

श्री बाल्मीकी : मैं बिल को पढ़ करता

हूँ ।

know how the Government is going to meet.

I will confine myself first to the legal aspect and then to the political aspect. Regarding the legal aspect, I would refer to the decision of the Calcutta High Court which is reported in AIR 1957, Calcutta, page 234, Justice P. B. Mukerjee has given his order *In re. Indian Iron and Steel Company Limited*, No. 31 of 1957. He himself finds it necessary to tell the country through his judgment the reasons which prompted them for amending the Memorandum of Association. This is what the petition says:

COMPANIES (AMENDMENT) BILL—
contd.

Mr. Deputy-Speaker: The House will now resume further discussion on the motion moved by Shri Naushir Bharucha on the 18th April, 1958 that "the Bill further to amend the Companies Act, 1956, be taken into consideration".

Out of two hours allotted for the discussion of the Bill, 51 minutes were taken up on the 18th April, 1958, and 1 hour and 9 minutes are still available.

Shri S. M. Banerjee is not here now. So, Shri Tangamani may now speak.

Shri Tangamani (Madurai): Mr. Deputy-Speaker, Sir, I rise to support the Companies (Amendment) Bill, 1957, Bill No. 67 of 1957, moved by my hon. friend Shri Naushir Bharucha. The Statement of Objects and Reasons makes it clear why such an amendment to the relevant sections of the Indian Companies Act is necessary. He referred to two judgments, one by the Calcutta High Court and the other by the Bombay High Court in the case of the Indian Iron and Steel Company and also in the case of the Tata Iron and Steel Company when they wanted to amend the Memorandum of Association to enable them to make their contributions to political parties. The statement also adds that certain lacunae have been pointed out and the Bombay High Court went to the extent of saying that a suitable amendment would meet the ends of justice. I do not propose to add to the many points which were advanced last time both by Mr. Bharucha and Mr. Mahanty. They have not only given instances, but they have presented a case which I do not

"The prosperity of the company's business is very much dependent upon the industrial policy of the Central Government of the day. Further, the company's principal business being the manufacture of iron and steel, the sale and distribution of the company's products, the prices to be received by the company for the same and the manufacturing and other policies to be followed by the company are all subject to and closely related to the requirements of the Central Government, with which the company has intimate dealings, transactions and connections."

So, they make it very clear that they want to toe the line of the policy of the Central Government.

Mr. Deputy-Speaker: I must repeat the request that has already been made not once but twice or thrice, that hon. Members should not come to the Chair at any time. They can write to me and their purpose will be served. Their coming over frequently does embarrass the position of the Chair and it is not also dignified that Members should be coming over and over again. So, I repeat that request. They can write to me and certainly the same purpose will be served equally well.

Shri Tangamani: They proceed to state further:

"To enable the company to carry on its business *more efficiently*, it is necessary that the company should be enabled to contribute to the funds of political parties, which will advance policies conducive to the interests of industries in general and of this company in particular and also, the company should be able to contribute to other funds and objects of national importance."

The point is clear. They want to contribute to that political party which will advance the interest of this particular company. It is needless for me to say to which political party or parties such contributions will be made. No one will suggest that such companies will make contributions to parties like the communist party. I am informed—I do not know how far it is true—that certain employers are saying that money will freely flow, particularly in Kerala, where a bye-election is in the offing. In that bye-election most of the voters are plantation workers in Devicolam and Peermade taluks. It is the biggest plantation belt stretching from the end of the Coimbatore district right up to the Madurai district. It is more or less the border area and the plantation belt is controlled by very powerful companies. It is also common knowledge that these planters have suffered at the hands of the State Government through various taxation measures and money is now pouring in. It is also common knowledge that these companies are openly saying that money will flow like water. So, a discussion on this particular subject in this House will at least serve as a deterrent to the people who openly come out and say, "For defeating a particular political party's candidate, we are prepared to spend any amount".

Having said this, I will mention what the learned Judge proceeded to observe. It is somewhat poetic also:

"To the cynic it appears to be a plea of the company to have a legal sanction to bribe the Government of the day, to induce policies that will help the company in its business. A company's policy should be determined by the shareholders who subscribe to the capital and carried out by its Board of Directors, who manage the company. Such policy, should, therefore, stand on its own merits and on the convictions and conscience of its shareholders.

"To induce the Government of the day by contributing money to the political funds of political parties, is to adopt the most sinister principle fraught with grave dangers to commercial as well as public standards of administration. The object is stated plainly to be:

"to contribute to the funds of political parties which will advance policies conducive to the interest of the company'."

The learned Judge takes this viewpoint and he argues like a cynic. This is how the cynic raises the point. He brings forward again the purpose for which they wanted to make this contribution:

"Persuasion by contribution of money lowers the standard of administration even in a welfare State of democracy. To convert convictions and conscience by money is to pervert both democracy and administration."

After all, as human beings, people are subject to certain influences. There is a saying in Tamil: "Eetti ettiyavarayil payum; panam pathalam varayil payum". It means, even a powerful spear can only reach up to

the end of its length. If it is a spear of seven feet length, it cannot penetrate more than 7 feet. But there is no limit at all to which money can penetrate. It will not be 7 feet, but it may be 7,000 feet or even 7,000 miles. "*Pathalam varayil payum*" means it can penetrate right up to the nether world. That is the powerful influence of money. Should that influence be used to lower down the standard of morality and integrity, which we are all trying to build? Regarding that, I do not think there is any difference of opinion. Whatever may be the political affiliation of an individual, nobody in this country says that morality must be brought down and the powerful influence of money should be used to lower down the morality and integrity of the people. So, this warning has also been given. Then, the learned Judge says:

"Its dangers are manifold. Joint stock companies are not intended to be adjuncts to political parties and possible sources of revenue for these parties."

Otherwise, political parties can run joint stock companies instead of going to the people for contribution, whether it is for election or for any other purpose. They can always run joint stock companies and one portion of the income of the joint stock companies can be contributed to the political parties. Political parties are more or less separate entities altogether. Otherwise, as the learned Judge points out, any of the political parties can be turned into joint stock companies.

15 hrs.

I remember, Shri Jaganatha Rao saying the other day, "Why should we make a distinction? Why should we restrict it to joint stock companies? Why not extend it to all the individuals?" That is a bigger issue, of course. Here in this House we can make a beginning. We must be thankful to Mr. Bharucha for coming forward with such a concrete sugges-

tion, and that too not out of his whims and fancies, but as the result of a directive given, a warning given, by the Judge of the Calcutta High Court and a request made by the Judge of the Bombay High Court that it is about time suitable amendments are brought forward. If a beginning is made in the case of joint stock companies, the private employers, the private capitalists will be careful and the politician will think twice before he approaches a private capitalist, and I have no doubt that if this is passed some of the small interests will be grateful to this House. Here I can, without divulging the names, say what actually happens. A political leader gets hold of an important industrialist. It may be a private company or it may be an individual. Now, he is asked to raise Rs. 10 lakhs. He is in a position to contribute Rs. 2 lakhs. What he does is that he contributes only Rs. 1 lakh. Then, if he is a transport operator, he gets hold of all the transport operators and informs them: if you possess 10 transport vehicles, you will have to pay Rs. 1,000 for each vehicle. In this way, money is collected by the powerful individual and he contributes it to the party. Here I may say that I am saying this with a sense of responsibility. So, if this legislation is passed, if this amendment is accepted, there will be a large number of small industrialists who will be grateful to this House. Here it is further stated:

"In this competition business interest is bound to suffer in the long run. In the bid for political favouritism by the bait of money the company who will be the highest bidder may secure the most unfair advantage over its rival trader companies. Thirdly it will mark the advent and entry of the voice of the big business in politics and in the political life of the country."

These are not the words of any communist; these are the words which are

[Shri Tangamani]
found in the judgment of the learned Judge. He says:

"The individual citizens although in name equal will be gravely handicapped in their voice because the length of their contributions cannot even hope to equal the length of the contributions of the big companies."

Here he really warns us how democracy is going to be handicapped. Without mentioning any particular name, I may say that a company may be in a position to contribute Rs. 10 lakhs. An individual, however rich he may be, will not be able to contribute so much. So, unless a company is properly controlled it can pay much more than what an individual can pay. He says:

"The man who pays the piper will then call the tune. The tune of political life, therefore, is liable in the long run to become the tune of the big trading companies and concerns. That will be bad both for business and for politics. It will be alike bad for public life as well as commercial life."

I have read these quotations verbatim in extenso so as to create more interest in this House to go through the entire judgment, because the judgment is really worth reading. Because, it is really an appeal of the learned Judge of the Calcutta High Court to this House that it is about time we put an end to this. Without casting any reflections on any of the industries, I may say that it is a genuine attempt made by this House on the basis of the observations made by the Judge of the Calcutta High Court, on the basis of more or less the directive given by the Judge of the Bombay High Court. With these words, I support this amendment and I would like to add that this is not one day too late. It has come at the right time and the nation is watching how we are dealing with this problem. I would in the end say that the House must be grateful to Shri Bharucha for having brought this very salutary enactment.

श्री काशीनाथ पांडे (हाता) :
उपाध्यक्ष महोदय, पिछले दिन जब यह बिल मरूचा साहब के जरिये पेश किया गया उस दिन भी जो कुछ उन्होंने अपने भाषण में कहा उसको मैंने बहुत ध्यान से सुना। उनको कम्पनीज एक्ट में अमेंडमेंट करने की जरूरत इसलिये महसूस हुई क्योंकि टाटा साहब ने कुछ चन्दा दिया था कांग्रेस को और उस चन्दे को वह इल्लीगल प्रेटिफिकेशन कहते हैं क्योंकि कांग्रेस पार्टी की गवर्नमेंट पावर में है। मैं उन से पूछना चाहता हूँ....

Shri P. R. Patel (Mehsana): Rs. 18 lakhs from the Ahmedabad Textiles.

श्री काशीनाथ पांडे: वह भी मैं माने लेता हूँ। उस से कोई फर्क नहीं पड़ता। मालूम होता है कि कांग्रेस क्या चीज है इस के बारे में माननीय सदस्य को जानकारी कम है। यह एक संस्था है जो कि सारे हिन्दुस्तान की है जिस के गरीब से लेकर भ्रमीर तक सभी सदस्य हैं और इस तरह से वह अपने को सब की संस्था समझती है।

एक माननीय सदस्य : सब की नहीं है।

श्री काशीनाथ पांडे : उनका कहना है कि पिछले इन्वेक्शन में टाटा साहब ने कांग्रेस को चंदा दिया। लेकिन मैं आपसे पूछना चाहता हूँ कि सन् १९३६ में कांग्रेस कैसे पावर में आ गयी क्योंकि उस से पहले तो कांग्रेस की सरकार नहीं थी।

श्री बजरत्न सिंह : उस समय हम भी साथ थे।

श्री काशीनाथ पांडे : और केवल आपके ही बल पर उस समय की कांग्रेस सरकार बनी थी। मैं कहना चाहता हूँ कि हर एक प्रजातांत्रिक देश में इस तरह की संस्थाएँ होती हैं और मुझे विश्वास है कि मेरी पार्टी की तरफ से कभी ऐसा प्रस्ताव

वहीं या सकता है कि सोशलिस्ट पार्टी ने या किसी दूसरी पार्टी ने या किसी माननीय सदस्य ने फ़लां से चन्दा ले लिया है। जिसने सदस्य भ्राये हैं उन में से शायद ही कोई कैपीटलिस्ट होगा। उन को सहायता की जरूरत पड़ी ही होगी। हो सकता है कि किसी किसान ने उन को चार आना चन्दा दिया हो, किसी मजदूर ने एक रुपया चन्दा दिया हो और वह मुझे भी सहायता करे हैं। इसलिए इस बात को उठाना कि कांग्रेस ने फ़लां शब्द से चन्दा ले लिया और उसकी बजह से उनको सन्देह हो गया कि कांग्रेस ने जो कैसला किया था....

उपाध्यक्ष महोदय : माननीय सदस्य को यह तो सुनना ही होगा।

श्री काशीनाथ पांडे : इस चन्दे की बजह से उनको सन्देह हो गया है कि कांग्रेस पार्टी ने जो सोशलिस्ट पैटर्न की सोसाइटी स्थापित करने का रिजोल्यूशन पास किया था उसको खतरा पैदा हो गया है और वह समझते हैं कि शायद कांग्रेस इस चन्दे की बजह से प्रभावित हो गयी है। और वह टाटा इंडस्ट्रीज को नेशनलाइज नहीं करेगी। मैं समझता हूँ कि अगर माननीय सदस्य यह प्रस्ताव लाये होते कि टाटा इंडस्ट्रीज को नेशनलाइज किया जाये तो मैं उस प्रस्ताव को सपोर्ट करने की बात सोचता।

वह कहते हैं कि पोलिटिकल पार्टीज को चन्दा देने के सम्बन्ध में कम्पनीज ऐक्ट को अमेंड कर देना चाहिए लेकिन इंडीवीजुअल पोलिटिशियन्स को रुपया मिलता रहना चाहिये या नहीं इसके सम्बन्ध में उन्होंने कुछ नहीं कहा है। उन्होंने अपनी स्पीच में यह भी कहा है कि टाटा साहब ने चन्दा देने के लिए यह ग्राउंड लिया कि कांग्रेस पार्टी को इसलिए चन्दा देना चाहिए कि वह पावर में है और वही ऐसी संस्था है जो देश को सही दिशा में ले

जा सकता है और देश से आर्डर मेनटेन रख सकती है। मैं टाटा साहब की बुद्धिमान्नी की दाद देता हूँ। वह इतनी बड़ी इंडस्ट्री चलाने वाले हैं और बड़े बुद्धिमान हैं। वह जानते हैं कि अगर ऐसी पार्टी पावर में नहीं रहेगी तो देश में जो डिसआर्डर पैदा होगा उस के गैप को कोई भी इंडीवीजुअल पूरा नहीं कर सकेगा। चाहे वह इंडीवीजुअल कितना ही बड़ा क्यों न हो वह उस प्रकार आर्डर कायम नहीं कर सकेगा जिस प्रकार कि कांग्रेस जैसी संस्था कर सकती है। और यह भी निर्विवाद है कि अगर कांग्रेस इस समय या किसी भी समय शक्तिशाली नहीं रहती है तो कोई दूसरी पार्टी हिन्दुस्तान में ऐसी नहीं है जो यहां आर्डर मेनटेन कर सके यह मैं दावे के साथ कह सकता हूँ।

श्री जगदीश शर्मा (बिल्होर) : यही अंग्रेज कहेंगे थे।

उपाध्यक्ष महोदय : यहां तो आर्डर मेनटेन करना ही है। हाउस में तो डिसआर्डर नहीं होना चाहिए।

श्री काशीनाथ पांडे : दूसरी बात मैं आप से यह कहना चाहता हूँ कि आप देखें कि जब से इलेक्शन हुआ है और कांग्रेस पावर में आयी है वह सोशलिज्म की तरफ बढ़ी है या नहीं। आप देखें कि कांग्रेस पार्टी के पावर में आने से पहले जो हालत थी उसकी अपेक्षा हम आगे बढ़े हैं या पीछे गये हैं। अगर यह बात सही है कि इनकमटेक्स में बढ़ीतरी की गयी है, अगर यह सही है कि एक्ससाइज ड्यूटी बढ़ाई गयी है, अगर यह सही है कि कम्पनी अमेंडमेंट बिल लाकर सरकार ने तमाम कम्पनियों को अपने कंट्रोल में किया है तो आपको यह समझना चाहिये कि हिन्दुस्तान सोशलिस्ट पैटर्न की तरफ आगे बढ़ा है और

[श्री काशीनाथ पांडे]

कांग्रेस का जो परपक्ष या सोशलिज्म को कायम करने का उसकी तरफ उसने उन्नति की है। इसलिये भाषको संवेह करने की कोई वजह नहीं होनी चाहिए थी। मैं अर्ज करना चाहता हूँ कि इस तरह के प्रस्ताव लाने से तो उस आदमी की मनोभावना का पता चलता है जो ऐसा प्रस्ताव लाता है। और मेरा खयाल है कि कोई भी आदमी जिसका सम्बन्ध किसी भी पार्टी में होगा वह इस प्रकार का प्रस्ताव नहीं लावेगा क्योंकि द्वाँर सहायता के किसी पार्टी का काम नहीं चल सकता। भरुचा साहब की कोई पार्टी नहीं है, वह इंडिपेंडेंट हैं। वह किसी भी पार्टी को जिस तरह चाहें क्रिटिसाइज कर सकते हैं। मुझे तो ताज्जुब तब होता जब कि सोशलिस्ट पार्टी या कम्युनिस्ट पार्टी की तरफ से इस तरह का प्रस्ताव आया होता। हमारा मुकाबला सोशलिस्ट और कम्युनिस्ट पार्टियों में रहा है। मजदूर उनकी भी सहायता करते हैं, दूसरे लोग भी उनकी सहायता करते हैं। कैपिटलिस्ट की मोटर वह भी इस्तेमाल कर लेते हैं। तो मैं अर्ज करना चाहता हूँ कि इस तरह के प्रस्ताव लाने में कोई फायदा नहीं है। मैं तो कहता हूँ कि जितनी बुद्धि वह इस प्रकार के प्रस्ताव लाने में खर्च करते हैं उतनी बुद्धि अगर वह इस सेक्रेटिरियेट में निकलने वाली रिपोर्टों को पढ़ कर कांस्ट्रिक्टव प्रस्ताव लाने में खर्च करें तो उस में बहुत फायदा हो सकता है।

इन शर्तों के साथ मैं इस प्रस्ताव का धोर विरोध करना चाहता हूँ।

Mr. Deputy-Speaker: The hon. Law Minister.

The Deputy Minister of Law (Shri Hajarnavis): May I speak afterwards?

Mr. Deputy-Speaker: I cannot call both the hon. Ministers one after the other. There should be some interval.

Shri Hajarnavis: I am obliged to you, Mr. Deputy-Speaker, for providing me with an opportunity to intervene at this stage of the debate. I thought, I would wait for a few minutes because.....

Mr. Deputy-Speaker: I have no objection.

Shri Hajarnavis: But now that I am on my legs, I would make my submissions to the House. There were certain authorities with which I wanted to refresh myself before I made my submissions to this House.

The measure which has been brought by my hon. friend, Shri Bharucha, raises a question undoubtedly of very great importance. It is a theme, which is beyond party controversy and I expected that a legislator of his stature and a lawyer of his standing would raise this issue above party dialectics and that he would not merely utilise this occasion to inveigh against the Government but would suggest means by which an important aspect of the elections would be considered. But, I am sorry to say that, he has depressed, if I may say so with due deference to him, the level at which this question is being considered. Therefore, I must as best as I may reply to the arguments which he has used. That is not to say that this question can be evaded.

What is the Bill? The Bill that he has brought aims at two things. Firstly, it prohibits contributions by companies. Secondly, it prohibits contributions to political parties. The principle on which this inhibition is sought to be supported is said to be that the springs of democracy would be polluted if the influence of money is brought to bear upon discussion of questions which ought to be resolved on pure merits. If that is the real objective of the measure, then I would expect that the Bill ought to embrace a larger area because I do not see how the prohibition only of companies would greatly help.

Shri Naushir Bharucha (East Khandesh): Then why don't you bring a larger bill embracing everything?

Shri Hajarnavis: The only statement that I can make short of a firm assurance is that when the present elections are over and the questions relating to these elections are over we might think of amending the law relating to elections and then this matter may be examined in detail above the controversy of parties. That is an assurance which I can give. If that satisfies my hon. friend, then I believe, he ought to withdraw the Bill.

Shri C. E. Pattabhi Raman (Kumbakonam): It was suggested that if at any time the law has to be amended, amend the election law and not the company law. The Vishwanath Shastri Committee went through this. The one-man committee considered this and said that it is not in the scope of the company law to enact a legislation. It is within the scope of the election law.

Shri Hajarnavis: We are awaiting, so far as the law of elections is concerned, final decisions of various courts in the matter. Most of these questions will be decided in about a year's time. Then there will be time enough to constitute an all party committee which will go into all questions relating to elections. Then we will be able to draw upon the experience and I hope with the willing co-operation of all the parties we will be able to frame a law, which must be a law not belonging to a particular party, but which is accepted as a fundamental law of democracy. That is in our mind and if, as I said, my learned friend is satisfied with that assurance, the debate may end here and now. But, if it does not satisfy him then I must examine the contention that he has raised on merits.

What he says is that there should be prohibition against companies. My hon. friend, Shri Tangamani, realised the weakness in Shri Bharucha's posi-

tion. He advanced a very clever argument in support of Shri Bharucha saying that let us make a beginning somewhere and let us begin with the companies. Now, the question is: Are the companies the only offenders in this respect? Are there not other powerful interests other than companies which can cause equal damage? Why, if the companies said, do you single us out for this differential treatment, what reason can we advance? Shall not this Act be liable to be challenged under Article 14? Then, the question would be why are parties to be discriminated against? Why is a party to be regarded with suspicion, whereas individuals may be benefited to any extent? The hon. Speaker, who has preceded me, has pointed out that there are independent candidates with limitless means. It is against them that the parties have got to fight and it will be accepted everywhere that the candidates who are set up by the parties—and my hon. friends in the Socialist Party will also admit that—are people without means and against them are pitted independent candidates of massive means. If against these the parties have got to fight the election and no one has suggested that democracy is not going to succeed unless elections are fought on party lines, then the prohibition must as well be directed against individuals receiving it as against the parties. I can assure the hon. Members of our connection that if at any time such a prohibition is imposed against the donations then the party that will suffer will not be the Congress Party. Congress Party today enjoys such a wide support and has on its rolls such a large number of members that it is not possible that that party is likely to suffer. Therefore, in principle, the Congress Party will not object to such a measure. But then let it be a measure, let it be a bill, let it be a law which has logic in it. After all, we are not legislating for five or ten years.

I might remind my hon. friend, Shri Tangamani, that in America, they have an Act, which is regarded

[Shri Hajarnavis]

as a hateful act by the American labour. It goes by the name of Taft Hartley Act. Under the Act, not only donations by corporations are prohibited, but donations by the labour organisations are also prohibited.

An Hon. Member: That is wrong.

Shri Hajarnavis: What is wrong? It is surely not wrong.

Shri Ranga: In England, we have got the trade union contribution.

Shri Hajarnavis: In England, therefore, contributions by corporations are not prohibited. It is regarded as a legitimate expense. For instance, there was a case some three years back, a Sugar Syndicate ran an advertisement presumably in support of the Conservative Party. The question was: Was it a legitimate expense? The House of Lords decided that the expenditure made by that company, which in effect was support of the Conservative Party, was a legitimate expense by the company. That is in answer to the point made by Shri Bharucha and Shri Tangamani as to whether any sinister meaning can be read in the phrase that these expenses are made with a view to running the company efficiently. The highest court of England, the House of Lords, has held that where the interests of the company are likely to be affected to such an extent that they might go out of existence, if they carry on a propaganda which directly or indirectly will support a party, then it is a legitimate business expense. This is what the House of Lords decided. It is not suggested that the democratic standards in England are lower than those anywhere else.

Shri Tangamani: Conditions differ.

Shri Hajarnavis: I do not think that the conditions differ at all. But if any prohibition has to be made and if companies come under the ban, I would like to know how logic will exempt the labour organisations.

An Hon. Member: Exempt everybody.

Shri Hajarnavis: That is what I say. Therefore, the scope of the Bill is very narrow.

Shri Nanshir Bharucha: Are you prepared to give an assurance that you will bring forward a Bill? Then I am prepared to withdraw my Bill.

Shri Hajarnavis: As I said, it cannot be decided by an agreement between me and Mr. Bharucha. It is something which must be debated and all aspects must be considered. They will be considered at the proper time, when the proper law comes up for discussion, but not now.

Shri Tangamani: Let us know when it is coming. It may come after the next elections.

An Hon. Member: Sir, we cannot follow the discussion.

Shri Hajarnavis: I merely suggested that the proper place to consider such a legislation is not the Company Law at all. It will be only in the law relating to elections where we will have to make up our minds as to whether it should be permissible for a party or an individual to receive support from other sources. Is it suggested that if money is received from a company it is bad but if it is received from a partnership then it is good and no objection can be raised?

Shri P. R. Patel: Let it be decided on that side.

Shri Nanshir Bharucha: It is equally bad.

Shri Hajarnavis: This Bill prohibits the one and permits the other.

Shri Nanshir Bharucha: This Bill is only for an amendment of section 393 of the Companies Act.

Shri Hajarnavis: So far as the proposed sub-section (2) is concerned, it says, "Notwithstanding any other law for the time being in force, no company shall subscribe to, or contribute directly or indirectly, to any political party or organisation having political aims or objects, etc." Therefore, the prohibition is only against companies. The other entities are free to support candidates. And again, the entity which comes under the ban is a political party, not an individual. Therefore, an Independent is free to be financed to any extent, either by a company or by any other entity.

Shri Naushir Bharucha: Not much of a hope, Sir!

Shri Hajarnavis: The greatest enemy of political parties, or, if I might say so, the active workers of a progressive organisation, is the independent candidate. He does not represent any interests except himself.

Mr. Deputy-Speaker: He says, not much of a hope—though there is much of fear on the other side. There may not be much of a hope on one side, but there can be fears on the other side!

Shri Hajarnavis: There is another point which Mr. Bharucha mentioned, and a point which, I submit, was not worthy of him. He said that if a party takes a donation with an objective which it knows it cannot fulfil, then it amounts to illegal gratification. I did not think that a discussion on a matter which is so important will be brought to such a level. But let us assume that, and if it is illegal gratification I will ask him another question. What about those who take donations from persons, though they realise, in the first place, that the party they represent will never be elected and, secondly, even if it is elected it will never form a government? What right have they to accept donations?

Shri Naushir Bharucha: No right.

Shri Hajarnavis: If they do so, then of course I might mention the section, it will be obtaining money on false pretences.

Therefore, all that I can say to Mr. Bharucha is that the question which he has raised is not one which can be lightly disposed of. It is not one which we say should be rejected out of hand. It should be examined. But the question is, the dimensions of the problem, the way in which it will affect our democracy are all matters which have got to be discussed. It is not something which can come by way of a side wind. All the aspects of the question ought to be considered. They will be considered at a proper time. The mere amendment of the Companies Act will not achieve that object at all.

After all, as someone said, if some private person of means does support a candidate or a string of candidates, does the Bill prevent it? After all, the Bill is not something which is intended to regulate the companies. It is intended, as my hon. friend suggested, to keep the springs of democracy clear. If that is the object, then I suggest that the proper place for a measure like this is the law of elections.

Thirdly, Sir, the supporters of the motion are not clear in their own minds. Whereas Mr. Bharucha said that the donations are given willingly in order to bribe the party in power in order to win the advantages—what advantages this Government, which is composed of this party in power, has given to the companies the hon. the Minister in charge of Commerce and industry will tell the House....

An Hon. Member: Concessions.

Shri Hajarnavis: None has been mentioned so far. But there is no unanimity between the reasons given by Mr. Bharucha and those given by Mr. Tangamani. Mr. Bharucha says that these are given as willing bribes by industrialists in order to get concessions, whereas Mr. Tangamani went

[Shri Hajarnavis]

on to say that these are enforced donations and they are unwillingly given. Therefore, what I suggest is that the reasons which have prompted my hon. friends opposite are not objective reasons or reasons which they have actually found in practice but they are merely imaginative fears.

I suggest, therefore, that this Bill is not in a proper place, it does not deal with the matter adequately. I repeat what I said in the beginning that the question as to how far the Leviathans in the economic world are going to affect the choice of people to be representatives is a matter which requires examination. The Leviathans may be composed of corporations; they may be composed of huge trade organisations. So far as we believe in democracy, we can conceive that the government may today be formed from one side, tomorrow it may be formed from my friends opposite. But in any case, if the election is to be affected by huge funds collected by the organisation, then it is a kind of danger which has to be guarded against. And companies alone cannot be treated in isolation for a solution of this problem.

Some Hon. Members rose—

Mr. Deputy-Speaker: I am afraid there is very little time now.

Shri Braj Raj Singh (Ferozabad): I will take only a few minutes, as much as you wish.

Mr. Deputy-Speaker: Very well, five minutes.

श्री बजराम सिंह : उपाध्यक्ष महोदय, मेरे मित्र कानून उपमंत्री जी ने जिस तरह से इस बिल के कानूनी पहलू पर प्रकाश डाला है उस से मुझे ऐसा लगता है कि उनको शायद ही जिन्दगी में इस तरह के कमज़ोर केस को लड़ने का मौका मिला हो। वह समझते हैं कि जहाँ यह आवश्यक है कि धन का प्रभाव राजनीति पर न पड़े वहाँ यह कहना कि सिर्फ़ कम्पनी ला में

संशोधन कर देने मात्र से काम चल जायेगा ठीक नहीं होगा। और साथ ही उन्होंने यह भी कहा कि दूसरे प्राइवेट व्यक्ति भी हो सकते हैं जो कि राजनीति पर असर डाल सकते हैं और उन पर भी कंट्रोल करना आवश्यक होना चाहिए। मैं समझता हूँ कि यदि आप इस उद्देश्य को मान लेते हैं कि कम्पनी ला में इस तरह का संशोधन करने से काम नहीं चल सकता और इलैकशन ला में अमेंडमेंट करने से ही काम चल सकता है तो आप वैसा कर सकते हैं, लेकिन इस सिद्धान्त को, मैं चाहता हूँ, आप स्वीकार कर लें।

कई माननीय मित्रों ने दलीलें दी हैं कि यह कानून काफी दूर तक नहीं जाता है। अगर आप समझते हैं कि यह काफी दूर तक नहीं जाता है तो आप कोई भी दूसरा कानून लावें और हम उसका स्वागत करेंगे। हम चाहते हैं कि देश में धन के प्रभाव से राजनीति पर ऐसा असर न पड़े जिस की वजह से, जो गरीब हैं, जो ग्राम जनता है, जिम की बहुतायत इस देश में है, उसका देश की राजनीति में कोई प्रभाव न रह जाये।

मेरे मित्र पांडे जी ने कहा कि चार आने और आठ आने भी लोग देने हैं और उसका भी प्रभाव है। मैं चाहता हूँ कि चार आने, आठ आने और एक रुपया लेकर आप चलें। लेकिन मैं पूछना चाहता हूँ कि जो कांग्रेस सन् १९३६ में थी, चार आने वाली कांग्रेस, और उस वक्त विदेशी हकूमत के खिलाफ वह लड़ी थी और उस वक्त धन के अभाव प्रभाव का कोई सवाल नहीं था, उस तरह से क्या क्या वह आज चल रही है? आज हम आजाद हैं, हमारा देश आजाद है और इस सदन को पूरे अधिकार हैं और यहाँ बैठकर हम जिस तरह का कानून चाहें पास कर सकते हैं। लेकिन खतरा पैदा होता है कि कम्पनिबां या प्राइवेट व्यक्ति

या कोई और धनी वर्ग के लोग हों, वे कहीं धन के प्रभाव से जो सरकारी पार्टी है—आज कांग्रेस है, कल कोई दूसरी हो सकती है—उसकी नीति को प्रभावित कर सकें और वह चुनाव के दिनों में दिये गये आश्वासनों को पूरा न कर सकें और धनी वर्ग के लोगों को दिये गये आश्वासनों को पूरा करने के लिए कानूनों को बदलने की कोशिश करें और इस तरह के कानून बनाने की कोशिश करें जिन में कि किमी खास वर्ग का हित होता हो। मैं निवेदन करना चाहता हूँ कि यह जो खतरा है, इस और हमारा ध्यान जाना चाहिये। यह खतरा बढ़ रहा है जैसा कि कलकत्ता और बम्बई की हाई कोर्टों के जजों ने कहा है। इस चीज को हम हलके तरीके से देखकर टाल नहीं सकते हैं। अगर कम्पनी ला में संशोधन करने से काम नहीं चल सकता है तो जिस में संशोधन करने से काम चल सकता हो, उस में आप संशोधन करें लेकिन यह ध्यान रहे कि हम चुनावों की शुद्धता और शिष्टता को कायम रखें और यह ध्यान रखें कि ये निष्पक्ष ढंग में हों जिस से हम मूल्य का छोटे से छोटा नागरिक यह उम्मीद कर सके कि वह भी कभी हिन्दुस्तान का प्रधान मंत्री बन सकता है और उमका असर राजनीति पर है और यह तभी होगा जब हम इस तरह का कोई कानून बनायेंगे जिस में धन का प्रभाव न पड़ सके।

चूँकि वक्त कम है, इस वास्ते में तफसील में नहीं जाना चाहता। लेकिन मैं यह अवश्य बतलाना चाहता हूँ कि मीवहा में हाल ही में जो चुनाव हुआ था उस में, कहते हैं और यह खबर अखबारों में भी छपी है और उन में भी इसकी चर्चा हुई है कि कानपुर के उद्योगपतियों ने एक व्यक्ति को चुनाव में सफल बनाने के लिये दस लाख रुपये खर्च किया था। इस तरह की

हिम्मत कौन कर सकता है? अगर हम कोई कानून बना दें और कम्पनियों पर रोक लगा दें कि वे राजनीतिक पार्टियों को दान नहीं दे सकती तो जो प्राइवेट व्यक्ति हैं वे डर जायेंगे और उन की हिम्मत नहीं होगी कि किमी को वे इस तरह से धन दे सकें। इस तरह में राजनीतिक पार्टियाँ पर ही इस तरह से धन लेने पर रोक नहीं लगनी चाहिये बल्कि स्वतंत्र व्यक्तियों पर भी रोक लगनी चाहिये कि वे भी इस तरह से रुपया लेकर चुनावों में अशिष्टता न बरतें। जहाँ तक ग्राम जनता की राय जानने का सवाल है उस में किमी तरह की रुकावट पैदा नहीं होनी चाहिये।

यह बिल बम्बई तथा कलकत्ता की हाईकोर्टों की जजमेंटों की ओर हमारा ध्यान आकर्षित करता है। इसका उद्देश्य केवल यह है कि हम उनकी ओर में आखें न भूद लें, इस मसले पर अच्छी तरह से विचार करें और अगर कम्पनी ला में संशोधन करने से काम नहीं चल सकता है तो जिस कानून में भी संशोधन करने से काम चल सकता हो उस में आप संशोधन करें लेकिन यह ध्यान रहे कि हमारे देश में चुनावों की शुद्धता और शिष्टता बनी रहे। आज हम देख रहे हैं कि धन का जो कुप्रभाव है वह बढ़ता जा रहा है और हम देख रहे हैं कि जो ग्राम लोग हैं, जो गरीब जनता है वह यह महसूस करती है कि वह जाकर सरकार नहीं बना सकती है, सरकारी कुंसियों पर नहीं बैठ सकती है, मिनिस्टर नहीं बन सकती है, लोक सभा में नहीं जा सकती है, विधान सभाओं में नहीं जा सकती है, वहाँ के सदस्य नहीं बन सकती है और जिस के पास पैसा है वह सब कुछ करवा सकता है। इस खतरे की ओर ध्यान देना बहुत आवश्यक है।

[श्री बजरंग सिंह]

महात्मा गांधी ने जब आन्दोलन चलाया था हिन्दुस्तान से अंग्रेजों को हटाने का, उस में हमेशा यह ध्यान रक्खा या कि कांग्रेस उन लोगों की संस्था रही जो गरीब हैं। लेकिन हम देख रहे हैं कि कांग्रेस जो १९३६ में थी वह आज १९५७ और १९५८ में नहीं रह गई है। एक एक चुनाव में दस दस लाख रुपया खर्च कर दिया जाता है। कम्पनी ला में एमेंडमेंट लाने का माननीय भूचा साहब का यही उद्देश्य है कि सरकार जागरूक रहे और देखे कि धन का कुप्रभाव न पड़ने पाये, जो आज बढ़ रहा है। इस से राजनीति में गन्दगी पैदा हो सकती है और हमें देखना है कि ऐसा न हो कि जो धन का कुप्रभाव है वह कम हो।

इस देश में हर राजनीतिक पार्टी को अपना अस्तित्व कायम रखने का अधिकार है, किसी भी विचार धारा में विश्वास रखने का अधिकार है लेकिन जरूरी है कि उसकी जो जड़े हैं वे जनता में हों। वह जनता से दान ले, भीख मांगे, सरकार बनाये लेकिन ऐसा न हो कि ऊपर से कुछ लोग दस बीस या एक-दो लाख रुपया दे दें और उन लोगों की जो नीति है, उन के जो स्वार्थ हैं, वह पार्टी उनको ही सिद्ध करे जब उसकी सरकार बन जाएगी। इस से बहुत बड़ा खतरा हो सकता है। मैं यह नहीं कहता कि जो पार्टी पावर में है वह वह इस तरह से बनी है गो यह बात भी कही जा सकती है लेकिन आज वह किसी तरह से भी बनी हो, लेकिन कोई दूसरी पार्टी हो सकती है जो धन के प्रभाव से चुनाव जीत कर उन लोगों का हित कर सकती है जिन्होंने उसे धन दिया हो। इस वास्ते जो बिल यहां पेश किया गया है उसको हलकी दृष्टि से देखने की आवश्यकता नहीं है, इस पर गम्भीरता से विचार किया जाना चाहिए। यह बिल कुछ उन चारगाओं को उठाता है, उन सिद्धान्तों

को उठाता है जिन का हिन्दुस्तान की भविष्य की राजनीति पर गहरा प्रभाव पड़ सकता है। यह आवश्यक है कि हम यह देखें कि हिन्दुस्तान की राजनीति पर कुछ एक लोगों का प्रभाव रहे या आम जनता का प्रभाव रहे। इस दृष्टि से भी यह आवश्यक हो जाता है कि इस पर हम गम्भीरता पूर्वक विचार करें।

मैं कानून उपमंत्री के इस विचार का स्वागत करता हूं और मैं इस से सहमत हूं कि चुनाव कानून में विस्तृत संशोधन करने की आवश्यकता है और उन्होंने कहा है कि एक साल बाद जब सब चुनाव पेटिशनस खत्म हो जायेंगी तो वे उन संशोधनों को उपस्थित करेंगे और इसमें सभी दलों का सहयोग, प्राप्त करने की कोशिश करेंगे। लेकिन इस तरह का आश्वासन भी दिया जाना चाहिये कि देश की राजनीति पर जो धन का कुप्रभाव हो सकता है, उसे खत्म करने की भी कोशिश की जाएगी फिर चाहे यह कम्पनी कानून में हो या किसी दूसरे कानून में संशोधन कर के हो। उद्देश्य यह रहना चाहिए कि धन का प्रभाव राजनीति पर न पड़ सके, धनिक लोग राजनीतिक पार्टियों को अपने कंट्रोल में न कर सकें अपने धन के बल पर। इस को आप जिस तरह से भी कर सकते हैं, करें और हम इस का स्वागत करेंगे।

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Mr. Deputy-Speaker, Sir the issue raised by Shri Naushir Bharucha is a valid one. It is a proposition on which one could easily differ. He may hold his opinion and some other friends may not agree with him. But, I would very much like him not be led away by the heat of the moment. He and the other hon. Members on the other side should give a cool and considered thought to this matter.

Firstly, I should like to make it clear that section 293 of the Companies Act is merely an enabling provision. There is no compulsion involved in any shape or form. It is entirely open to the companies to make a contribution or not to do so.

Shri P. R. Patel: Can they do business then?

Shri Lal Bahadur Shastri: Kindly hear me, because you are not quite clear and then I shall be wasting your time and the time of the House.

I was saying that it is purely an enabling clause and the promoters of the company have to make up their mind before the company is registered if they would like to contribute any funds for any social purposes or to any political bodies. It is not that they have to decide it or take an *ad hoc* decision when the company has been formed and functioned for a number of years. It has to be provided in the Memorandum of Association. The object has to be made clear. It therefore gives a clear opportunity to the shareholders to decide whether they would like to make any contribution to any political body or not. Once they decide that it should be possible for the company to make a contribution, then alone such contributions would be permissible.

Secondly, I would also like to say that reference has been made to the U.S.A. Shri Naushir Bharucha who is one of our very well read Members, forgot to mention about the U.K. and Australia. In the U.K. and Australia there is no such ban imposed. The companies are free to make contributions to political parties or for election purposes. In the U.K., the Companies Act, 1948, does not restrict in any way the power of companies to make contribution in any form. In Australia, the Western and Southern Australian Acts have laid down that making such contributions shall be deemed to be one of the implied powers of companies. In other words, the statutes in these two countries positively give such powers to companies, whereas in India the companies

cannot do so, as I said just now, unless they are authorised by their memorandum of association, and even when they are authorised by their memorandum, these powers are limited by the provisions of section 293. Thus, we have gone further. The U.K. gives complete power, there is no restriction at all, whereas we have imposed certain restrictions. Firstly, it should be provided in the objects of the memorandum of association; secondly, a ceiling has been fixed beyond which no contribution could be made with the approval of general body.

As regards the United States, I am not quite certain. The Federal law is there, but it is an election law. It has nothing to do with the Companies Act, but I am not clear whether the States in the United States have got any such law, and as I have no definite information on that point, I shall not refer to that matter.

Secondly, I would like to ask: after all, what is a company? A company is a combination of individuals, and while sitting in this House we cannot brush aside the idea that the directors can function on behalf of the shareholders. I refer to this because here a few hundred Members of this House are sanctioning not only hundreds, but thousands of crores of rupees for various projects and programmes, and we do so on behalf of 18 to 20 crores of voters. The Members of Parliament do not every time approach the voter, or go to their constituency asking for their opinion whether they should vote in favour of a particular measure or not. So, it is not quite fair to say that the directors, under the influence of certain political bodies or certain political persons, will do a thing which will go against the wishes of the shareholders. The shareholders can hold a meeting and condemn the directors and can remove them if they so like. So, I think, when once the powers have been given to the directors by the shareholders, the directors should have the authority to contribute what they think best and

[Shri Lal Bahadur Shastri]

what they think proper on behalf of the shareholders subject to the ceiling laid down by law.

There were one or two general matters to which reference was made. It was said that the capitalists, or Tatas and others, contribute to the Congress, and Shri Bharucha has had the fear that they might corrupt the Government, or they might make democracy impure in certain respects. I do not say that we are not influenced by them. After all, they are also citizens of this country, they are able people, they have got some organising capacity, and they are an important section of the country. But I can also say that in spite of these things, we stick to our opinion, we hold to our views.

I need not quote examples. In this election it is true that some big people contributed, but what is the result? Have they received any special concession from us after the last elections? What about the new taxation measures? Have they been welcomed by the capitalists? They are deadly opposed to them and they are opposing them tooth and nail, day in and day out.

And not only after this election. Since we came to power, we have had a number of elections for Parliament as well as for the State legislatures, and what has happened?

I know of U.P. where I come from. It was one of those States where zamindars and jagirdars played a very dominant role, and quite a number, quite a few of these zamindars were in the Congress. They did not join the Congress after 1937 when we came into power, but they were in the Congress since the year 1920. They went to jail, courted imprisonment and suffered immensely. In spite of those friends being in the Congress, and in spite of the zamindars playing a very dominant role in the politics of U.P., zamindari abolition took place in U.P. The Bill was enacted. It took some

time, but I can tell the House that it is one of the most progressive measures yet enacted anywhere, in any State of this country. The zamindars and jagirdars are nowhere.

Similarly, the House can look to other measures. The nationalisation of the Imperial Bank, the nationalisation of insurance companies, or the setting up of new industries in public sector.

Shri Asoka Mehta (Muzaffarpur): Will the hon. Minister yield for a minute to me? I will be grateful to him.

I have no desire to interrupt, but he referred to U.P., and I would like to invite his attention to something that was brought to my attention recently.

As he knows probably, in Kanpur the electricity company was nationalised. After the nationalisation I was surprised to find that the bills that various textile mills have to pay for the use of electricity have been allowed to pile up. I think something like Rs. 30 lakhs or Rs. 27 lakhs are owed by the textile mills to the electricity concern which is a nationalised concern. One single mill, I believe, owes as much as Rs. 6 lakhs.

It is this kind of thing, this kind of concessions which are given. Nobody I believe suggested—I was not here, I am very sorry; I do not know what my hon. friend Shri Naushir Bharucha said, but I do not think any responsible Member would ever suggest that the policies of the Government are completely distorted because certain payments are made, but when certain individuals make large payments to one party or another party, that particular individual or concern is likely to get certain advantages which neither the Government would like to give, nor I am sure, a person of the integrity and ability of Shastriji would ever think of giving, but this thing seems to happen.

I am just citing one instance about U.P., because he cited another instance. I would like him to look into it and see if this kind of thing cannot be prevented.

I am one of those who have great respect of Shri J. R. D. Tata. I think Shastriji would not have corrupted him, nor would Shri Tata like to corrupt anybody either, but the High Courts have suggested that these things are likely to happen. I feel from a person like Shastriji one can expect some kind of response to the fears and doubts which are gnawing not only us but the highest seats of justice in the country.

Shri Lal Bahadur Shastri: I am not aware of the case which was referred to by Shri Asoka Mehta regarding the pending bills of the electricity corporation or company of Kanpur. I have read something in the papers, but it is a point which should certainly be looked into. Of course, we cannot do that, but I am quite certain that the U.P. Government will look into that matter and do the needful. If there are arrears which have not been realised because, well, they wanted to show some sympathy to any particular party, it is quite wrong. But I am not aware of what the facts are. It would certainly be proper for the State Government to look into that and do the needful. I entirely agree with him that no consideration should be shown to any industrialist or capitalist because he contributes something to a particular political party. But Shri Asoka Mehta cannot deny one fact. He was not here and he did not hear the speeches of other friends, but it was being painted like this, that it was only the Congress which was getting funds from the capitalists and they are liable to influence, and their policies might be affected. Things of this nature were said in this House, and I was, therefore, replying to that point.

I do not want to accuse other parties, but as friends and brothers, we know that there is no party in this country, I think, which is not

getting funds or does not get contributions from moneyed people or if you so like to call them, capitalists. I know for a fact that contributions are made; and I must say that I would not like to criticise the capitalists for that the capitalists are very wise in that matter. They make contributions to all those who approach them. They will contribute to the Congress Party; and they will contribute to other parties which are or which may be in the Opposition.

Shri P. R. Patel: What are the considerations for that?

Shri Lal Bahadur Shastri: No consideration, excepting, as I said before that they prepare beforehand; I mean thereby that they are trying to keep them to their side: so, why should they not tackle them from now on?

Shri P. R. Patel: So, it is with a view to taking advantage from the party in power that they contribute.

Shri Lal Bahadur Shastri: The hon. Member may please hear me. What I want to say is that I do not deny that they have helped the Congress organisation. They do so because they think that the Congress organisation at the present moment can maintain the stability of the country. They do not agree with our policies. For example, Mr. Tata is wholly opposed to nationalisation; but still, if he wants to help, he perhaps feels that for the development of industries and for general economic development of the country, it is essential that the stability of the country should remain; and to some extent at least, the Congress has succeeded in that. Compared to many other countries, we have succeeded a lot in that regard. So, I merely wanted to say.....

Shri P. R. Patel: Why were these people contributing to the Britishers in those days?

Shri Lal Bahadur Shastri: Naturally, they have a big stake, since they have invested thousands and lakhs and crores of rupees; and they want stability. As to what their views are, it is difficult to know.

[Shri Lal Bahadur Shastri]

I do not want to criticise other parties or attack them, but please look into your own heart. Instead of criticising the Congress, look within. I am not denying that we are not getting or we did not get funds from bigger people.

Shri P. R. Patel: What was the amount that you got during the last elections?

Shri Lal Bahadur Shastri: I am really sorry and amazed that the hon. Member has not understood the spirit of my speech and the way I am putting things. I am not denying it. But still, I would say this. I am a worker, and I have been a worker all my life. The first thing that the Congress should do in collecting funds is to collect from the general people; we must collect four annas or eight annas or one rupee or five rupees or ten rupees or whatever we can get, and then, we can certainly ask for funds from the richer people also; they are not pariahs; they are not untouchables.

Some hon. Members have made reference to Gandhiji. I do not want to mention their names in this connections. But Gandhiji was strong enough to stay with Birla and yet remain completely aloof from him in so far as his policies and programmes were concerned. That should be our attitude. Now, Gandhiji is not here. But, after all, we are here after him, and we as Indians should be proud of ourselves; if we have gone down, both friends in the Opposition and those on this side should feel ashamed of it. There is no joy either in you or in us to see our people deteriorate. So, our policy in that matter, in so far as the contributions to the funds of political bodies are concerned, is, what I have said before. But we are quite clear and quite positive that we must be clear in our policies and in our objectives, and once we have placed our programmes and objectives before ourselves and the country we should go ahead without any fear or favour from any quarter.

15-55 hrs.

(**SHRI C. R. PATTABHI RAMAN** in the Chair).

It was said that some judges had also expressed strong opinions on this matter. It is true, but I really do not know where we stand, because eminent judges have expressed different opinions. I was looking into the remarks of Justice Tendulkar. He says:

"I am not prepared to hold that the mere power to give a donation or a contribution to a political party has such a tendency to corrupt political life as to be considered against public policy, the harm to the public by permitting such contributions cannot, to use the words of Lord Atkin, be said to be substantially incontestable."

So, Justice Tendulkar is quite clear that if you merely provide or make a provision that companies or others are authorised or entitled to make contributions, that alone would not be enough to corrupt us or corrupt any political party. Perhaps, Justice Mukerjee also has expressed a similar opinion. There is another quotation from him, but I shall not read it. He has also expressed something on these lines. One of the judges has said that it should be for the judge or for the court to decide as to what quantum of contribution a particular company should make. It is an amazing proposition and an amazing proposal. Why should any Act or any provision in it involve the judge into these controversial and political matters? Hon. Members have quoted in all seriousness the observations of judges. But I say that judges themselves differ and differ so seriously on this matter, and one of them has even gone to the length of saying that this matter should be decided by the court. These are matters into which I need not go. The opinions have been expressed by very eminent people. But what I want to suggest is, instead of going by their opinion, let us coolly think over it and come to our own independent judgement.

10-00 hrs.

I shall say only one thing more and then I shall conclude. My colleague, Shri Hajarnavis, the Deputy Law Minister has already said that this matter could be considered along with the amendment of the election law.

I would also like to inform the House—perhaps they are very well aware of that fact—that amendments to the company law are being considered at the present moment. An Informal Committee was set up to put up proposals for amendments. That Committee has almost completed its report. I shall merely quote one or two recommendations that they have made. I am doing so in order to convince Shri Naushir Bharucha that if there is any defect or any lapse or any chance of corruption and all that, it will be almost rectified if some of these suggestions made by the Informal Committee are accepted by Government and incorporated in the company law. The Committee is presided over by Shri Vishwanath Sastri, a retired High Court Judge. It has recommended:

- (1) that as the law stands, a general resolution of the board of directors to contribute to charitable and other funds in excess of the limit prescribed by section 293 (1) (e) would be sufficient and a separate resolution is not required in respect of each such contribution;
- (2) that a prohibition of contributions to political and party funds should not appropriately be considered in isolation under the Companies Act only;

I shall not read all the other recommendations, but there is one recommendation which reads:

“Full information relating to every contribution should, however, be incorporated in the accounts and circulated to the members before the next annual general meeting, so that if they so

decide, they may give appropriate directions to the board for future guidance”.

So there will be no secrecy about it. Every contribution will be an open book. It will be very easy for Parliament or the country to judge whether the contributions were good or bad in spirit or whether they had affected a particular political party which got those contributions in any shape or form.

So I would merely say that the recommendations of the Informal Committee set out above will be taken into account when the Bill to amend the Companies Act, 1956, is drafted. Therefore, there is ample opportunity for this House to express their opinion, and Members can make the House agree to their views. This provision about restriction was before the Joint Committee on the Companies Bill. Then it came to the House. The House endorsed the views of the Joint Committee. Several Members took part in the debate last time when this amendment imposing a restriction was considered, and this amendment restricting the contribution was made in this House and accepted by this House.

Perhaps this question was also raised in the Select Committee on the Gift-tax Bill. Perhaps its report would be coming soon. I am not quite sure as to what the Committee has done.

Now, I merely request Shri Naushir Bharucha not to press this Bill. As I said, there will be ample opportunity on many occasions when he can express his views, and if he is able to persuade the House to agree with his views, I shall have no objection; I shall welcome it. I hope Shri Naushir Bharucha will kindly consider my appeal or request.

Mr. Chairman: Shri Naushir Bharucha will reply to the debate briefly.

Shri Naushir Bharucha (East Khadesh): I shall be extremely brief.

Shri K. N. Pandey (Hata): I want to give one information regarding payment of electricity charges in Kanpur which was referred to by Shri Asoka Mehta...

Mr. Chairman: That is not relevant now. While it might be relevant to the debate, the time fixed has expired at 16-00 hours. Shri Naushir Bharucha has to give a brief reply.

Shri Naushir Bharucha: I shall confine my observations to the reply of the hon. Deputy Minister of Law and the hon. Minister.

When I heard the speech of the hon. Deputy Minister, I thought that he was taking me to task for not making my Bill more comprehensive. He started by saying that if contributions from companies had that sinister influence, would not similar contributions from partnership firms and individuals have influence of a like nature? I do submit that it is quite correct. I am all in favour of having a comprehensive measure, if that could be done. But the purpose of this Bill is restricted. There is one particular enabling section in the Companies Act and all that this Bill seeks to do is to delete that section from that particular Act. Therefore, this Bill, which is intended to amend the Companies Act, cannot do anything with regard to the election law or the Partnership Act or any Act. Hence, I submit that if really the Government intended that this evil should be suppressed, they should have had no objection to making a beginning with the Companies Act and then taking up other enactments.

The hon. Minister in his reply said: let us not judge this important matter in the heat of arguments. We are not judging it in the heat of arguments, because in my last speech I quoted very profusely from the judgments of the learned Judges. Of all people, Judges are persons whom we can least accuse of saying anything in the heat of arguments. It is their considered opinion that democracy would be throttled in this country

unless Parliament took sufficient measures to check this evil.

The hon. Minister also said that I had forgotten to see that in UK there is no bar to contributions and in Australia also such bar does not exist. That may be so. But we here are not the custodians of the morals of all nations. They may have their different ways of life. We have no quarrel with them. If in their wisdom, the Parliaments of UK and Australia choose a particular type of conduct to ensure public decency, who are we to tell them 'You are in the wrong'? Let us judge our own conduct. Let us confine ourselves to the limits of our own country.

It has been stated by the hon. Minister that new taxation measures have been imposed which have been bitterly resented by the capitalists; that shows that the Government have not been influenced by the contributions of capitalists. There is a saying that in politics gratitude is a notoriously scarce virtue. I do not know whether the fact that Government have imposed more taxation is to be regarded as a proof that Government are not amenable to the influence of political contributions or as evidence of their ingratitude. But let me tell this House that it is not enough to say that they have imposed new taxation measures. There are a hundred and one ways in which favours can be shown to a particular company or to a particular industry.

One hon. Member asked: why does not Shri Bharucha bring forward a Bill to nationalise Tatas instead of accusing Government that they are not nationalising because of political contributions? I am prepared to bring the Bill if the hon. Prime Minister assures me that in principle they are going to accept it.

16-09 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

Therefore, let it not be misunderstood when we say that their policy

with regard to nationalisation and other things will suffer. When we say that, we are giving utterance to an apprehension which is very active in our minds, which we know may be intensified in future, if a Government with less moral calibre than what we have today, comes into power.

The hon. Minister has also said that capitalists are contributing to both the sides. That exactly proves my case. Capitalists are contributing first for seeking favour. Whoever wins in the election, they are always with the winner. Therefore, I submit that when capitalists are contributing, they are contributing with a definite purpose. It is no use saying that the capitalists do not expect anything in return and that the Government is not influenced, because in their application to the High Court, the Tatas have definitely stated that what the company feels is that the safety and security and future expansion and profits of the company are all linked up with the continuance of the Congress Government at the helm of affairs. They said it in so many words that to assure their profits they are paying these contributions. How can the profits be assured if there is nationalisation? It cannot be done. Therefore, whether this Government determines on nationalisation or not, the industrialists know what they are paying for—to put off that evil day.

Today I will not accuse in the least a man of the calibre of my hon. friend the Minister in charge of the Bill, that he may become amenable to influence. But we are not legislating for the duration of his office but we are legislating for all time. And, there may be people of smaller moral stature that may come into power and they may use this section 293 of the Companies Act in order to accumulate money irrespective of what policies they follow. I, therefore, submit that the hon. Minister has not been good enough to give an assurance that when they consider the whole question, in all its aspects, they will see to it that a ban will be placed

in some form or other. If such an assurance had come, I would have certainly withdrawn this measure. But, I do feel that I owe a duty to this democracy which is nascent in our country to compel this Government to say 'yes' or 'no' to this measure because I feel, as many millions of people in this country feel, that we are at cross-roads and that our democracy is in danger. Millions of lives were lost in the War to keep democracy safe from autocrats, and we are not going to lose democracy to capitalists. That is the object of this Bill.

I appeal to this Government, even at this late stage, to give us an assurance that they are out to do away with this sinister influence, as has been recommended by the learned Judges of the High Court who have taken a completely detached view. If the hon. Minister gives that assurance, I can tell the Government that the whole country will feel that here is a Government which is out to suppress corruption in any form and it will not touch money where money is suspect.

I conclude with this note. The hon. Prime Minister says that he feels pained because there is political jobbery in the country. I ask this. How are you going to remove political jobbery if political contributions pour in their millions? They do influence the policies of Government without the Government knowing that; their policies will be influenced. I appeal to the Government to accept my measure. If they like let them send it to a Select Committee but let them not turn it down completely.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Companies Act, 1956, be taken into consideration."

The motion was negatived.