Now several problems are there and several alternatives are there. Now it is upto the concerned, how to match these alternatives with reference to the problems subject to its constraints and compulsions. In that process, the Minister has made a beginning. On that score we are supporting him.

Before I could take up the merits of the Bill I may kindly be pardoned for divulging the background of the entire electoral system which has been in existence in our country. We are really proud of being a citizen of the world's largest democracy that too the world's largest working democracy. Now in our democracy, people have been given the power through their elected representatives. The Indian democracy stands on three pillars – the Executive, the Legislature, and the Judiciary operating through the bureaucracy and assisted by the Fourth Estate. This is how it has been said. The Indian democracy has been in existence not for one or two years. It has been surviving for five and a half decades. Free and fair elections have been held for all these years. It has been going on with 500 million electorates spreading in the length and breadth of the country with 29 States plus six Union Territories.

A massive and a gigantic physical exercise has been going on. As such, our Indian democracy is not only a grand success, but also a great success. This is the best side of our democracy.

On the other hand, there are the ills and evils of the system. One could have seen as to how it has been going on. Initially, for the first two decades, electoral process in democracy in this country had been working very well. Afterwards, over a period of time, all these evils have crept in. Malpractices, misuses, corrupt practices and all such things have come into play. In fact, there have been erosion of ethics and values have vanished. Not only that, the entire system is now in a turmoil. Why is it so? It is due to our own electoral system. This electoral system warrants a total package of reforms. Due to this, as has been rightly said by Madam Mamta Banerjee and others, we are not able to get the right person for the right task. Now, as against three 'S' – namely, service, sacrifice and self-discipline, the traits of the age old leaders – there are five 'M's, namely, muscle power, money power, *mafia* power, ministerial power and media power. Our electoral system should aim at improving and avoiding these undesirable elements.

MR. CHAIRMAN : You have seen all these powers when you were the State Election Commissioner.

SHRI K. MALAISAMY : Sir, after having served that assignment, I am speaking from my own experience as to how the electoral system should be confined in a different angle. Of course, the hon. Minister has made a beginning. This has got a wider angle and a wider ramification. The crying need of our country today is to have a leader, a parliamentarian, a legislator with a direction, with a vision, with a commitment to cause, with decisiveness and a person with a true spirit of honourable service and disinterested devotion to public duty. For that there should be a due electoral system. There should be a proper environment. This is the way I look at it.

Under this backdrop we are debating the Bill initiated by the hon. Minister. He has rightly legitimised and legalised the eligibility of political parties to receive donations. But here, I would like to get a clarification from the hon. Minister. What does he mean by a 'political party'? There are recognised political parties, registered political parties and unregistered political parties. On two occasions in the Bill it has been mentioned recognised political parties. First, it has been said that recognised political parties will be given equal time as far as TV network is concerned. Second, with reference to supply of electoral rolls it has been said that recognised political parties will be supplied with electoral rolls. But in regard to receiving donations, why has there been no mention of it? It has only been said 'political parties'. Political parties mean registered, unregistered and recognised political parties. If one takes into account the total number of registered political parties alone, it may be numbering around 500. The number of unregistered political parties may be still more. What does it mean? Everyday there has been mushroom growth of not only registered political parties but also other parties. Even amongst those who are registered political parties, some of them remain only in namesake and have become defunct in effect. Are they also eligible to get donations? I would like to have a specific clarification on this whether the right of receiving donations by political parties are restricted only to recognised political parties or to all political parties. It would be desirable to confine to recognised political parties.

Sir, when this aspect of donation by a business house is being legalised and legitimised, as has been rightly said by somebody here, in that event will they not influence or have a nexus with reference to all kinds of decisions that the party is likely to take either as a political party or as a ruling party?

If a particular company is able to donate a huge amount of money, will they not have their influence? What is going to be your safeguard to see that the chance of misuse or the influence of that business house is prevented? This is one aspect which should be borne in mind.

Secondly, as Shri Varkala Radhakrishnan has also pointed out, as you have rightly said in your Bill, political parties can afford to receive money except from a foreign source or from a Government company. From the corporate sector or from any person they can afford to receive donation. The Minister must ensure that the foreign source of money either directly or indirectly is prevented. What is going to be the Minister's device to prevent this kind of foreign source of money getting into politics through political parties? This is a very important thing which you must see is prevented.

Finally, Sir, it has been said in the objective to ensure transparency, to prevent the role of black money and also to promote and streamline the donation process. I wonder whether the purpose will be really served by a legislation of this nature. According to me, still black money can afford to play its own role. This has to be taken into account while finalising the Bill by putting good safeguards.

With these words, I conclude.

DR. M.V.V.S. MURTHI (VISAKHAPATNAM): Mr. Chairman Sir, I rise to support the Election and Other Related Laws (Amendment) Bill, 2003. Through this piece of legislation we are going to recognise the donations which are being flown into political parties in the legal way. In the past, we have not recognised these donations.

The limit that you have stated is that donations up to Rs.20,000 need not be stated and donations beyond that need to be recorded. Rs.20,000 is a very small amount. It should at least go up to Rs.99,000. What is the value of money today? Otherwise, accounting procedure is going to be very large and those who are giving donations will also be afraid of giving as it is happening now. If you make anything beyond Rs.20,000 accountable, you are also limiting them to give only Rs.20,000 and you will not be getting beyond that amount. So, I do not think it will serve the purpose. Only donations exceeding Rs.99,000 should be made accountable so that hassles will come down. Otherwise, all political parties will face difficulties in course of time. Perhaps, this aspect has not been seen. This angle will have to be seen.

There is an amendment in the Bill relating to the use of electronic media, cable TV, radio, etc. They could be

shared by the recognised political parties. The term 'recognised political parties' applies for donations and everything else also. Where is the question of non-recognised political parties sharing the TV and not maintaining records after receiving donations comes? So, for all practical purposes, it has to be 'recognised political parties'. Otherwise mushrooming of political parties will take place and all sorts of problems will arise. Supply of copies of electoral rolls, sharing of the media or receipt of donations, all these things are meant for the recognised political parties alone.

Then, we will be operating a system of democracy in the country. Otherwise, everybody will call his party a political party and everybody has to be supplied with the electoral rolls. At the time of elections, supplying of copies itself would become a big process.

As far as the media is concerned, it is defined as 'recognised political parties'. Kindly see that for the electoral laws also, the same definition of 'recognised political parties' is applied.

If it is possible, please see that the donations received up to Rs. 99,000 are not made accountable, so that the system will be simplified. Otherwise, as and when you go to somebody, it is very difficult to get money. No company is willing to give you donation beyond that. Otherwise, if a company gives donation to one political party, then that company has to give it to other political parties also the same amount. That problem will also arise.

I welcome this Amendment Bill. Please note these things. This is only a beginning. Kindly see that a comprehensive Amendment is brought taking into consideration all electoral procedure simplification. I welcome this Amendment once again.

**श्री चन्द्र भूषण सिंह (फरुखाबाद) :** सभापति महोदय, मैं आपका धन्यवाद करता हूँ कि आपने मुझे निर्वाचन तथा अन्य संबंधित विधि विधेयक पर बोलने का मौका दिया।

मेरी एक-दो सबमिशन हैं। सर्वप्रथम जो डोनर चैक से पेमेन्ट करेगा, उसको इनकम टैक्स में क्या रिलीफ मिलेगी और अगर उसको इनकम टैक्स में रिलीफ नहीं मिलेगी तो हमें नहीं लगता कि आप इसमें कामयाब हो पाएंगे। सर्वप्रथम सरकार को यह सुनिश्चित करना चाहिए कि जो डोनर चैक द्वारा भुगतान कर रहा है, उसे आप क्या रिलीफ देने वाले हैं।

जैसा माननीय मंत्री जी ने कहा कि अभी यह शुरुआती दौर है, इसमें कुछ कमियाँ भी रह सकती हैं जिनका शनैः-शनैः निराकरण होता रहेगा। एक बात सही है जो सभी वक्ताओं ने कही कि मसल पावर और मनी पावर के आधार पर ही चुनाव हो रहे हैं। जो पैसा चैक के अलावा, डोनर्स के अलावा पार्टी द्वारा इकट्ठा किया जाएगा, यानी बैंकडोर से नंबर दो का जो पैसा आएगा, क्या उसके लिए भी कोई व्यवस्था सरकार करने जा रही है ताकि पैसे का बेतहाशा खर्च उन पार्टियों को न मिल सके जिसका वे दुरुपयोग करते हैं। इस बारे में भी माननीय मंत्री जी को गौर करना चाहिए ताकि पैसे के आधार पर इलैक्शन में किसी किस्म की गड़बड़ी न हो पाए। यदि संभव हो सके तो जो ब्लैक मनी बैंकडोर से आए, उस पर रुकावट के लिए भी आपको कोई न कोई रास्ता निकालना चाहिए।

तीसरी बात यह है कि अभी तक यह बात स्पष्ट नहीं हुई है कि रिकॉग्नाइज्ड पार्टीज़ कौन कौन सी हैं। बहुत सी रीजनल पार्टीज़ होती हैं, क्या वे भी उस रिकॉग्निशन में आएंगी या नहीं, वह भी एक मुद्दा है। मैं चाहूँगा कि इसका स्पटीकरण हो जाए तो यह बात स्पष्ट हो जाएगी। एक बात और जो मेरी समझ में आई है कि क्या इसमें इन्डिविजुअल कैंडीडेट को भी रुपये लेने का कोई प्रोविज़न किया गया है या पार्टी के स्तर पर ही रुपया आएगा और वह रुपया जो आएगा, वह इन्डिविजुअल पार्टी के कैंडीडेट को मिलेगा या जिलाध्यक्ष को मिलेगा, इस बारे में भी मंत्री जी प्रकाश डालने की कृपा करें। क्योंकि आप जानते हैं कि प्रतिनिधियों और अध्यक्षों में अमूमन गड़बड़ियाँ होती हैं। क्या संगठन और जो प्रतिनिधि लड़ने जा रहा है, उनमें आपस में झगड़ा कराने का आपका इरादा है, इस बारे में भी मंत्री जी सोचेंगे तो अच्छा रहेगा। हालांकि हमें लगता है कि यह विय इनके विभाग का नहीं है, फिर भी यदि इसमें कुछ सोच है तो वह बताएं। अंत में मैं मंत्री जी को बधाई देता हूँ कि इन्होंने निश्चित ही बड़ा अच्छा काम किया है। किसी काम को शुरू करना ज़रा दिक्कत वाला होता है। मैं जेटली जी को इस बात के लिए बधाई देता हूँ कि आपने बहुत ही अच्छा काम शुरू किया। इन्हीं शब्दों के साथ मैं अपनी बात समाप्त करता हूँ।

**16.00 hrs**

**SHRI PAWAN KUMAR BANSAL (CHANDIGARH):** Mr. Chairman, Sir, at the outset, I would like to say that the electoral process is not just a set of rules providing for the conduct of elections but more importantly it is a system which has a far-reaching impact on our quality of democracy reflected through the quality of the elected representatives of the people. Democracy, in turn, is not just about choosing a Government through elections but instilling a democratic temper in the political culture.

During the last five decades of the working of our democracy, we have seen the progressively increasing role of muscle and money power in the elections. Criminalisation of politics, besides the vice of communalism and casteism has tightened its grip over our polity. This has resulted in an immense decline in the respect for the elected representatives as also the loss of their legitimacy. The need to make the electoral process clean, fair and free from the influence of muscle and money power has always been felt but we have been able to do precious little in this regard.

The civil society, the Supreme Court, the Election Commission and the Law Commission have all, from time to time, expressed concern over this scenario in the country. Occasional amendments to the law have not really succeeded



in achieving the desired results. In a situation where it is free for all, the clout that an elected position bestows even on a person of questionable antecedents and credentials affects adversely the administration and saps the vitality of our democratic institutions.

Sir, it was as early as in 1964 that the Santhanam Committee had brought out the ugly role of money in elections. The Vora Committee Report about ten years back had also taken note of this fact and said that all over India, crime syndicates had become law unto themselves and that "the nexus of criminal gangs, police, bureaucrats and the politicians has come out clearly in various parts of the country."

In one of the Reports, the Election Commission has also lamented about it and I quote:

"The political parties are inclined to do the minimum by way of insulating the electoral process from seizure by criminal and corrupt elements."

Sir, between the two, the basic problem that governs our system that defies a solution, that also leads to criminalisation of politics, is the role of big money. This Bill does not seek to tackle that situation though it does seek to impart some transparency to funding of the elections as such, and, to that extent, this is a welcome measure. I would support it though it is a half-hearted one. I must say this.

It has been pointed out by other hon. Members that even if we pass this Bill, we do not find ourselves in a position to check the role of blackmoney, the debilitating effect of blackmoney on our democracy. That is the cause of primary concern to us which I do not find anywhere discernible in this Bill.

We have already in place a mechanism to prescribe limits of expenditure that the candidates can incur in an election. However, it is anybody's experience that the actual expenditure is many times more than the limit that is prescribed. The actual expenditure, to be honest, is such that every elected representative is forced to begin his career by filing false returns in this regard. That is the beginning of one's hallowed career. On the source of funding and the colour of money depend the conduct of the elected representative once he assumes his position in the polity.

This is the critical problem which we have to address ourselves to. The high cost of elections not only keeps many good candidates out of the field but it also leads to corruption, non-performance and compromises on principles. In fact, compulsion for election funds is a veritable foundation of a corrupt system, a system which prevents the building up of democratic temper. Sir, putting a halt to the pumping in of uncounted and unaccounted I would like to underline both these words, 'uncounted and unaccounted'- money in the elections is, therefore, the problem that we must try to address ourselves to.

Sir, the Companies Act was amended way back in 1969 to permit the companies to donate some funds to the candidates or to the parties; and the question whether to permit companies to make donations or not has had a chequered history. We have been making law, amending it, subsequently banning it, and then bringing it again. It was the Dinesh Goswami Report which wanted complete banning of it but with uttermost respect to the Committee I would beg to differ with it. It is because today it is the different nature of channels of funding which is a cause of concern and I say so repeatedly only for the sake of adding emphasis to it. But today kickbacks and scams in public contracts and procurements and Government decisions for consideration are the channels that support elections. It is these which need to be stopped. What really we are dealing with in this Bill are matters peripheral which I said 'I welcome'. But it is a half-hearted measure. We have often been told that electoral reforms is a continuing process. We perhaps gloat over that fact but today we need to take a comprehensive look at the entire matter. If we are serious about it, if we really want to ban all those practices which today have come to hold their grip over the system, we have to look into the role of big money....(*Interruptions*) I admit that funds are required for elections. The important question that arises is: How do we do it?

It is in this context that people from time to time had recommended State funding. To be honest, I was not always enthused by this idea because I thought that if the States were to fund elections, this would only lead to the increase in the kitty available to a candidate and there would be chances of his spending more on items which really have to be barred. But, Sir, with the passage of time, I have change my opinion to that extent and I, also, am supportive of the provision that has been made in the present Bill about the provision of electoral rolls to the candidates besides the party which was already there. But here I would like to add that just besides electoral rolls, it is today the floppy discs, and the CDs which are prepared, which should be supplied to the candidates. I, for one, would also support that there is need to provide identity slips to the voters because it has been my experience like the experience of many other friends that that is one single item which costs you immensely, and finally since all the candidates in the fray try to send those slips to each household, each household ultimately lands up getting 5, 6 or

10 identity slips. So, to cut down that expenditure, I think it was desirable that the State authority should have taken up that business on its own.

But I find from the Report of the Standing Committee that, in their collective wisdom, they have somehow thought of not pressing that and have left the matter to the Government to decide in consultation with the Election Commission. I only hope that one day we again discuss this matter and come to the conclusion that the identity slips be supplied by the govt. because I have seen it being supplied in the United Kingdom sometime back. They supply beautiful slips from door to door giving the details of the polling booth etc. ...*(Interruptions)* Even today, in the identity slips that we distribute we are not supposed to print even the symbols of our party. So, if we have to campaign, we can otherwise campaign without distributing the identity slips. We can go from house to house, giving party literature, talking about manifesto and the points that we would like to raise. But this expenditure by all the candidates can be put an end to if the identity slips were to be supplied by the government.

Sir, this new Section 29 B which is proposed to be inserted in the Representation of the People Act, 1951, by the Election and Other Related Laws (Amendment) Bill, which we have before us today, permits individuals and non-governmental companies to contribute voluntarily to political parties. Now, there are differences of opinion on this. I would not like to refer to them, but I would only say that this is a desirable step, as far as my opinion goes, because there is an inbuilt component of State funding also and this is so because it is provided that the amount given by any individual or a company to a political party as a contribution shall be deducted from his or the company's total income for the purpose of income tax. That means, in the process, even the State parts with some money and that is a part of the State funding. So, it serves double purpose. The corporate sector can play its legitimate role in the conduct of the elections confining itself to the given parameters and at the same time since there is a reduction there from the income tax, the State also, in a way, pays something.

Sir, it is in this context that I would like to make a point regarding the failure of the political parties to file their return. This is a welcome provision which ought to be there, but I find, perhaps, a repetition is there. If you were to see both the sub-section 4 of the proposed new Section 29 C of the Representation of the People Act and the proposed new proviso to Section 13 A of the Income Tax Act, it is almost *pari materia* and if you say that if the political party through the Treasurer or through any other authorised person fails to file a return, that political party shall not be entitled to take the benefit of the income tax provision, I think, that is a repetition. What should have been really provided for, as far as Section 29 C of the Representation of the People Act is concerned, you should have provided an independent penalty that in case a political party does not file its return to the Election Commission, as stipulated, that party shall be penalised in such and such way. Then, there should also be a provision that a copy of the report filed to the Election Commission – though we do file the return under the Income Tax Act to the Income Tax authorities – should also be sent to the Income Tax authorities.

Sir, allocation of time on the electronic media, to quite an extent, is already there, but since it is being provided for in the Bill today, I suppose it is a welcome step.

SHRI ARUN JAITLEY: Allocation of time in the private electronic media is not being given now.

SHRI PAWAN KUMAR BANSAL : Yes; the hon. Minister is right in saying that allocation of time in the private electronic media is not being given now and rules will have to be framed to give time to the candidates and the political parties in the private electronic media. To that extent, it is right, but I am sure that the hon. Minister knows that today there are many ingenious ways devised by genius people which impel a candidate to shell out much more money even on advertisements and news coverage than what it was ever thought of. So, that is the issue which has to be dealt with.

MR. CHAIRMAN : Please conclude now.

SHRI PAWAN KUMAR BANSAL : Sir, I would seek some more time. If you were to go by the party time, our party has not really taken much time. Kindly see that and we have only one more Member to speak after me from our party.

MR. CHAIRMAN: You are getting bonus and premium now. Your party's time is already over.

SHRI PAWAN KUMAR BANSAL : Is it so, Sir?

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Mr. Chairman, Sir, you have always been very generous. So, kindly give him some more time. ...*(Interruptions)*

SHRI PAWAN KUMAR BANSAL : I also welcome that effort to harmonise the provisions of Section 77 of the Representation of the People Act with Section 171 H of the IPC. Henceforth the travel expenditure by the leaders of

political parties shall be exempted from the expenditure of a particular candidate when those leaders happen to be there for campaigning.

I only wanted a thing to be added to it. You refered to travel. It should not have been just on travel. Actually, it should have been on the entire expenditure by the political party leaders on the campaign because if a leader goes from Delhi to some other State, it is not just on travel that expenditure is incurred. It is on boarding and lodging as well. You should have provided that the expenditure by the political leaders - '40' in case of recognised parties and '20' in case of unrecognised parties - shall not, be a part of the expenditure calculated to have been incurred by a candidate.

I would like to make only one more point. This Bill does not speak of it. It has been mentioned earlier. The Election Commission is clear and concerned about it. When we talk of the role of big money, it is just not an end by itself. The question is on what things it is spent. Bogus voting is one of these and preparation of bogus electoral rolls is another. We have been saying it repeatedly. In Delhi and elsewhere also, when you prepare the electoral rolls, that is where the influence of the party in power comes to play a very effective role. The names of electors from the entire street are struck out and bogus voters are entered to the extent that in one house, you find 190 voters being enrolled. Is it possible that in one house, 190 people are residing? These are the steps on which we must concentrate.

Along with this is another very important step. I do not know why you have not been able to do it during the last so many years. It was many years back that you provided that each elector will get a voter's identity card. Why do you not really take steps to ensure that people have those voters' cards? Why can you not give them those unique numbers which, in any way, cannot be tampered? What we find is that a person has a voter's card in his hands but his name is found missing from the electoral rolls. Why does that happen? Are we concerned about the electoral rolls or we just want to indulge in this much ado about nothing that this is the reform we are bringing about? It is the system that has to be cleansed. If you want to have free and fair elections, please try to look into all the aspects as to where are the sources and what are the reasons which really pollute the system. Please tackle those problems head on. Only then, you will have our support on all these measures.

SHRI ADHI SANKAR (CUDDALORE): Sir, on behalf of the DMK Party, I support this Bill. The Election and Other Related Laws (Amendment) Bill, 2003 seeks to introduce State funding in kind. That means, supply of electoral rolls and identity slips of electors to the candidate. It also intends to bring in transparency in funding of the political parties. These two things, that is, the immediate State funding of elections and the transparency system about the political donations, are very good. On behalf of the DMK Party, we welcome these measures.

As far as the practice of funding of parties in the world is concerned, in Australia and Canada, the practice is of post-election funding of political parties. In Israel, the election funding is during the election period only. In New Zealand and South Africa, the funding of the political parties is only at the end of every financial year. In India, all the political parties collect it not only during the post-election and during the election period, but all the political parties also collect it all the time.

MR. CHAIRMAN : Do not put an inconvenient question to your leader.

KUMARI MAMATA BANERJEE : Sir, we take objection to this.

SHRI ADHI SANKAR : It is believed that the present Bill is a beginning in the electoral reforms for curbing the growing role of money power and muscle power in the election. At the same time, if this Bill is passed in its current form, it would open the floodgates of litigation and would complicate the matters and make it difficult for political parties to function. Even the companies also would hesitate in donating to the political parties. In this kind of arrangement the list of small donors would be too long. So, there should be a ceiling on such donations. It is impossible to maintain such list of all the donors. I would like to know how the donations could be audited and not the other form of income of the party.

Sir, DMK is one of the most democratic parties in India.

SHRI K. MALAISAMY : Who says so?

SHRI ADHI SANKAR : We say that. Even though DMK is a regional party, it is having nearly one crore members. Through membership DMK collects Rs.3 per head. For thirteen times, our party conducted party elections in a fair

and democratic manner. The ceiling on donation for maintaining accounts has been raised to Rs.20,000. It is a welcome measure.

Here, I would like to make a request to the hon. Minister that a provision should be made in the Bill regarding compulsion on the voters to vote so that bogus voting could be stopped. I would give an example of Tamil Nadu State. There were two bye-elections; and in the Andipatti Assembly bye-election, nearly 25 per cent bogus votes were polled ...*(Expunged as ordered by the Chair)* ...*(Interruptions)*

DR. V. SAROJA (RASIPURAM): Sir, this should be expunged.

MR. CHAIRMAN : I will take care of it. This is a Bill, you cannot level allegation while speaking on a Bill.

...*(Interruptions)*

MR. CHAIRMAN: I will expunge that portion. Please take your seat.

...*(Interruptions)*

MR. CHAIRMAN: Allegations and counter allegations, both are expunged.

SHRI ADHI SANKAR : So, the provision of the compulsory voting system should be included.

Regarding the allocation of time sharing in the electronic media, this facility is made available only to the national parties and not to the regional parties. Now a days, the role of the regional parties has become important for

forming the Government at the Centre...*(Interruptions)* So, I would request the hon. Minister that all political parties should have equal opportunities on national television as well as on private television. With these words I conclude and support this Bill.

**श्री अरुण कुमार (जहानाबाद) :** माननीय सभापति महोदय, सरकार द्वारा निर्वाचन तथा अन्य संबंधित विधि (संशोधन) विधेयक, 2003 जो लाया गया है, यह एक प्रशंसनीय कदम है और मैं इसका स्वागत करता हूँ। प्रजातंत्र में हम इलेक्टोरल सिस्टम को जितना पवित्र बनाएंगे, उतना ही बढ़िया इसका रिजल्ट निकलेगा। एक लम्बे काल से आजादी के बाद हमारा जो अनुभव रहा है, उस अनुभव के आधार पर चुनावी प्रक्रिया को मजबूत और पवित्र बनाने का प्रयास किया जाता रहा है। लेकिन पिछले कुछ बॉं से जो स्थिति बनी है, वह निश्चित तौर से लोकतांत्रिक व्यवस्था के लिए खतरनाक संकेत है। आजादी के बाद हमारे पूर्वजों ने संस्था को मजबूती दिलाने के लिए व्यक्तिगत तौर पर काफी कुछ कंट्रीब्यूट किया है।

हम एक घटना का जिक्र करना चाहते हैं कि जब देश के प्रथम प्रधान मंत्री से मिलने के लिए उनके किसी पदाधिकारी ने माननीय तत्कालीन स्पीकर मावलंकर साहब को समय दे दिया। अब इसकी जानकारी प्रधान मंत्री जी को नहीं थी। जब लिस्ट में उनका नाम आया और नाम देखने के बाद प्रथम प्रधान मंत्री पंडित जवाहर लाल नेहरू बड़े गुस्से में आये और उन्होंने कहा कि किस तरीके से स्पीकर साहब को यहां समय दिया गया है और तुरंत उन्होंने कहा कि मैं स्पीकर साहब के घर पर चलूंगा और वह मावलंकर साहब के घर पर चले गये। उन्होंने माना कि लोक तांत्रिक व्यवस्था में स्पीकर सबसे सर्वोपरि पद है और यदि इनका सम्मान नहीं होगा तो निश्चित तौर से संसदीय व्यवस्था में मजबूती नहीं मिलेगी। हमारे पूर्वजों ने जिस तरीके से एक-एक कदम आगे चलकर संसदीय परम्परा को मजबूत किया, आज जब हम देखते हैं तो निश्चित तौर से ऐसा लगता है कि हम पराभव की ओर बढ़ रहे हैं और इसका कारण सिर्फ राजनीतिक दल और राजनीतिक पार्टीज नहीं हैं, जनता भी इसके लिए कम जिम्मेदार नहीं है। इसलिए मात्र यह संशोधन विधेयक लाने से और मात्र कुछ परिवर्तन करने से यह एक सतही कार्य होगा। इसलिए हमें इस पर विस्तार से चर्चा करनी चाहिए। सभी राजनीतिक दलों को, सामाजिक जीवन जीने वाले लोगों को और लोक तांत्रिक व्यवस्था में आस्था रखने वाले लोगों को बुलाकर इस पर विस्तार से चिंतन करना चाहिए। यदि हम विस्तार से चिन्तन नहीं करेंगे तो हम सिर्फ कालाधन एक फैक्टर नहीं है, सिर्फ मनी पॉवर और मसल पॉवर फैक्टर नहीं है। इसमें कई सारे तथ्य हैं जो सामूहिक रूप से प्रजातंत्र के स्वस्थ आयामों को ग्रसने में लगे हुए हैं। इसलिए आज कोई व्यक्ति जिसके पास धन न हो, जिसके पास अपार साधन न हो, वह यदि चुनाव में जाता है तो जनता की प्रतिक्रिया होती है कि यह चुनाव क्या लड़ेगा। बल्कि हमारे यहां देहात में एक शब्द 'झुल्टन' कहा जाता है यानी लोगों से जब बाहु-बल से लड़ने की इसमें क्षमता नहीं है, यानी जनता अल्टीमेट पॉवर अपने अंदर महसूस नहीं करती है, इसका कारण है। इसलिए मैं कहना चाहूंगा कि सरकार की मंशा में है कि इस लोकतांत्रिक व्यवस्था को जितनी मजबूती दिला सकें, उतना राष्ट्र हित में अच्छा होगा। यह अलग बात है कि इतनी विविध समस्याओं के बीच भी भारत का लोक तंत्र आज भी मजबूती से दुनिया में स्थान बनाये हुए हैं। हमारे बगल में पाकिस्तान, बर्मा, नेपाल सारी जगहों में जिस तरीके से लोकतांत्रिक परम्पराएं ध्वस्त हुई हैं और हमारे यहां मजबूती है तो इसका कारण है कि आज भी हमारे पूर्वजों ने जो बुनियाद रखी है, उसमें दम है और कुछ लोगों में इच्छा-शक्ति है। इसलिए उस इच्छा शक्ति का यदि सही प्रयोग सही दिशा में करना चाहते हैं तो निश्चित तौर से जैसे अभी माननीय सदस्य बंसल साहब कह रहे थे कि इलेक्टोरल लिस्ट में एक-एक घर में 190 लोग हो जाते हैं।

अभी मध्य प्रदेश में आपकी पार्टी की सरकार है। आपको इस पर चिंतन करना चाहिए कि आखिर किस तरीके से इस लोकतांत्रिक व्यवस्था को मजबूत बनाया जाए। बिहार में जिस तरह से इलेक्टोरल लिस्ट दोगुनी-तिगुनी बढ़ रही है, यह भी ध्यान देने योग्य है। मैं किसी पार्टी पर आक्षेप नहीं कर रहा हूँ, बंगाल में भी यही स्थिति है। तमाम जगहों पर हमें देखना चाहिए कि मतदाता सूची में कैसे सुधार लाया जाए।

**श्री अजय चक्रवर्ती (बसीरहाट) :** आपको सुदीप जी ने कहा इसलिए आपने वैस्ट बंगाल का नाम लिया।

**श्री अरुण कुमार :** मेरी ऐसी मंशा नहीं है। चाहे मेरी पार्टी भी क्यों न हो, उसको भी यह देखना चाहिए। यदि हम किसी इंस्टीट्यूशन को या सिस्टम को पवित्र करना चाहते हैं तो हर राजनीतिक दल और राजनेता को इस पर चिंतन करना चाहिए कि किस तरीके से सकारात्मक वातावरण का निर्माण किया जा सकता है। जब हम सरकार में होते हैं तो जिन पदाधिकारियों का उपयोग करते हैं, उनको रिवार्ड देते हैं, पनियमेंट नहीं देते। हम किस तरह के वातावरण का निर्माण करना चाहते हैं, किस तरह की हमारी मंशा है, इसका प्रतिबिम्ब जनता के सामने आता है। लेकिन आज समाज कई धाराओं में बंटा हुआ है। उसका कारण बेकारी, गरीबी और अशिक्षा है। अगर हम सही मायनों में इलेक्टोरल लिस्ट में परिवर्तन करना चाहते हैं तो हमें अशिक्षा, बेकारी और गरीबी जो बुनियादी सवाल हैं, उन पर चर्चा करनी चाहिए कि कुछ घरानों में कैसे सेंट्रलाइजेशन आफ इकोनॉमी हो रहा है। आज अमीर और अमीर होते जा रहे हैं और गरीब और गरीब हो रहे हैं। यदि इस तरह की प्रक्रिया रही तो हम



इलेक्टोरेल लिस्ट में कितना भी सुधार कर लें, वोट खरीदे जा रहे हैं, खरीदे जाते रहेंगे। जिनके मन में असुरक्षा की भावना है, जो लोग आशंकित रहते हैं, उसको हम दूर नहीं कर पाएंगे। जो लोग यहां आना चाहते हैं, वे तरकीब निकाल कर आते रहेंगे। इसलिए निश्चित तौर से इन बुनियादी सवालों पर हमें चिंतनशील होना चाहिए कि कैसे गांवों में इकोनॉमी का इनफ्लो हो और कैसे बेरोजगारी दूर हो।

अभी बिहार में चुनाव हुए थे। वहां जनप्रतिनिधियों को खरीदा गया। वहां पर 24 विधान परिषदों की सीट्स का चुनाव हुआ था। हालांकि राजनीतिक पार्टियों ने कहा कि हम लोग पार्टी आधार पर चुनाव नहीं लड़ेंगे, लेकिन जिस तरीके से जनप्रतिनिधियों को पैसा देकर 1000-5000 रुपए देकर उनके वोट खरीदे गए, उससे पता चल सकता है कि कैसे तत्व अपर हाउस में चुनकर आए हैं। इसकी कोई कल्पना नहीं कर सकता। जब ये चुनाव हो रहे थे, हमारी मशीनरी भी देख रही थी। उसी ब्लाक पर जहां चुनाव हुए हैं, पैसा दिया गया, सौदेबाजी हुई, सबने देखा। इसको रोकने के लिए कानून बना हुआ है, दंड की प्रक्रिया है, लेकिन वह मूक दर्शक साबित हुआ। इसलिए जब तक हमारी मंशा साफ नहीं होगी, इच्छाशक्ति नहीं होगी, यह प्रक्रिया चलती रहेगी। जबकि ज्यूडिशरी बराबर संकेत दे रही है, लेकिन राजनीतिक पार्टियों को इसकी कोई चिंता नहीं है। जिस तरीके राजनीति में अपराधियों का प्रवेश हो रहा है, ब्लैकमनी जिनके पास है, जो किडनैपर्स हैं, वे राजनीति मनने आ रहे हैं। इनको कैसे रोका जाए, इस पर सभी राजनीतिक दलों को एक होकर निर्णय लेना चाहिए। सिर्फ कानून बनाने मात्र से ही हमारा लोकतंत्र मजबूत नहीं हो सकता। हमें मैकेनिकल सिस्टम ठीक हो, यदि हम इच्छाशक्ति रखते हैं कि कैसे लोकतंत्र की जड़ों को मजबूत करना है, तो हम यह काम कर पाएंगे। इससे जनता के मन में भी यह विश्वास पैदा होगा कि आखिरकार पावर हमारे पास है। इसलिए यदि लोकतांत्रिक व्यवस्था को मजबूती देनी है, पवित्रता को बनाए रखना है तो इसके लिए इन बुनियादी सवालों पर यदि हम तवज्जोह नहीं दे पाएंगे तो हम इस व्यवस्था में परिवर्तन नहीं ला सकते।

हिन्दी भाषी राज्यों में किसानों के एक बहुत बड़े व्यक्ति हुए हैं, उनका नाम स्वामी सहजानंद सरस्वती है। आजादी के समय उनकी जो भूमिका रही है, उन्होंने कहा था कि जो अन्न-वस्त्र उपजाएगा, वही शासन चलाएगा। लेकिन वैसी स्थिति अभी तक नहीं बनी है।

गांव, खेत-खलिहान आज भी उपेक्षित पड़े हुए हैं और लोगों की बुनियादी आवश्यकताओं की पूर्ति नहीं हो रही है। इससे निश्चित रूप से हमारा लोकतंत्र कमजोर होगा। लोकतंत्र की प्रक्रिया को मजबूती प्रदान करने के लिए लिए हम सरकार से अनुरोध करते हैं कि इन सारी चीजों पर ध्यान दे।

**SHRI PRIYA RANJAN DASMUNSI (RAIGANJ):** Mr. Chairman, Sir, I rise to support this legislation on behalf of our Party, but we do consider that this is not the foolproof legislation. This is one or two steps in the forward direction.

The comprehensive concept of electoral reforms is yet to come before the nation through this Parliament. I do look forward to the Government to bring a comprehensive proposal for the entire reform of the electoral practice of this country to justify its transparency. In that regard, if the Government once again looks at the Dinesh Goswami Committee's Report, I shall be grateful to the Government, and we shall co-operate with the Government when they bring a comprehensive legislation.

There are two or three areas where I support the Government for having taken at least the initial steps. Step one is to regularise the ambit of law in regard to donations by companies and individuals to the recognised parties, supply of electoral list to the recognised parties and the candidates in time and, of course, to maintain the accounts and the records of the candidates during the election, which is already there. All of us have come to this Parliament. From the date of nomination to the date of result, all of us have had to do that. This is nothing new. Only incorporation has been done.

Mr. Chairman, Sir, I would like to tell you that with all this exercise, the main question is whether a free and fair election can be ensured. You have partially ensured free and fair funding so far as the company donations are concerned. So far as the other areas are concerned, you have partially ensured free and fair justice to the recognised political parties. But what about free and fair election? In our State, only one month back, the by-election was held in Nabadwip parliamentary constituency. Do not take it otherwise. I am not accusing any party. I was delighted to see the statement of Shri Manju Mazumdar, the Secretary of the CPI in West Bengal that the entire election was rigged, and rigged to that dimension which is unprecedented. Be it done at my Party's power or be it done by the Party of somebody else, be it done in Rajasthan, Madhya Pradesh and Bihar, the time has come to collectively concentrate on how to ensure justice to the electorates and the candidates.

While I say this, I always think of my own fate. Rajiv Gandhi died on 21<sup>st</sup> May, 1991. The next day, the entire counting was stopped including, in my constituency in Howrah. Re-polling was done at 29 or 30 booths due to certain complaints. You will be shocked to know that if one month before, two candidates scored 300 or 400 or 500 votes in an adjacent booth called Booth No.20, in all the adjacent booths which were polled later on within one month, the winning candidates got 900 or 920 votes whereas the losing candidates got five or three or two or one or even zero votes. Now, if these things continue in your system—I do not blame any party, whether it is done by our party in power or by his party in power or 'x' party in other States—what mechanism can you evolve? I will only suggest one thing to the Law Minister. I am not technically an expert in this matter, but from my own knowledge, I will say this. I will quote one incident.

In the last Lok Sabha elections, in a booth at Poar under Chakulia police station in my own constituency, I got a message that people were in queue and none could enter the booth, but some people entered and started polling. When I rushed there, the situation was so delicate that even a car could not move. I tried to prevent them but I was gheraoed. The Presiding Officer was a smart school teacher. To save my life, he ordered a police constable, the only one, to use his gun to disperse the mob. Otherwise, he could not have done anything. A case was filed, the accused was caught red-handed but nobody has been tried till this date. This could happen in Delhi, in Rajasthan and even in Bihar. I found that the paramilitary forces could not move because there is a guideline that if the local police or the local SP did not direct, the paramilitary forces shall not move. My submission to the Law Minister is

that he should consider whether a comprehensive Bill could be brought in at a later stage.

The day the election is declared, the Government will have to notify the names of the Returning Officers of the Assembly and Parliament segments including officials on duty of the State Government, be it the SP or any other officer in charge. They should be under the command not of the State Government but of the Election Commission or its representative. They would obey the directions of the Election Commission and nobody else's direction. If such direction is flouted, the Election Commission and the Government of India must possess powers to take penal action against those officers, be it a Collector of the Indian Administrative Service or an SP of the Indian Police Service. When an election takes place, normally, a District Collector or a Superintendent of Police remains loyal only to the party in power in the State on that day, that is, the Chief Minister, who is the main person responsible for transferring, promoting or even demoting him. Naturally, therefore, whether the State is ruled by my party or any other party, if he remains loyal to the Chief Minister, the team of Election Commission's observers cannot do anything. So, can we bring in such law that the day the election is announced, within 24 hours, the list of returning officers and list of polling officers in charge of respective segments is notified with a clear direction that from that day onwards, they are under the Election Commission and the other law and order duties of the State shall be looked after by the State Government with the help of Additional SPs and other officers?

Another problem is that whenever a situation crops up in a constituency, the paramilitary forces cannot move unless they get instructions from the local authorities. If the instruction is: "You stay here", they remain static and I know of such cases. They cannot move even as things are happening in front of their eyes. This is an important area where I request the Law Minister to consult the State Governments, if possible, and bring a comprehensive legislation, an election management law or whatever he may call it. At the end of the day, it is the SP of the district who matters, a District Magistrate who matters in a Lok Sabha election and an SDM who matters in an Assembly election. They are afraid of the party in power in the State. So, the hon. Minister has to consider what mechanism he can create to give them confidence and to instill the fear that if they do not obey the Election Commission's directions to ensure free and fair elections, they would be in the court of the Election Commission, not in the court of the State Secretariat. Till that is not done, I am sorry, the free and fair election concept - whatever you may do in the law - will never become a reality.

The Indian democracy is rich and we are proud of it. Our population growth is going on and therefore our electoral list is also large. Now, in our State, for the last 15 days, the exercise of electoral roll revision is on. Now, with electronic voting, one polling booth would cater to the population of two booths and would be looked after by a bamboo stick wielding Homeguard. The whole crowd would come to the electronic voting centre and if something goes wrong, nobody would come to our rescue. So, while you are taking up modernisation of the election system from ballots to electronic voting machines and from electoral rolls with names to voters' identity cards, it is election management which is the most important factor to ensure free and fair elections. If in that area the law is silent, the whole exercise would be at stake. Therefore, my humble appeal to the Law Minister is that he should consult the State Governments and the Election Commission and bring in another legislation related to election management to at least ensure fairness to the electorate and candidates and their safety.

This is my only submission today. I am saying all these things based on my own experience. I do not spare any party. We may commit wrong things, but that does not mean that in this debate I have to take a partisan line. This is really creating a problem.

I know of a candidate. I do not like to take her name. It happened in the State of West Bengal. The candidate herself could not approach the Presiding Officer. She was prevented to go to the booth on the day of the election. She could go to the counting hall only after three rounds were over. By passing this Bill we may claim that we have gone one step forward, but the reality of the day will be the same.

Therefore, please come forward with another piece of legislation for the final step to ensure free and fair elections throughout the country. I do not mind, it should be ruthless, whichever party it maybe, but unless that is done by the Parliament, I do not think we will strengthen the democracy and ensure the stability of parliamentary form of democracy through free and fair elections.

**डॉ. रघुवंश प्रसाद सिंह (वैशाली) :** सभापति महोदय, लोकतंत्र का मोटा-मोटा मतलब वोट के राज से है। वोट प्रणाली जितनी दुरुस्त होगी, लोकतंत्र उतना मजबूत होगा। इसमें कोई विवाद की गुंजाइश नहीं है। लोकतंत्र और वोट प्रणाली को दुरुस्त करने के लिए विभिन्न आयोग, कमेटियां बनी और विभिन्न विद्वान लोगों के मत भी आए। इसके लिए दिनेश गोस्वामी कमेटी और इन्द्रजीत गुप्ता कमेटी का गठन हुआ लेकिन उन रिपोर्टों को माननीय मंत्री जी ने ताक पर रख दिया। अब माननीय मंत्री जी यहां एक विधेयक लेकर आए हैं। हालांकि इन्होंने दावा किया है कि इन्द्रजीत गुप्ता कमेटी की एक-दो सिफारिशों को इस विधेयक में सम्मिलित किया है लेकिन ऐसी कोई बात नहीं है। आपने इस विधेयक में दावा किया है कि इलेक्टोरल रोल्स और वोटर लिस्ट देंगे। हम जब से चुनाव लड़ रहे हैं तब से देख रहे हैं कि रिकोगनाइज्ड पार्टियों को ही वोटर लिस्ट मिल रही है। आपने गलत दावा किया है कि इन्द्रजीत गुप्ता कमेटी की एक-आध सिफारिशों को इसमें लागू किया है। आपने ऐसा कुछ नहीं किया। उसमें स्टेट फंडिंग की बात थी। इस विधेयक का बैकग्राउंड क्या है? माननीय मंत्री ने इस विधेयक के बैकग्राउंड को छिपा लिया है। बैकग्राउंड यह है कि सत्तारूढ़ दल में दो पार्टियों के अध्यक्षों ने पैसे लिए। दुनिया जान गई कि ब्राइबरी हुई। इस ब्राइबरी को डोनेशन में परिणत करने के लिए ये उपाय

किए गए। असली बात यही है। मैं यहां एक भेद खोल रहा हूं। आप इस बारे में हमें बताइए। श्री लाल कृष्ण आडवाणी जो हवाला कांड में आरोपी थे, कोर्ट से दो मुक्त हुए। इस काम के लिए कैबिनेट की एक कमेटी भी बनी थी। उस कमेटी ने कहा कि यह बड़ा झंझट है, पहले घूस ले ली और बाद में कह दिया कि पार्टी के काम के लिए वह पैसा लिया गया। इनकी पार्टी का एक अध्यक्ष घूस लेते हुए तहलका कांड में पकड़ा गया। उसने बाद में कहा कि वह पैसा पार्टी के लिए लिया गया। वह नोट लेकर दराज में रख रहे थे और कह रहे थे कि डॉलर्स में दीजिए। मैं कोई गुप्त भेद नहीं खोल रहा हूं। यह दुनिया के लोगों ने देखा लेकिन उनके खिलाफ कोई कार्रवाई नहीं की गई। पार्टी के अध्यक्ष के घर में घूसखोरी पकड़ी गई। उस ब्राइबरी को डोनेशन में परिवर्तित करने के लिए और उसे लीगलाइज करने के लिए यह विधेयक आया है। यही इस विधेयक का असली भेद है। हम सभी लोग कहते हैं कि मसल पावर और मनी पावर से देश को बचाओ, लोकतंत्र को बचाओ और लोकतंत्र को मजबूत करो। कैश, कास्ट और क्रिमिनल्स ये सभी तीन एविल्स हैं। एक माननीय सदस्य ने कहा कि तीन नहीं पांच एविल्स हैं।

**16.50 hrs (Mr. Speaker in the Chair)**

**SHRI SUDIP BANDYOPADHYAY : The report of the Standing Committee was unanimous. ... (Interruptions)**

**डॉ. रघुवंश प्रसाद सिंह :** स्टैंडिंग कमेटी में विधेयक गया था, उसकी रिपोर्ट आई है लेकिन यह विधेयक वापस किया था। मैं सरकार का भेद खोल रहा हूं कि यह विधेयक यहां क्यों आया है?

अध्यक्ष महोदय, लोकतंत्र को मजबूत किये जाने की चिन्ता सब को है। सन् 1954-55 में एक जांच कमेटी बनी जिसके लिये पं. जवाहर लाल नेहरू ने कैम्ब्रिज यूनिवर्सिटी के एक अर्थशास्त्री श्री आई.एन. कांडर को यहां बुलवाया था। उन्होंने कहा था कि 400-500 करोड़ रुपये की ब्लैक मनी है जो आज बढ़कर 8 लाख करोड़ रुपये तक हो गई है। यदि यह विधेयक आ गया तो वह 8 लाख करोड़ रुपये से बढ़कर हजारों-हजार करोड़ रुपये हो जायेगी। यह क्यों बढ़ेगी? यह कहा गया कि पार्टी चन्दा लेगी- कोई दूसरी पार्टियों को चन्दा क्यों देंगे, वे रूलिंग पार्टी को ही चन्दा देंगे क्योंकि वे उससे लाभ उठाएंगे।**â€**(व्यवधान) हम ज्ञान की बात कर रहे हैं। यदि हम आपको नहीं बतायेंगे तो कौन समझायेगा। सरकार कहती है कि हम ट्रांसपेरेंसी ला रहे हैं। दान वह होता है जो गरीब, साधू या मन्दिर में दिया जाता है ताकि पुण्य मिले। क्या मल्टी नैशनलिस्ट्स, ब्लैक मार्केटर्स पुण्य करने के लिये पार्टी को दान देंगे? उससे क्या उनके धर्म में बढ़ोत्तरी होगी? वे रूलिंग पार्टी से लाभ उठाने के लिये ही चन्दा देंगे।

अध्यक्ष महोदय, हम संक्षेप में महाभारत का एक प्रसंग बताना चाहते हैं। महाभारत की लड़ाई में जब भीम पितामह बाण शय्या पर पड़े थे तो सब लोग उन से उपदेश सुनने के लिये जाते थे। भीम पितामह ने ज्ञान का उपदेश देना शुरू किया तभी द्रौपदी हंस पड़ी। पितामह ने पूछा कि बेटी तुम क्यों हसती हो। द्रौपदी ने कहा कि जब चीर-हरण हो रहा था, उस समय आपकी आवाज नहीं निकली, आज आप ज्ञान का उपदेश बांट रहे हैं और हम लोगों को उच्च दर्शन का ज्ञान पढ़ा रहे हैं। भीम पितामह ने कहा चूंकि उस समय मैंने दुर्योधन का अनाज खाया था, उसके दरबार में था, मेरा खून गन्दा हो गया था, इसलिये मेरा ज्ञान भ्रष्ट हो गया था। आज बाण शय्या पर पड़ने के बाद वह गन्दा खून निकल गया है और स्वच्छ खून शरीर में प्रवाहित हो रहा है, इसलिये मैं ज्ञान का उपदेश दे रहा हूं, लोगों को समझा रहा हूं। जब भीम पितामह जैसे महापुरुष का खून दुर्योधन के अनाज खाने से गन्दा हो गया, ज्ञान भ्रष्ट हो गया था, भरी सभा में सही बात नहीं कर सके, उसी प्रकार जब मल्टी नेशनलिस्ट्स, ब्लैक मार्केटर्स से पैसा चन्दे में पौलिटिकल पार्टीज लेंगी तो वही हाल होगा। मैं कैसे मानूं कि जो पार्टीज चन्दा लेंगी, वे उनके मुताबिक काम नहीं करेगी? जो गरीब आदमी गांव में बैठा है, उसे डेमोक्रेसी का कैसे लाभ मिलेगा, कैसे समाज उसे न्याय दे सकता है, मैं यह सवाल सरकार के सामने रखना चाहता हूं।

अध्यक्ष महोदय, मंत्री जी बतायें कि क्या सरकार मल्टी नैशनलिस्ट्स से चन्दा लेगी, क्या सरकार उससे प्रभावित नहीं होगी, उनका चन्दा खाकर गरीब लोगों के साथ कैसे न्याय करेगी, जैसा भीम पितामह ने दुर्योधन का अनाज खाकर अपना खून गन्दा किया, भरी सभा में ज्ञान की बात नहीं कर सके, अन्याय की बात नहीं उठा सके, सरकार के पास ऐसा क्या उपाय है? मेरा ऐसा मानना है कि यह कानून एक धोखा-धड़ी है और लोगों की आंखों में धूल झांकने के समान है।

चुनाव आयोग का निर्देश है कि चुनाव में 15 लाख रुपये का खर्चा होना चाहिए, इससे ज्यादा खर्चा अवैध है, लेकिन कोई बताये कि 15 लाख रुपये में कौन चुनाव लड़ रहा है। दो करोड़, तीन करोड़, पांच करोड़, दस करोड़, करोड़ों-करोड़ रुपये का खर्चा सबकी आंखों के सामने होता है। जनता को धोखा देने के लिए कागज बनाकर भेजते हैं और लिखकर देते हैं कि 15 लाख रुपये के अंदर खर्चा हुआ है। लेकिन और रुपया कहां से आता है**â€**(व्यवधान) इसलिये मैं चुनौती देता हूं कि इसकी जांच हो जाए, छानबीन हो जाए कि असलियत क्या है। इसमें भेद क्या है कि करोड़ों-करोड़ रुपये खर्च करने वाले कौन लोग हैं, 15 लाख रुपये के अंदर खर्चा करने वाले कौन लोग हैं और जनता की ताकत से कौन लोग जीतते हैं और मनी, मसल पावर आदि या कैश, कास्ट और क्रिमिनल के बल पर जीतने वाले कौन लोग हैं। ऐसा कब तक चलता रहेगा। इसमें रिफॉर्म्स का कोई काम्पिहेंसिब बिल, चुनाव सुधार, इलेक्टोरल रिफॉर्म्स का बिल जब तक नहीं आयेगा**â€**(व्यवधान)

**श्री श्याम बिहारी मिश्र (बिल्हौर) :** बिहार में व्यापारियों से कैसे रुपया वसूल हो रहा है, इसकी भी जांच होनी चाहिए। उसके लिए भी कानून बनना चाहिए**â€**(व्यवधान)

**डॉ. रघुवंश प्रसाद सिंह :** मैं सब खोलकर बताता हूं। मैं सब भेद खोल दूंगा। यह आप नहीं बोल रहे हैं, यह ब्लैकमार्केटियर्स का पैसा बोल रहा है**â€**(व्यवधान)

**श्री श्याम बिहारी मिश्र :** बिहार में जो कुछ हो रहा है, उसे आप रोक नहीं पा रहे हैं और यहां बाणशय्या पर उपदेश दे रहे हैं**â€**(व्यवधान)

**डॉ. रघुवंश प्रसाद सिंह :** यह आप नहीं बोल रहे हैं, यह ब्लैकमार्केटियर्स का पैसा बोल रहा है। मैं यहां सब भंडाफोड़ कर दूंगा। कानून मंत्री जी सही विधेयक लाये हैं जिससे हम लोगों को सही बात बताने का मौका मिल रहा है**â€**(व्यवधान)

**श्री अरुण कुमार :** सबको पता है कि चारा कांड में बिहार के मुख्य मंत्री जेल गये हैं, आपका भांडा पहले ही फूट चुका है**â€**(व्यवधान)

**श्रीमती जयाबेन बी. ठक्कर (वडोदरा) :** काम करने वालों और बिजनेस करने वालों को नहीं बख्शा जाता है। उनसे भी ऐसे ही पार्टी के नाम पर चंदा लिया जाता है। आप क्या बात कर रहे हैं**â€**(व्यवधान)

**अध्यक्ष महोदय :** आप मुद्दे पर बोलिये।

**डॉ. रघुवंश प्रसाद सिंह :** अध्यक्ष महोदय, इन्होंने जो कहा, आप एक बात का जवाब दें। आर.एस.एस. पोलिटिकल पार्टी है या क्या है, उसके चंदे का हिसाब - वह विदेश से आता है या यहां से आता है। विश्व हिन्दू परिषद का इन लोगों को मैं इतिहास बताता हूं**â€**(व्यवधान)

**प्रो. रासा सिंह रावत (अजमेर) :** आर.एस.एस. का यहां क्या लेना-देना है। जब विधेयक में उसका जिक्र नहीं है तो उनका नाम लेने का क्या मतलब है।

आर.एस.एस. का यहां कोई मतलब नहीं है **â€** (व्यवधान)

**डॉ. रघुवंश प्रसाद सिंह :** मैं सवाल नहीं उठा रहा हूं। यहां विधेयक आया है कि चंदा लेंगे और हिसाब देंगे। जब आर.एस.एस. को इंकम टैक्स लगा तो उसने कहा कि हम पोलिटिकल पार्टी हैं। वह पोलिटिकल पार्टी है या नहीं है, सही बतायें। उन्हें कागज में आमदनी होती है, विश्व हिन्दू परिषद जो ठग-ठग कर रुपया जमा कर रहा है, वह पोलिटिकल पार्टी है या क्या है, उन पर इंकम टैक्स क्यों नहीं लगता है। उनकी पारदर्शिता क्या होगी। इसलिए जो विधेयक माननीय मंत्री जी लाये हैं, वह लोगों की आंखों में धूल झोंक रहे हैं। कहते हैं कि हम साफ करने के लिए लाये हैं, पारदर्शिता होगी, सब पार्टियों के लोग कमीशन को आमदनी की रिटर्न देंगे, कमीशन को सब हिसाब-किताब देंगे, क्या इसमें पारदर्शिता होगी, यह सब धोखा है। यह कागज में है कुछ, असल में है कुछ, खर्चा है कुछ, लिखा-पढ़ी है कुछ, इस सबको ढकने के लिए और अमली-जामा पहनाने के लिए यह विधेयक आया है। इसके असली जनक हवाला कांड और तहलका कांड हैं, इनके मंत्री उसमें आरोपित हैं, इनकी पार्टी के अध्यक्ष उसमें आरोपित हैं, उन्हें बचाने, साफ करने और ब्राइबरी को डोनेशन में परिणित करने के लिए यह विधेयक लाये हैं। इसलिए हम इस विधेयक का विरोध करते हैं।

**SHRI AJOY CHAKRABORTY (BASIRHAT):** Hon. Speaker, Sir, I am not opposing this Bill which is brought forward by the hon. Law Minister before this House. One of the important amendments proposed in this Bill is insertion of Section 29B in the Representation of the People Act. It allows the recognised political parties to accept donation or contribution from any Indian company and individual. There are diverging opinions of different quarters, different political parties. Some quarters have the opinion that some big companies and rich persons want to convert their black money into white money. Sir, it is known to everybody that it is the age-old system of our country that all big companies are paying contribution and donation to the major political parties.

**17.00 hrs.**

It is also an accepted system of our country since the very inception of the election process. If we want to ensure a free and fair election in the country, I would request the Law Minister to bring in a comprehensive Bill covering all the aspects of the electoral process.

Sir, the electoral process starts from the preparation of electoral roll. It is also alleged that in different States -- I do not want to mention the names of the States -- fake voters lists are being prepared. In those voters lists, there are names of persons who are not the real residents of that locality, and fake names are included in the voters lists. Sir, nowadays though we are proud that we are living in the greatest and largest democratic country of the world, yet our election process is influenced by money and muscle powers. Every time, we are observing that in different States -- I do not want to mention the names of those States -- money power and muscle power are prevailing in the electoral processes. The person who are well guarded; the persons who possess the arms; the political party which has the 'goondas', 'lathials,' and arms, they capture the polling booths, and the real voters are prevented from entering the polling booths. The fake voters press the electronic voting machines by themselves for casting the fake votes.

At the time of submitting the Bill, the hon. Law Minister told that he has accepted some recommendations of the Indrajit Gupta Committee. Sir, I also agree with Shri Raghuvansh Prasad Singh that two or three recommendations made by it may be included in the proposed Bill. But, I expected -- from this Law Minister and this Government -- that most of the recommendations would be incorporated in the proposed Bill. I am talking not only of the Indrajit Gupta Committee's Report, but I know that our hon. distinguished colleague Shri Somnath Chatterjee is also a Member of that Committee. So, most of the recommendations made should be incorporated in this proposed Bill.

Not only that Sir, another Committee was constituted by a very renowned parliamentarian Shri Dinesh Goswami named as Dinesh Goswami Committee, and this proposed Bill was quite silent about the recommendations of the Dinesh Goswami Committee.

Sir, if you want to make a free and fair voting system, then it is not dependent on a Bill or a law, but it is on the sweet will and wisdom of all the political parties.

Sir, I propose that there should be a recommendation that each candidate should inform the people; the voters about his moveable and immovable property. Sir, the candidate should submit a statement of his moveable and immovable property before the Returning Officer, and this should be displayed at a conspicuous place of his parliamentary constituency or assembly constituency so that people can know what is the property of this candidate. Sir, in our election process, some questions arise about the non-stipulated money that was spent after the voting. Hence, the candidate defeated, as well as the winning candidate should submit their returns before the Returning Officer.

But, it is a fact that, in our days, it is very difficult to contest an election. A candidate who has no money power; who has no muscle power, even though the person is a very good political worker, yet he has no capacity to meet the election expenditure; and because of this he may not contest the elections.

A political party which has money and muscle power is able to contest the elections, but a political party which has



no money or muscle power is not able to contest the elections or participate in the electoral process of our country. Therefore, cutting across party lines, it is the beloved and noble duty of all political parties to ensure free and fair elections, to uphold the dignity and prestige of our country. India is a democratic country.

Therefore, I urge the Law Minister to bring forward a comprehensive Bill after considering all *pros* and *cons* and after all the aspects, as far as possible, in order to ensure free and fair elections -- free from money and muscle power and free from casteism and communalism.

MR. SPEAKER: Now, I give the floor to Shri S.K. Bwiswmuthiary.

SHRI SANSUMA KHUNGGUR BWISWMUTHIARY (KOKRAJHAR): Sir, I would like to speak on the Sixth Schedule to the Constitution (Amendment) Bill and not on this.

MR. SPEAKER: Do you not want to speak on this Bill?

SHRI SANSUMA KHUNGGUR BWISWMUTHIARY : No, Sir.

MR. SPEAKER: Okay, now the Minister will give the reply.

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): Mr. Speaker, Sir, a large number of Members have expressed their opinion on this Bill. A few of them have opposed it because they have fundamental differences with the process of legitimising political funding and making it transparent. Some Members have suggested that we must attempt to bring out a more comprehensive legislation, which can actually deal with all the ills of the electoral system.

Sir, I just wish to inform the hon. Members to seriously introspect as to what our present system of political funding actually is. Political parties are contesting elections, they are maintaining offices, their leaders are flying in planes and helicopters, and all this costs money. Political parties are not surviving merely on the goodwill of the people. They also need material resources to survive. If we honestly introspect ourselves as to where these material resources are coming from, they are effectively coming from those sources where resources are actually available. Small donations may be available with members of political parties in the form of membership fees. In my political party, we have a particular fund where a lot of active people and sympathisers give Rs. 10,000 every year, and we collect a large amount of money. But then, political parties also turn to all kinds of sources to collect donations.  
...(Interruptions)

SHRI SOMNATH CHATTERJEE (BOLPUR): It is nice to know about your internal funding.

SHRI ARUN JAITLEY: Shri Somnath Chatterjee, in the B.J.P., we not only collect it ...(Interruptions)

SHRI SOMNATH CHATTERJEE : I am not saying 'cover up'. I did not know about it, and I am happy to know that you have got such followers.

SHRI ARUN JAITLEY: Let me complete. We not only collect it...(Interruptions)

SHRI SOMNATH CHATTERJEE : He says that everybody uses 'planes'. I am for a review of that.

SHRI ARUN JAITLEY: In my Party, we not only collect it, every Member of Parliament of my Party also has to pay Rs. 10,000 every year, besides giving an amount every month to my Parliamentary Party. This amount of Rs. 10,000 is collected by cheque. In our Party's Journal, we publish a list of all donors. However, political parties are collecting money from various sources, as I said, where sources of moneys are available.

There is also a popular perception that there is a large amount of invisible money which comes into politics. This Bill is an effort to correct a part of that ailment. When we speak in terms of comprehensive reforms, let me very honestly confess, there is no such law which can be a comprehensive electoral reforms Bill.

The late Shri Indrajit Gupta made some very valuable suggestions. He said that there must be some form of 'in kind' assistance, but not 'cash' assistance.

SHRI SOMNATH CHATTERJEE : It was a unanimous report.

SHRI ARUN JAITLEY: It was a unanimous report and it was a very good report.

I have just two queries to raise, while I agree with the substantial part of what the late Shri Indrajit Gupta recommended. When we sent that report to all State Governments and asked them to please indicate as to how much they were going to contribute because there was a fund to be created -- a part of which was to be contributed by the Central Government, a part by the State Government -- close to almost all State Governments turned around and said that they were not able to contribute to this particular fund.

While we sat as members of the Committee we said, "Let the State Governments make a contribution, let the Central Government make a contribution."; when we wrote to the State Governments, the response was, "We are not in a position to contribute to this particular fund."

A question which some of the Members have raised, and that is the second question which we have to ask, was that even if we implemented that Report *in toto*, would that have stopped candidates, would that have stopped political parties, from going to other sources for additional resources in order to spend on such activities which Shri Pawan Kumar Bansal very elaborately, in the course of his speech, indicated? A part of the reform will have to come not merely by a legal exercise but also by the conduct which candidates and political parties are going to maintain. If we indulge in an activity such as booth-capturing; if we indulge in an activity such as rigging the electoral rolls; if we indulge in such activities as to distributing money and other such illegal incentives for the purposes of voting; if the political parties and candidates across the board do it; to expect that there can be a comprehensive law which can change the concept of this particular law throughout, which can change the behavioural pattern throughout, itself may not be so easy.

Dr. Raghuvansh Prasad Singh, who opposed this Bill, made one very honest statement that the amount most candidates disclose in the return may not be an honest reflection of what is actually spent in the election. If we honestly see as to how the funding takes place, even when black-money enters politics, if you are spending more than what you are declaring, let us just analyse how the funding takes place. If black money is contributed to a political party, that political party will in turn undertake its expenditure in the same invisible colour of money. When the political party pays its bills – whether it is to the printers, or for advertisements, or for hiring the vehicles, or for travel, or for organising money – all its expenditure continues in the parallel economy and not within the tax net. At no stage will this money enter the tax net. At no stage will this money enter the proper taxation provisions of our law. As a result of that, the money which is being used in the electoral process is earning no revenue for the Government of India. It earns no revenue because it remains outside the tax net at every stage where the taxable expenditure is undertaken, or the taxable income is earned. So, if a political party pays the printer, if it pays the transporter, if it pays various other sources, it pays in the same colour of money in which the donation is received. As a result of that, at no stage is the tax paid on it – whether it is excise duty on the paper which is used, whether it is sales tax on the purchase of certain commodities or whether it is income tax on the income which is earned – and the parallel economy continues.

This Bill, therefore, does not give any incentive inasmuch as this money is already outside the tax net. It is an effort to bring this entire money – if entire is not possible, in the first instance at least some part of it where the reform can begin – into the tax net. If, therefore, businessmen are incentivised, individual citizens are incentivised, any taxable entity – whether it is an individual or a HUF or a partnership firm, or a company – is incentivised to pay by cheque, the Government of India is not losing any revenue because, in the first instance, we are not losing any revenue on the money spent on the political activity as the situation stands today. If at the first stage you give an incentive, at every subsequent stage this money is going to be a part of the tax net. Therefore, at every stage where the expenditure is incurred – first by the political party, then by the person to whom the expenditure is made, whether it is a transporter or a printer – the money goes into the tax net and, therefore, taxes would be paid at that stage. In fact, we will start a process of bringing this money into the tax net. You are actually, in the long run, going to earn more revenue by giving this form of an incentive.

A fear has been raised that multinationals will come in and start funding the political process.

I would urge the hon. Members -- when they spend substantial time of the House in raising these please -- to, at least, read the basic provisions of this Act.

Sir, on the first page itself, it says:

"Provided that no political party shall be eligible to accept any contribution from any foreign source defined under clause (e) of section 2 of the Foreign Contribution (Regulation) Act, 1976. "

Section 2(e) very clearly says about the foreign source. A foreign source includes a multinational company; it includes a company which is a subsidiary of a multinational company; it includes a company where the shareholding is held by the foreigners. Non-Resident Indians are also included in the definition because they cannot start sending money from outside India in order to influence the Indian polity. So, that kind of a fear which they have expressed is belied by the very provisions which are set out in the Act itself.

Sir, I have already indicated that this would not be an incentive being given to even a businessman because the incentive only is to the extent that 'please stop siphoning money from business and then giving it to political parties,

you are now being given an incentive to actually give money by cheque so that people get into the habit of accepting this money by cheque.'

There is a responsibility of a political party in order now to maintain strict accounts. Those accounts are audited. The present provision is only under the Income Tax Act. Under the Income Tax Act, if a party has audited accounts, it files return with the Income Tax Authorities every year and gives a list of donors who have donated more than Rs. 10,000 in a given year. Then no tax is levied on the political party. We have increased this Rs. 10,000 to Rs. 20,000 because the Standing Committee felt that Rs. 10,000 was inadequate. And this having been increased, now the additional requirement is that you will also file your return with the Election Commission. There is a consequence of not filing the return. That provision is already there under the Income Tax Act. Now, if you do not file your return to the Election Commission after these benefits have been given to you, the consequences will be that the tax relief available to you under the Income Tax Act would be denied to you.

Sir, a question has been raised as to which are the political parties who will be entitled to the benefits of it. The Standing Committee consciously went into this question. At some stages, the phrase used is 'a political party' and at some stages, the phrase used is 'a recognised political party'. 'A political party' is a phrase which is used in section 29(b) and clarified by an amendment to the Companies Act that it will mean such parties as are registered under section 29(a) of the Representation of People's Act.

Sir, we recollect that when late Shri Rajiv Gandhi was the Prime Minister, the Representation of People's Act was amended in order to provide for registration of political parties. So, all political parties are required to be registered. There is a particular declaration which they have to file with the Election Commission. So, there are benefits of donations which are available to political parties which is defined as 'political parties as registered under section 29(a) with the Election Commission.

In the first instance, take the case of benefits regarding equitable distribution of time on electronic media. These are all benefits which are available to the recognised political parties. A recognised political party is in contravention to a registered political party whereas any party which seeks the registration can be a registered political party. A recognised party is one which is allotted a symbol on the basis of the minimum percentage of votes that it scored under the Symbol Allocation Order. Therefore, these are the distinctions which have been made.

Sir, a question has been arisen as to what are the benefits which will come out of this, besides the benefits of incentivising donations by cheque and legitimising the process of political funding.

Sir, we had initially recommended that, besides equitable distribution of television time this is extremely important. The electronic media has a tremendous influence on the minds of the people. If the electronic media is used in favour of one political party as against the other, or even a cable television is used in favour of one candidate as against the other, it can give an unfair advantage to one candidate or one party over the other. So, we have said that the Election Commission during the election period will regulate the kind of time which cable television will give, which the private television channels will give,

which the Prasar Bharati will give both on television and radio, as far as the political parties are concerned.

As far as Prasar Bharti is concerned, which is a public broadcaster, this is an step forward because this regulate not only the time to be allotted, but it will also extend to the private electronic media.

Similarly there are also provisions which we have made. Initially, we had intended that the slips which you have referred to can be given free at the State expenditure to the candidates. But the Standing Committee felt that really the amount of resources available at the stage of every election should be ascertained, and whatever additionally is to be given – this is not all – before every election, the Central Government in consultation with the Election Commission depending upon the resources available, will declare whatever facilities further can be given in terms of publicity material, or in terms of other benefits which can be given to the candidates.

As I indicated, this is an small step forward. I am conscious of the fact that merely because we are trying to legitimize and incentivise funds by giving these incentives, the change will not take place overnight. Changes will come about when those who donate money, whether they are individuals or others, and those who accept those donations, also increasingly realise that this, perhaps, is the system which will add not only legitimacy but also credibility to the full process of political funding. Once you have credible political funding processes available, you straightway know as to whether there is an nexus between any official decision taken by the Government and the donor. In fact, as long as it remains invisible, the nexus will never be known. The knowledge of that nexus, at least, will add further transparency and knowledge as far as public is concerned, whether donation is being given for a *quid pro quo* or it is a part of the general donation which big business is trying to give as a part of its public responsibility. As I indicated elections are a part of democracy. Political parties are an inherent part of parliamentary democracy. Funding politics cannot be a hush-hush exercise. It has to be an honest and transparent exercise. The

more we are able to do it by virtue of these amendments which we are seeking to make, the better it will be for the Indian democracy.

With these few words, I commend to this House that this Bill be accepted.

MR. SPEAKER: Now the question is:

"That the Bill be further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961, be taken into consideration."

*The motion was adopted.*

MR. SPEAKER: The House will now take up clause by clause consideration of the Bill. The question is:

"That clauses 2 to 10 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 10 were added to the Bill.*

MR. SPEAKER: The question is:

"That clause 1, the Enacting Formula, and the Long Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula, and the Long Title were added to the Bill."*

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MR. SPEAKER: The Minister may now move that the Bill be passed.

SHRI ARUN JAITLEY: I beg to move:

"That the Bill be passed."

MR. SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

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