

[Jawaharlal Nehru]

The real question, perhaps, which hon. Members opposite have in mind is the broad question of the Congo, what should be done. Again, if the House so wishes, we can discuss it.

Shri Ranga: Why discuss the broad question of the Congo here?

Shri Jawaharlal Nehru: May I be permitted?

But I confess that I do not myself see in this rather shifting situation there, what profit it can give the House in the near future, unless something happens, to discuss this matter. If we discuss it, well, we either, if I may use the word, condemn the U.N. action, criticise it or commend it—one of the three. And so we sit here and do what we think is the right thing, no doubt, but unfortunately rather interfere with what is happening in the U.N. I do not myself see how that could be helpful at this stage. If at a subsequent stage something happens, the House may discuss it, but at the present moment it is not likely to be helpful. It is a difficult, complicated situation. One does not know how it would develop. Our views are fairly well known, and I repeat that apart from the fact that law and order should be maintained—that is obvious—the second thing is that a firm central authority should function.

Now, the U.N. has accepted President Kasavubu. Naturally a certain prestige attaches to that. President Kasavubu himself was accepted by us and by every country, nobody has challenged him. The point that had arisen previously was not the fact of his presidentship, but the question as to what functions the President should exercise, that is the point, whether the President could go out of the way or exercise only his functions. That was the matter in doubt. There it is. But nobody can say that things in the Congo are firmly established. There is an element of flexi-

bility and all that, and in the U.N. our representatives and others are perfectly cognizant of this fact, and are trying to deal with it to the best of their ability.

There is the question of this commission, a delegation going from the U.N. I understand it is likely to go in the course of a week or so. That delegation will presumably report. So, all these things are happening, and I confess I do not see the advantage of our discussing this in the near future till something further develops.

Shri Hem Barua: May I submit....

Mr. Speaker: This is endless. It is only a question of a statement. Hon. Members have stated whatever they wanted to say, and have also got the reaction of the hon. Prime Minister that nothing has happened since, and that it is in a fluid state. Let us wait and see. The House is always open for hon. Members to discuss every matter which is of great importance. I will also keep a watch. I also felt that inasmuch President Kasavubu had said that the delegation could go and there was no difficulty, and since he was also trying to have a rapprochement between himself and the other elements there, we could wait and see if they settle the matter themselves. If they do not, certainly I will allow a discussion.

12.45 hrs.

COMPANIES (AMENDMENT) BILL—
Contd.

Mr. Speaker: The House will now take up further clause by clause consideration of the Bill further to amend the Companies Act, 1956, as reported by the Joint Committee.

Time taken so far is 14 hours, balance 3 hours 15 minutes. Time taken on clause 98, 1 hour 38 minutes. We have therefore about 2½ hours left.

So far as clause 98 is concerned, much of the debate in the general discussion was centred round it, and most of the arguments have been made. The same thing is being repeated. The hon. Minister, after hearing that, has stated that Government is prepared to have a ceiling. I therefore request that hon. Members who have already taken part in this debate may not seek another opportunity now.

Shri M. R. Masani (Ranchi-East): Those who have moved amendments should be allowed to speak briefly.

Mr. Speaker: It is not a very extraordinary matter, it has been discussed. Merely because an hon. Member tables an amendment, he ought not to insist always that he be heard. If there are 500 amendments on a particular matter, I cannot go on hearing every hon. Member.

Shri M. R. Masani: There are only about half a dozen amendments in this case.

Mr. Speaker: Some of the hon. Members are, unfortunately, repeating themselves.

Shri Tangamani (Madurai): I want to know whether the second reading and the third reading are to be finished today. In that case, the matter can be adjusted. According to the time fixed originally, we have 3½ hours more for the second reading. In the second reading, only clause 98 remains. After this there will be only clauses 1 and 2.

Mr. Speaker: I would urge upon hon. Members to conclude this by 3 O'clock when we have to start the other work.

Shri M. R. Masani: Clause 98.

Mr. Speaker: The whole thing.

Shri M. R. Masani: Two hours can be kept for the third reading. The third reading will have to go on to-
1423(Ai)LS-5.

morrow. We can finish clause 98 to-day, between 2:30 and 3 P.M.

Mr. Speaker: Let us see.

श्री रामसिंह भाई वर्मा (निमाड़) : श्रीमन्, कल मैं यह निवेदन कर रहा था कि कांग्रेस-विरोधी पार्टियों को कम्पनियों से किस प्रकार से चन्दा दिया जाता है, किस मकसद के लिये दिया जाता है और किस तरीके से दिया जाता है। जो तरीका आज कल कम्पनियों से चन्दा देने का चल रहा है, उस को देखते हुए मूल बारा २६३ (ई) के सम्बन्ध में क्लॉज ६८ में जो उप-धारा (६) जोड़ी जा रही है और माननीय सदस्य, मसानी जी, मुरारका जी और नयवानी जी, के जो प्रमोडमेंट हैं, वे किसी काम में आने वाले नहीं हैं। जहाँ तक बैलेंस-शीट का सम्बन्ध है, मेरे पास काफ़ी बैलेंस-शीट हैं और मैं काफ़ी हाउस में भी लाया हूँ। मैं ने देखा है कि कम्पनियों के अन्दर से किसी वर्ष सात लाख—में एक कम्पनी की बात कर रहा हूँ—, किसी वर्ष छः लाख, किसी वर्ष पांच लाख रुपये चन्दे में दिये जाते रहे हैं, लेकिन अगर कांग्रेस को थोड़ी भी रकम दी होगी, तो बैलेंस-शीट में कांग्रेस का नम उन्हीं ने जरूर लिखा होगा कि कांग्रेस को इतना चन्दा दिया गया।

12.50 hrs.

[**SRI MULCHAND DUBE in the Chair**]

लेकिन अगर लाखों रुपये किसी परपत्र के लिये किसी अन्य पार्टी को दिये गये, तो केवल रकम बता दी जाती है और पार्टी नहीं बताई जाती है। और यह बैलेंस-शीट एक साल की नहीं, एक दर्जन बैलेंस शीट्स इस वक्त मेरे पास मौजूद हैं। मैं उन से यह बतला सकता हूँ कि हर वर्ष, कभी ७, कभी ६ और कभी ५ लाख की रकम उन्हीं ने रखी है। एक बैलेंस शीट मेरे सामने है, उस बैलेंस शीट के अन्दर जो चन्दे उन्हीं ने

[श्री रामसिंह भई वर्मा]

राजनीतिक पार्टियों को दिये हैं, कांग्रेस विरोधी पार्टियों को दिये गये हैं, सब बतलाये गये हैं। चूंकि इस से मेरा डाइरेक्ट सम्बन्ध आता है, इसलिये मुझे सारी चीज का पता है। उन्होंने सन् १९५६ के अन्दर ६८,००००० रुपये, सन् १९५७ के अन्दर १८,००००० रुपये दिये। साथ ही उन्होंने १०१०० वहां के कारपोरेशन को १४ नवम्बर को जवाहर जयन्ती के रोज बालकों के फंक्शन के लिये भी दिये। उस बैलेन्स शीट के अन्दर जहां पर ६८,००००० और १८,००००० रुपये दिये गये हैं वहां पार्टियों का नाम नहीं दिया है, लेकिन यह जरूर लिख दिया है कि जवाहर जयन्ती के उपलक्ष में १०१०० रुपये। इस का मतलब यह है कि विरोधी राजनीतिक पार्टियां कह सकें कि तुम्हारे जवाहरलाल जी की जयन्ती के लिये उस मिल से, उस कम्पनी से, इतने इतने रुपये दिये गये हैं, परन्तु बाकी की रकम की चर्चा करने वाला कोई नहीं है क्योंकि उन का नाम नहीं दिया है।

मैं एक कम्पनी का जिक्र करना चाहता हूँ जिस ने कांग्रेस के विरोध में अपना कैंडिडेट खड़ा किया था। उस ने उस को मदद करने के लिये ६,००००० रुपये दिये, और वह भी ऐसी हालत में जबकि उसे १६ लाख का घाटा हुआ था। मैं तो यह मानता हूँ कि हमारी विरोधी पार्टियां केवल कांग्रेस के विरुद्ध वातावरण बनाने के लिये ही यह सारा सवाल पैदा करती हैं, यह बतलाने के लिये कि सारे जो डोनेशन वगैरह दिये जाते हैं यह कांग्रेस पार्टी को ही दिये जाते हैं, और हम बिल्कुल दूध के धुले हैं। ऐसी बात नहीं है। आज मने जिस ५, ६ और ७ लाख ०० डोनेशन देने का जिक्र किया, उस के देने वाली कम्पनी के संचालक कांग्रेस के विरोध में चुनाव में खड़े हुए। हमेशा खड़े ह ते रहते हैं, यह बात अलग है कि किस्मत उन का साथ नहीं देती। इस के लिये क्या किया जा सकता है? हालांकि उसी कम्पनी की बैलेन्सशीट का रुपया वह खर्च

करते रहे हैं, लेकिन बैलेन्सशीट में उसे बतलाया नहीं गया है। आप ने ठहरा दिया कि २५,००००० तक दिया जा सकता है, लेकिन मेरी समझ में नहीं आता है कि जिस कम्पनी को १६ लाख ०० का लास होता है वह अगर ६,००००० किसी राजनीतिक पार्टी को देती है तो वह किस आधार पर? आप यह प्राविजन यहां क्यों रख रहे हैं? इसी प्रकार से एक कम्पनी ने १२,०००००० का प्राफिट दिखाया। मेरे पास बैलेन्स शीट यहीं पर मौजूद है, अगर हाउस चाहे तो मैं उसे यहां रख सकता हूँ, उस कम्पनी ने १२,०००००० का प्राफिट किया है लेकिन २४,५४१०० डोनेशन में दिये हैं।

आज पार्लियामेंट के अन्दर कम्पनी ऐक्ट के सम्बन्ध में चर्चा हुई कि कम्पनी मैनेजमेंट को ईमानदार, एफिशिएंट और एफेक्टिव कैसे बनाया जाय, जिस के लिये स्पेशल आडिट की व्यवस्था की गई, जिस के लिये यह भी ठहराया गया कि किस हालत में डिप्रिसेशन निकाला जावे, जिस में यह ठहराया गया कि किस हालत में डिविडेंड दिया जा सकता है। लेकिन जिन का इस से डाइरेक्ट सम्बन्ध आता है, जो कम्पनी में लगे हुए हैं, जिन्होंने कम्पनी में पूंजी लगाई है, जो उस में श्रम करते हैं, वे एक तरफ रह जाते हैं, परन्तु जो न हलाली में हैं और न दलाली में हैं, वे उस कम्पनी से नाजायज फायदा उठाते हैं जिस से सारे देश को नुकसान पहुंचता है क्योंकि कुछ कम्पनियां राइवल पार्टीज को इसलिये फंडस देती हैं कि कम्पनियों के आपस में अगड़े रहते हैं और वे देखती हैं कि कौन राइवल पोलिटिकल पार्टी उस राइवल कम्पनी को नुकसान पहुंचा सकती है। मेरे अनुभव में तो ऐसा आया है कि कम्पनीज ऐसी पोलिटिकल पार्टीज को पैसा देती हैं जिन के द्वारा राइवल कम्पनी में हड़ताल कराई जा सके, और उस हड़ताल को लम्बा चलाया जा सके या किसी तरह से उस कम्पनी को गिराया जा सके। हमारे

अनुभव में यह भी प्राया है कि ऐसे नेताओं के झकाउन्ट हैं, देश में ही नहीं बल्कि विदेशों में, सन्धन आदि में भी हैं, जिन का पता लगाना बड़ा कठिन हो जाता है। इसलिये मेरा निवेदन है कि कम्पनियों के अन्दर से किसी भी पोलिटिकल पार्टी को चन्दा देना बन्द ही नहीं होना चाहिये। बल्कि इस में पूरी पूरी बन्दिश होनी चाहिये।

एक समझौते के द्वारा यह ठहराया गया कि कम्पनी अपने प्राफिट में से ५ परसेन्ट लेबर हाउसिंग के लिये दे। बरसों तक अग्रमुख कम्पनी ने अपने प्राफिट में से ५ परसेन्ट निकाला। ४० लाख रु० की रकम हाउसिंग परपज के लिये इकट्ठी हुई, बैलेन्स शीट में हमेशा बताया जाता रहा कि ४० लाख रु० की जो रकम है वह लेबर हाउसिंग के लिये है। लेकिन जो ४० लाख रु० की रकम बरसों तक बैलेन्स शीट में दिखाई जाती रही, अग्रमुख साल के अन्दर उस में से गायब कर ही गई। लेबर हाउसिंग के लिये जमीन ऐक्वायर की गई, ताकि रोड्स बनें, कुएं बनें, सारी व्यवस्था की गई, चरागाह की भी व्यवस्था की गई, लेकिन इन मिल अग्रेस ने उस ४० लाख की रकम को पूरा नहीं किया और गवर्नमेंट उस में से एक पाई भी नहीं ले सकी। जबकि लास की हालत में ५, ५ लाख रु० वही कम्पनियों पोलिटिकल पार्टीज को देती हैं। मेरा इस चन्दे आदि के मामले में विरोध है क्योंकि इस से लेबर की झलाई के कामों पर बन्दिश लग जाती है। जो मेहनत करते हैं, अपना खून पसीना बहाते हैं, उन को कोई चीज देने का सवाल नहीं है। टैक्स्टाइल वेज बोर्ड ने जो रिकमेन्डेशन्स कीं, कितना भी उतार चढ़ाव होता रहा, कभी भी वे इम्प्लेमेंट नहीं हो सकीं। ऐसी हालत में भी पोलिटिकल पार्टीज को चन्दा देने में कोई मिल अग्रेस या कम्पनियां एतराज न करें, तो मैं मानता हूं कि यह बहुत ही बुरी बात है।

इसी प्रकार से बोन्स के बारे में ट्राइ-अंगुल ने और सुप्रीम कोर्ट ने एक फार्मुला

ठहरा दिया कि मजदूर किस तरह से बोन्स पाने के अधिकारी हैं, जो मजदूर कम्पनी में रात दिन काम करते हैं। कम्पनी के हित के लिये ठहराया गया कि जो प्राफिट होता है उस में से डिप्रिसिएशन निकाला जाय, उस प्राफिट में से डिविडेंड बांटा जाये, उस प्राफिट में से डेवलपमेंट रिबेट इतना निकाला जाये, गवर्नमेंट को टैक्स दिया जाये, जो रिजर्व सप्लस है अगर उस को बैंकिंग कैपिटल में इस्तेमाल किया जाता है तो उस के लिये २ परसेन्ट ब्याज निकाला जाय, उस के बाद जो रकम बचे उस में से मजदूरों को बोन्स दिया जाये, अगर न बचे तो बोन्स न दिया जाये। जिन पोलिटिकल पार्टीज को लास होता है, १५ लाख रु० का लास होता है, २० लाख रु० का लास होता है, तो भी अगर वे २५,००० देने की अधिकारी हैं, तो मैं मानता हूं कि यह चीज नेशन के लिये बहुत भारी पड़ेगी। इस का उपयोग कोई चैरिटेबल ट्रस्ट वगैरह कायम करने में नहीं होगा बल्कि इस का उपयोग पूरा साम्प्रदायवाद को प्रोत्साहन देने के लिये होगा, जोकि देश के लिये घातक है। आज देश में इसी चैरिटी डोनेशन के आधार पर आन्दोलन चल रहे हैं। मैं अपने अनुभव के आधार पर कहता हूं कि महा-गुजरात का आन्दोलन किस के चन्दे से चला। महागुजरात का जो आन्दोलन चला था उस को कम्पनियों के डोनेशन से बहुत बड़ी मदद मिली थी। मैं ऐसे एक दो नहीं बहुत से उदाहरण दे सकता हूं, लेकिन मैं हाउस का ज्यादा समय नहीं लेना चाहता क्योंकि और सज्जन भी बोलना चाहते हैं। मेरा जो अनुभव है उस के आधार पर मैं ने कुछ बातें हाउस के सामने रखी हैं। मेरा निवेदन है कि यह जो पोलिटिकल पार्टीज को डोनेशन देने का सवाल है इस पर पूरी बन्दिश लगाई जानी चाहिये और जो अमेंडमेंट ज्वाइंट कमेटी ने उपधारा ६ के रूप में रखा है या जो सुझाव माननीय सदस्यों ने दिये हैं उन से काम चलने वाला नहीं है। यही मेरा निवेदन है।

13 hrs.

Shri Tyagi (Dehra Dun): May I ask if you are going by the list?

Shri Mahanty (Dhenkanal): There can be no list of speakers on amendments.

Mr. Chairman: There is no question of list. Shri Tyagi.

Shri Tyagi: I am grateful to you for having given me an opportunity of expressing myself. It is my regret that today I happen to be in absolute agreement with the Parties in Opposition in this matter. I feel this is a mistake which was once committed, and now the Government are repeating it, unfortunately so near the elections. I am afraid it will recoil on our Party in the next elections.

I am quite sure that elections are not won by money. It is always on the basis of the principles of a Party and the sincerity and the manner in which they have implemented their past promises that the elections are fought and won. Parties are elected or defeated on this basis. After having tested a Party for a number of years, people decide whether they should allow that Party again to go into power or not. If we have not behaved well, we do not want to come back on the Treasury Benches on the strength of the money we spend in elections. Let the country decide our fate. That is the best criterion. I do not think money is so badly needed as my hon. friend, Shri Lal Bahadur Shastri, has made out. I know it for a fact—Acharya Kripalani made an allegation here—and I have got personal knowledge of the fact that in the past elections circulars were sent to sugar factories and textile mills to contribute to Congress funds at a fixed rate of so much per maund of sugar manufactured or so many yards of cloth manufactured. This is not a subscription.

Shri A. C. Guha (Barasat): By whom was the circular issued?

Shri Tyagi: Their associations were approached and agreements were made with the managing authorities that they would contribute so much to the Congress election fund. This rate was applied to most of the factories in my own State. I say this is corruption, whether it is the Congress or any other body that is involved. India shall not tolerate any type of corruption, whether it is official or private. To permit these firms and corporations to contribute like this is really undesirable. And what is the rate? Five per cent of profits. It is a surprise indeed.

Then the worst thing is that it will be publicised. What does Shri Shastri want us to face? They will have some funds. Not only for the political Party but for the Lady Mountbatten Memorial Fund as well, contributions are already being collected. I understand the ex-Private Secretary to the Prime Minister, Shri M. O. Mathai, is now moving about collecting funds for that. That will also come under charitable funds. It does not come for the love of Lady Mountbatten—I bet. It comes because the persons who are admirers of the Prime Minister give it. It is to please and appease those who are in power, who have patronage to distribute, that these people contribute funds. It is corruption—absolutely. There is no use hiding the facts. Let us face facts as they are. It breeds corruption.

I most humbly appeal to the Government as member of their own Party to withdraw from it. It will bring a bad name to the Party.

Acharya Kripalani (Sitamarhi): When they have power, they do not care for name.

Shri Tyagi: The difficulty is that we enjoy power and, therefore, we must also share the liability. In the Income-tax Act, there is a provision under section 15B whereby 5 per cent of the profit or Rs. 1 lakh, whichever is less, given to charitable trusts etc. is exempt from tax. After

the 1st April 1960, this has been raised to 7½ per cent or Rs. 1½ lakhs, whichever is less. Now, we are saying 5 per cent or Rs. 25,000. It is over and above the contribution to charitable funds which is already income-tax free.

The Minister of Commerce (Shri Kanungo). No. That will be included in this.

Shri Tyagi: So it will also be income-tax free.

Shri Kanungo: No. But as regards the absolute sum, that will be taken into account in this.

Shri Tyagi: I am glad it is not over and above that. But then it comes to 5 per cent.

Shri Tangamani: If Rs. 1½ lakhs are paid to a political party and nothing is paid to charitable funds, under section 293 (1) this amount of Rs. 1½ lakhs will be treated as having been paid for a charitable purpose and it will not be taxed.

Shri Tyagi: No, no. That is not so. Any amount paid to political parties will bear the tax. It will not be income-tax free.

Shri Kanungo: No, no.

Shri Tyagi: Will it be income-tax free?

Shri Kanungo: Not necessarily.

Shri Tyagi: If it is 'not necessarily', then the elections are going to be fought at the cost of the public exchequer.

Shri A. C. Guha: The position should be properly clarified. Our impression is that any contribution made to political parties would not be made income-tax free. The Minister says that it is not necessarily so. What is the actual position?

Shri Tyagi: If it is income-tax free, then every contribution will

carry at least 40—50 per cent of Government money with it.

Shri Kanungo: No, no.

Shri Tyagi: What is the position?

Shri Kanungo: I will reply to that.

Shri Tyagi: This may be clarified by my hon. friend. Now, they say 5 per cent or Rs. 25,000, whichever is more. It means we can claim 5 per cent of the profit, which is sometimes Rs. 5 lakhs.

Shri H. N. Mukerjee (Calcutta-Central): At the rate of 5 per cent or the profit, it would come to Rs. 15 lakhs in the case of Tatas.

An. Hon. Member: Rs. 25,000 is the limit.

Shri Tyagi: It is not the limit, as I understand it. My hon. friend is a lawyer. The expression used is, 5 per cent or Rs. 25,000 whichever is more. So if 5 per cent is more than Rs. 25,000, what is the position?

Shri A. C. Guha: He has missed the words 'shall not' contribute more than Rs. 25,000 or 5 per cent, whichever is more.

Shri Tyagi: Shall not contribute? I am confused about it. It may be clarified. I hope my hon. friend, Shri Kanungo, will kindly clarify this as to whether it is 5 per cent of the overall profit or Rs. 25,000 or 5 per cent of the profit to the tune of Rs. 25,000 and not more. If it is 5 per cent of the total profit, it may come to lakhs.

Shri N. B. Ghosh (Cooch-Bihar): If 5 per cent of the profit is more than Rs. 25,000, it will certainly be allowed.

Shri Tyagi: If the profit is Rs. 1 crore, 5 per cent will come to Rs. 5 lakhs.

Anyway, this point requires clarification. I only want to impress on

[Shri Tyagi]

Government one thing. I have been on those Benches. Here I am reminded of the straightforward manner in which my colleague, Shri C. D. Deshmukh, treated this issue when the first elections came and there was some talk amongst politicians that some such arrangement may be made and contributions made by corporations and companies may just be permitted. Shri Deshmukh consulted me and I remember how straightforward he was. He came forward in the House and said that this is the money of the shareholders and he could not allow them to spend away that money. I submit this money belongs to the shareholders. There are already so many taxes. It is after paying these taxes that the shareholders' profits are distributed. It is from those small shareholders' profits that this 5 per cent. will come to the political parties. Who has the right to deprive these people against their wishes? Suppose I am a shareholder in a firm and the firm contributes, for instance to the worst party, the communist party or the Jan Sangh, my money goes to the communist party or to the Jan Sangh. How can I permit my money to go to Jan Sangh or to the communist party or to some communal organisation? But, there is no check. (*Interruptions.*)

There will be no lack of funds if the Government has behaved well and promises to behave better in future. There will be no lack of funds. Even private individuals will contribute. We do not want contributions from persons who do not believe in our ideology. Government will stand censored if statistics are collected as to the concentration of industry in the hands of the few during these five years. We have done it. Let that be enquired into. It is these contributions that we are taking their prices. I dare say, that are having effect on our policy and shall have effect in future also. The whole politics will become dirty.

There is corruption spreading everywhere. Today everybody is talking of corruption. It is in this atmosphere

that our Government has been advised—I do not know by whom—to have this thing. When even opposition parties that have freely taken advantage do not want this, why are we insisting for this privilege? I support the amendments which have been proposed by Mr. Masani.

There is another difficulty. In the elections these very political parties will take advantage of this. There will be pamphlets in each constituency that so much has been contributed to such and such a party. I shall lose my vote. I say I am speaking in my own self-interest because if it were not publicised I would not mind it. But it would be publicised as "corruption".

Shri M. R. Masani: Sir, may I speak in support of my 4 amendments and explain them briefly to the House? But, before I do that I would like to express my sense of appreciation of the spirit in which the Minister of Commerce and Industry spoke yesterday; and particularly, his declaration that this decision will be left to the free vote of the House. That is a very healthy precedent. This is not an issue on which parties should vote as parties. And I may mention to him that, so far as my Group is concerned, we also believe in voting like this, the principle of free vote and no whip should be issued by any political party. I was heartened also to see my esteemed friend, Shri Tyagi, taking advantage of that freedom of discussion and vote to express his position against the Minister's position. I do hope that when the House divides later today or tomorrow on this clause, Members of all parties will exercise this freedom—including the ruling party—which is given to them. (*Interruption.*) Because that is the acid test of the sincerity of a free vote.

To deal with one of the small issues first, Government companies. The hon. Minister yesterday made a very sound declaration of government policy that government companies would not be allowed to contribute to political

funds. That is only to be expected of any decent democratic government. (*Interruptions.*) But, as I mentioned yesterday in an interruption, the present Government is not a permanent Government. In a democracy, the government of the day changes and should change every now and again. We cannot commit those who are going to succeed us.

Acharya Kripalani: They are unique people.

Shri M. R. Masani: Even today or tomorrow there may be a State Government which is of a different political colour. The hon. Minister said that he hoped that the present State Governments would line up behind him in this policy declaration. A years ago there was a Communist Government in Kerala and supposing there is a Swatantra Government two years later in one of the States (*Shri Tyagi:* God forbid!) I want that those governments should also be bound to respect this position that public corporations and companies should not be free to contribute to the funds of their own political parties. Therefore, I must say that I deplore the refusal of the hon. Minister to accept my amendment No. 78 which would statororily bar what he also agrees should be barred. I am afraid he is leaving a loophole which is quite unnecessary; and I would still request him to reconsider the matter and accept my amendment No. 78 which is entirely in line with his wishes.

The second point is publicity. The Minister has claimed that the present Bill gives publicity to corporate donations. This is true only in a limited sense. That publicity is likely to come too late. We all know that big contributions are made by corporate bodies in the twelve months before a general election. These contributions, therefore, would be made some time in 1961 or early in 1962. The hon. Minister knows that the balance-sheets of those companies will not be published before polling but after polling, after the 31st

March, 1962. What then is the value of publicity after the event? What is the value of closing the stable door after the horse has run away? If the hon. Minister really wants that the people of India should know to what parties what companies have contributed funds, then, logically, he must accept amendment No. 79 in my name or the other amendment that stands in the name of Shri Bharucha which stands for advertising the fact of contribution within 30 days of the contribution being made. It is only then that the Minister can claim that the law will give publicity to such donations; otherwise, with all respect, the publicity claimed for it will be an eye-wash.

Then we come to the main issue; and on that main issue I commend to the House my amendments Nos. 1 and 14. Amendment No. 14 would seek to stop the board of directors under section 293 from making contributions to political parties or funds; while amendment No. 1 would stop companies altogether from permitting such contributions by saying that there should be a new clause after sub-section (1) of section 13. That would read:

"Provided that the objects set out in the memorandum of a company shall not include the making of any contributions to any political party or political fund."

If these two amendments were accepted, then, neither the board of directors nor the company could make political contributions.

The hon. Minister yesterday announced a ceiling on what the general body of a company can do. I welcome the spirit of that announcement and also its content because there is no doubt that it sets some limit on the funds that a company can vote away; and it brings them on the same level with the board of directors as to discretion. I, therefore, welcome this as a move in the right direction. The hon. Minister has put some limits on the evil that we want to eradicate. I am sure he will be the first to appreciate

[Shri M. R. Masani]

that limiting an evil is not the same thing as fighting it outright. Since our stand is that corporate contribution should be banned altogether, while I would personally welcome the limit that he has now made, still I feel that the principle must be opposed and should be rejected.

The hon. Minister gave certain arguments in advance of his case. I shall very briefly try to deal with them. The first argument was that money was needed for campaigns and that if money was prohibited by resolution of the company or board, then, some corporate money would find its way into the coffers of political parties by under-hand means, by the faking of accounts, as he himself put it. I must say I was rather confused by this argument. Some of us believe that you cannot make people good by legislation. And my own party believes that there are limits to State regulation in effecting human behaviour. (*nterruptions.*) We cannot create angels by legislation.

An Hon. Member: Everybody will agree with that.

Shri M. R. Masani: The hon. Minister has argued, all throughout the Bill, in the Joint Committee and here, that by passing regulatory clauses he is going to make company administration clean. The same argument he has used in this case, that the change of the law will not stop certain malpractices, equally applies to the 200 and odd clauses of the Bill. In other words, logically, this Bill is useless and the Company Act is useless because people will do exactly what they do, law or no law. Therefore, since the House and the Government are committed to the thesis that by passing a law we make it effective—if that is not so, what is the Company Law Administration there for? Let him also apply the same logic to this clause and say that if we ban contributions it will really be a ban just as he strives to stop take-over bids and corruption of every kind. He can also apply this to

the same extent. We agree that all laws that are passed by Parliament cannot be 100 per cent. effective. To the extent the Company Law is effective, this ban would also be effective. Therefore, I am afraid the hon. Minister was not consistent on this point. The second argument was not only money corrupts; other things also corrupt. I respectfully agree. I would say that something corrupts much more than money and that is power.

Shri Tyagi: It does.

Shri M. R. Masani: The purpose of these amendments is to stop the concentration of power in a few hands. As Acharya Vinobha Bhave has said, here all power is concentrated in five or six hands and that is dangerous for the country. By these amendments we are trying to stop money power from being allied to political power, so that those who control money power are kept aloof from those who have the political power. In that way a system of checks and balances is created for human liberty and prosperity. But if those with money power also get political power and come close together and form a coalition as is being done in the country before our eyes, then you get the most dangerous vested interest unparalleled in history. That is the State Capitalist vested interests of those in office and their hangers on in the world of business they are coming on top today. So, if the hon. Minister agrees that power corrupts, then he would be well-advised to accept these amendments because it will keep power divided between those in office and those with money.

The third argument was that those who gave money did not decide policies. I entirely agree with him. That is the principle of his Party as well as my own and I return the compliment which he paid yesterday that neither of our parties is going to be influenced by contribution so far as far as the ideology is concerned. But I am afraid the hon. Minister has misunderstood the argument. It is not influence on the ideology; it is influ-

ence on the day-to-day administration of Government policy. It is the administrative acts of the Government of the day that will be influenced.

What are the administrative acts? Who shall produce a car and who shall produce a tank? Where shall it be produced? Who will have a permit or licence? Who will export the raw material? This is the *quid pro quo* for the donations given.

The hon. Minister frankly said that the capitalists were unhappy with the Congress policy and asked: why then do they contribute. He gave the answer: the Congress organisation can deliver the goods. In a different sense from what he meant, that is exactly my point also. The Congress can deliver the goods which no Opposition Party can. And what are the goods? The goods are the various things that are convertible into hard cash: licences, permits, facilities, priorities and so on. These are the things that are convertible into cash at a profit, these are the goods that the Congress Party alone can deliver today. Therefore, I entirely agree with the hon. Minister that it is the capacity to deliver the goods that the ruling Party has which makes it the favoured party and not belief in its ideology. The proof of the pudding is in the eating.

The hon. Minister yesterday quoted several judgments and also the Shastri Committee report. Let me quote, to correct and restore the balance, from the report of the L.I.C. Enquiry Commission, headed by a very distinguished jurist, Justice Vivian Bose. This is what the Bose Commission has to say:

"After all Mr. Mundhra is not a philanthropist and would not show these indulgences on Government and the organisation that places it in power without the hope of favours to come that would outweigh his apparent sacrifices. From his point of view, these were sound business investments, and in any case, the money

did not come from his pocket. The shareholders would have to bear the brunt . . . So far as the record goes, the only motive that suggests itself (for the Mundhra deal) is a *quid pro quo* for the donations given by Mr. Mundhra to the Congress Funds and an attempt to fulfil the promises made to him (by certain Ministers) about the Kanpur Mills."

This is as independent a source as the sources which the hon. Minister commended to our attention yesterday.

Acharya Kripalani: Therefore, that judgment was rejected! . . . (*Interruptions.*)

Shri M. R. Masani: Now, I have been asked: why do the business people contribute to Congress funds? I can give two or three answers. First, a very small number of people may happen to agree with Congress policies. The Minister himself knows that the class to which he refers are not happy about the disastrous policies of the present Government, but there is a small class of these people who may be in agreement. I am glad that yesterday, the hon. Minister quoted from the judgment of Justice Tendulkar and I am quoting from his speech yesterday:

"Justice Tendulkar drew a line of distinction between supporting a candidate or party with whose policies the company was in substantial agreement, or supporting a party or candidate who would, for a consideration in the shape of contribution from the company, support the policy of the company, irrespective of the view of the party or the candidate concerned."

I am prepared to concede that there may be some businessmen—a small number—who happen to agree with the Government's policies. But, if I may make bold to say, 90 per cent of those who give contributions to the Congress funds do not belong to that category; they belong to two other categories and they are moved by two other con-

[Shri M. R. Masani]

siderations. Either they are good businessmen, who are frightened of reprisals, who are frightened of being punished through a controlled economy for not giving money to the Congress funds or for daring to give it to Opposition Parties. I can vouch from personal experience for large numbers of businessmen who have told me: we dare not give your party money because we shall be punished by reprisals and retributions by a vindictive Government. I do say that the charge is perhaps unfair. I certainly argued with them that for the citizens of a free country, this is a cowardly attitude and they should have the courage to trust the *bona fides* of the Government of the day; if they are in trouble in any matter, the people at the top of the Government would intervene and see that injustice was not done to them. They replied: "You are an Utopian; you do not know what you are talking about. We know where the shoe pinches and what sort of people we are dealing with. We know whether they will be fair as in other democracies." I said that they were unjust. Cases of vindictiveness might have been there, but I do not believe, that my hon. friend there, for instance, would utilise his political power to punish those who help the Opposition Parties. The fact remains that this feeling is wide spread among the class of people whom we are discussing.

Now, Sir, there is another class of businessmen, corrupt and bad businessmen, who want, the quick rupee to feather their own nests and line their pockets and who do not care two hoots for democracy or free enterprise or anything at all so long as they reap their returns in the coming twelve months. They are the third class of businessmen that make contributions and Justice Vivian Bose shows how they get their *quid pro quo* in hard cash.

Mr. Chairman: The hon. Member's time is up.

Shri M. R. Masani: Therefore, Sir, the issue is not one whether a cor-

pany should voluntarily be allowed to contribute but the issue is whether coercive methods to get company funds should be removed and whether the company funds should be permitted to be raided by those who speak on behalf of the ruling political Party against the wishes of those who disagree with the ideology of that party, who think that this policy is leading the country to disaster. That is the real issue.

If I am told again that these contributions will be voluntary in the coming twelve months, all I can say is that they will be about as voluntary as the election of the Chief Minister of Uttar Pradesh will be voluntary tomorrow morning.

Shri Tyagi: The U.P. Chief Minister's election has nothing to do with contributions of companies.

Mr. Chairman: It is his own opinion. Now, Shri Heda,

Shri Heda (Nizamabad): Sir, Shri Masani is generally right but this time he is very wrong. The Chief Minister of U.P. is not going to be elected tomorrow.

Shri M. R. Masani: Maybe, the day after.

Shri Heda: Not even day after.

Shri M. R. Masani: Whenever he is elected, it will not be a free choice.

Shri Heda: Mr. Chairman, this problem has been discussed earlier also and I find the same arguments have been advanced from the respected hon. Members belonging to the Opposition. I am really amused to see that even a great stalwart like Acharya Kripalani, whose wisdom we respect, has fallen a prey to the fallacy created by communist friends . . . (Interruptions.) The communists have always tried to plead a line that private sector should be given no allowance and that the existence of the private sector is equal to capita-

lism and therefore any democracy that allows any private sector any scope is a capitalist democracy. Acharya Kripalani has fallen a prey to this fallacy and so he equates democracy with capitalism simply because there is a corporate sector which may use its discretion and help this party or that party. Since he has no party, he may not get anything out of it and therefore he does not like the very idea.

Let us be clear about this: whether he wants the private sector to live or not. It is quite irrelevant whether it is a corporate body or a private businessman. The real issue is whether there is going to be any free economy or private sector or everything is going to be nationalised. If everything is not going to be nationalised and the people are free to undertake their occupation, business, trade or industry, then whether they are persons or they are corporate bodies they would contribute to the development of democracy, and one of the functions for the development of democracy is to see that the elections are run fairly and adequately.

Sir, even Acharya Kripalani was not as vehement on the contributions from individual persons as he was on the contributions from companies. He was not very clear, but I think he may go to the extent of saying that he does not want any contribution, say, above Rs. 5,000 or some other sum, from a single individual. Whether he holds such a view or not I do not know, but unless he holds such a view I think he will not be consistent in his vehemence against the contributions from the corporate sector. The short point involved in this clause is that.....

Acharya Kripalani: Sir, my name is being repeatedly mentioned. I may tell the hon. Member that we are living under an economy in which an individual has a right. I do not think he should have the right, but he has the right to drink away his money, to

brothel away his money, to gamble away his money, to do anything with his money. We are not concerned with that. We are concerned with public corporations. When you have a society which does not allow an individual to do these things.....

Shri Heda: I am sorry, Sir, that Acharya Kripalani even when an opportunity was given has not made the point clear.

Acharya Kripalani: What can I do with the brains.

Shri Heda: The point involved is whether we allow any contribution from private individuals to political parties to run the elections or not. If that is allowed the question that arises is, when we allow persons why not companies? This is the only small point involved in this clause. It is not a very big point. Had he brought a Bill or a resolution banning all individual contributions to political parties at the time of elections that would have been quite a different thing.

Another fallacy under which Acharya Kripalani is working and which is again implied in his interruption just now—I am sorry to find that even Shri Masani is working under that fallacy—is that every contribution to the political party is an evil.

Shri M. E. Masani: Only corporate contributions, not private.

Shri Heda: I will come to it. Acharya Kripalani just now interrupted to say that individuals who want to squander away their money are free to do so.

Acharya Kripalani: I said that we live in a society where individuals are permitted to do that. I do not say that anybody should squander away his money. (Interruption).

Shri Heda: The point is whether contributions are necessary for developing or running the democracy

[Shri Heda]

that we have chosen for ourselves. The elections are being conducted and if we want that the poorer strata and the middle classes are to be represented in this House in equal numbers if not more, then contributions are necessary. The only small point is, if they have to come from private persons why not they come from the corporate sector also?

Acharya Kripalani: You admit that it is a small point.

Shri Heda: There may be a few persons who for fighting their elections may not need any expenditure. While we are happy to know that there are such persons in the country even today, they are very few and their number is limited. For their sake we cannot change the whole thing.

The second point to which I would refer is the publicity point made by Shri Masani. His point is that the publicity given to the name of the party should be done immediately within 30 days. His argument implies that if the publicity is given immediately it will go against the party. What does that mean? He means that a contribution by a corporate sector to any political party is an evil.

Shri M. E. Masani: To socialist party.

Shri Heda: That a party wedded to free enterprise has come forward with this view is just a dilemma, and if I say that it is nothing but a political stunt I do not think I will be very wrong.

Shri M. E. Masani: Accept it and you can find out; it is very easy.

Shri Heda: When I participated at the time of the general discussion on this Bill I had asked two specific questions. What is the proportion of the total contributions coming from the corporate sector to the total contributions of any political party? Take

the case of Congress or any other party. My own view is that the corporate sector does not contribute more than 5 per cent.

Shri Tyagi: Then why bother?

Acharya Kripalani: Why worry?

Shri Heda: I had replied that point last time. Since no principle is involved in it why should we particularly ban the corporate sector only? Why should we differentiate between a contribution from a private person and a contribution from a corporate body? I would rather put it the other way. If you call these contributions as evils—I do not subscribe to that view—I think the contribution from the corporate sector is a lesser evil than the contribution from a private person, taking into account the influences good or bad emanating from a person and the influences good or bad emanating from the corporate sector. Well, it is not necessary for me to illustrate this point, because if one person—X, Y or Z—contributes Rs. 10,000 or Rs. 25,000 to somebody that somebody naturally feels that there is a person who has contributed so much. If the same money comes from a company it is just possible that your own voters, the people of your own constituency may be its shareholders. It comes from a wider circle, it is not a private or personal money. Therefore, the influences good or bad from the contribution from a corporate body would be far less than what we are allowing in general practice. Therefore, Shri Masani's idea that if publicity is given immediately the party which receives the contribution will go into the bad books of the voters and they will vote against does not hold any ground.

Shri M. E. Masani: Then why shirk it?

Shri Tyagi: Let it be immediately after the elections are over.

Shri Heda: It should be a practical suggestion. The moot point is, if any body wants to play some trick, then more than me Shri Masani knows that inspite of the 30 days limit if any corporate body wants to publish the name after the elections it can very easily do it.

Shri M. R. Masani: There will be a penalty—apply the law.

Shri Heda: If the interval between the date of the contribution and the date of elections is only ten days what will happen to the 30 days limit? Therefore, I am just mentioning that if anybody wants to do something willfully there are hundred and one ways of doing it. That is not the point. This does not also involve any pertinent point. After all, in this election people will go by the contribution that they received in the last elections. Again, any election is not a final election. The elections are there every five years. Every hon. Member of this House faces it. Therefore, to press for the 30 days limit there is no particular point.

Shri Masani has also stressed that we should categorically by provision in the law ban Government companies from making any contributions. The Government has made an announcement that no Government company will make any contribution.

An Hon. Member: Central Government.

Shri Heda: What was the practice last year. So far we have not heard any Government company having made any contribution to any political party, much less to the Congress Party. If this is the practice, then as a practical man and as a man believing in democracy and the need for developing healthy conventions he should come forward and say that this amendment is not necessary because of the practice of the Government and the same will be followed by the successive governments. Therefore, to insist on this amendment would only mean that he has

less faith in the working of democracy in which we have to develop conventions. He himself has stated at a later stage that everything is not controlled by the law, but here he wants this particular thing, which does not need any control and which is already hundred per cent controlled, to be controlled by law. Well, there is a contradiction in his thinking. So, let us be very clear about these two factors. Firstly, a contribution by a person or a company is not an evil. It is a necessity, if we want to run the democracy that we have chosen for ourselves.

Shri Masani has given two motives for such contributions.

Shri M. R. Masani: Three.

Shri Heda: The third one is quite good. I am referring only to those other two motives: one was out of fear and the other was with a view to corruption. The society that we are developing is such that, if not totally, at least in a very short time—at least that is our aim—there should be no man afraid of anybody or there should be no man who would like to corrupt any political party. Efforts may be there, but we have to see whether there was any party which fell a prey to this.

In the last discussion, Shri Morarka specifically asked this question. I repeat the same question: not a single instance comes forward and he himself admits that according to Justice Tundelkar's first category of contribution, a contribution may be with a view to support the general policy of the party. In spite of that, he interprets every contribution to be emanating out of the fear motive which is the second category or through corrupt motive which is the third one. I think it is not fair.

Shri M. R. Masani: It is accurate.

Shri Heda: Let me tell him another thing. The fear is not there only of the party in power. There

[Shri Heda]

is fear of the Opposition also, the big business. (Interruptions). As Shri Masani has access to big business, so too do I happen to have it. Scores of big business men have told me some stories—some have told me some stories and others have told me other stories—that they are afraid that some propaganda or publicity about their undertaking or dealings may be taken up by the Opposition, and therefore, they have necessarily to keep them in good moods. They do it.

Shri Tyagi: That is equally bad.

Shri Heda: I do not like to refer to one aspect here about trade unionists, but we have seen this phenomenon time and again, namely, that the labour leaders or trade union leaders get the contributions from the companies, from the factories not only in the shape of actual cash which does not generally accounted for, but in the shape of vehicles and so many other facilities. Why? Is not there a fear motive or a corruption motive? It is very difficult to judge whether it is a corruption motive or fear motive or whether they want that the trade union has a place in the democracy and therefore they must also exist.

Lastly, let me tell my hon. friends that all these contributions by the corporate sector may not go to the party in power. Shri Masani was good enough to tell us that 90 per cent of the big business is angry with the Congress. If that is so, 90 per cent of the contributions from the corporate sector will go to.

An Hon. Member: Shri Masani's party. (Interruptions).

Shri Heda: ...the Opposition from the rightist direction, to the Congress Party. (Interruption).

Acharya Kripalani: He is willing to forgo that.

Shri Heda: There is another factor: the corporate sector may not give all its contributions to only one party. It may divide the contributions to other parties also. I think if we want to discourage this, then there will be no good future or bright future for the running of our democracy. Therefore, I strongly support clause 98 and the amendment moved by the Government.

Mr. Chairman: Shri Asoka Mehta. I would request him to be very brief.

Shri Asoka Mehta (Muzaffarpur): I am always very brief. Under our election law, while there is a ceiling on expenditure as far as individual candidates are concerned, that ceiling can be exceeded or that ceiling is not, in anyway affected by the money that is spent by the sponsoring parties. Therefore, if these contributions were going to individual candidates they were to be accounted for in their election returns, one could have taken one view. But, where they are not going into the accounts of the individual candidates but will be spent only by the sponsoring party, then, a very peculiar situation arises which I hope, our hon. friends who are talking about the need for a democratic functioning of the nation, will take into consideration.

Then, I am happy to know that the Minister said that as far as Government companies are concerned, they will not be contributing money, but may I draw his attention to the fact that a number of souvenirs have been brought out by the Congress Party, both at the Central level and at the State level, and a very high price is charged for advertisements therein—Rs. 3,000 or Rs. 5,000 per page. We know the value of these souvenirs and we know the limited sphere of their circulation. These are patronage advertisements. May I ask him to find out and enquire how many

Government companies have contributed advertisements to the souvenirs?

Shri Tyagi: It is a pity they have.

Shri Asoka Mehta: Therefore, to say that patronage is not being extended by the Government companies to a particular political party but to other political parties also would not be wholly true.

The third thing is, I would beg of the Minister of Commerce and Industry to lay on the Table—not in his capacity as Minister of Commerce and Industry but as an outstanding leader of the Congress Party—the names of those 50 companies or business houses in India that contributed Rs. 2 crores to the Congress election funds in the last election. I say this with a full sense of responsibility, that Rs. 2 crores were collected from 50 business houses in India.

Shri Tyagi: How do you know? (Interruption).

Shri Asoka Mehta: Do you want me to tell you It is not done; I am only saying that it is for the hon. Lal Bahadur Shastri to deny it and I shall accept it.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Collected by whom?

Shri Asoka Mehta: By people in the previous Government.

Shri Lal Bahadur Shastri: No; I am only enquiring if the hon. Member refers to the All-India Congress Committee.

Shri Asoka Mehta: Yes.

Shri Lal Bahadur Shastri: I may humbly say that I can categorically deny the fact that Rs. 2 crores were collected by the All-India Congress Committee.

Shri Asoka Mehta: If it is necessary that this matter is to be gone into,

I would be quite happy to produce a list of these 50 companies. I do not know whether one can produce them with the list of persons (Interruptions) but the documents may be there and they should be available to the company law administration; the company law administration has all the balance-sheets.

Shri Sinhasan Singh (Gorakhpur): Let him produce the lists.

Shri Asoka Mehta: Sir, may I be permitted to proceed. The hon. Member can answer later on.

Shri Sinhasan Singh: Only one request I am making.

Mr. Chairman: Order, order. Let Shri Asoka Mehta proceed.

Shri Asoka Mehta: The company law administration has all the balance-sheets. May I suggest that those balance-sheets should be gone into, for the year before last general elections? Let us know from them—many others may also be available to the company law administration—what company has contributed how much.

Shri Tyagi: The election fund was different from the All-India funds!

Shri Asoka Mehta: I have no idea. Let us not quibble with these things. The question is whether 50 business houses in India contributed to the Congress election funds, Rs. 2 crores or not.

Secondly, I would like to know to what extent those 50 business houses have been favoured in the various development programmes that have been undertaken, and whether there were any business houses that refused to contribute and what has been the extent of assistance offered to them in the development programmes, for the last four years. Surely, these are absolute facts which can be ascertained and placed before the House.

Lastly, I would like to point out that it would be very useful and

[Shri Asoka Mehta]

would be very saultary if the Minister would assure us that at least six weeks or one month before the elections, he will place before this House—because the House will be there and the elections are in March, 1962—say, early in February when we meet—a list. Let us know from all the companies what is the contribution they have paid to different political parties. Let there be such a kind of White Paper placed before us, so that the whole country will know. Let people vote knowing these things. I have no objection to people doing whatever they like after they know the facts. The only thing that we want in democracy is, let not facts be hidden. Once they know it, knowingly, if they want to return certain people to power, it is their business. (*Interruption*).

Shri Sinhasan Singh rose—

Shri Asoka Mehta: After the elections, the people may not remember who contributed for whom. Public memory is proverbially short. They ought to know who had contributed to the elections of whom and if with that knowledge representatives are elected, I have no complaint. I do not think that will handicap anyone in anyway. They should know before the elections. Let this be known beforehand, so that people may know who has contributed and in what way. I am in favour of political parties having to register, with whatever authority you may decide, what finances they get. Let people know what are the sources of finance for political parties. As we do it for the purpose of elections, let every year the political parties be asked to file their accounts and sources of income with all the receipt-books and vouchers, with any authority you want to set up.

As far as finances of political parties are concerned, let there be as much of scrutiny as possible. Whatever be the party, just as there is auditing of public companies, there should be auditing of the accounts of

political parties. We are also responsible organisations. We have a great responsibility towards the people. Let it not be said that we are doing things in a manner which is undermining the trust and confidence of our people. I am not attacking A or B party. If we are to survive as a democracy—we know what kinds of difficulties are being created all-round—we shall have to set up certain standards.

I appealed on the last occasion to the Minister for whom, I said, I have the highest of respect and if you will permit me to say so, deep affection. Therefore, I am saying that these are things which are told to us by very responsible people, both in public life as well as in industrial life and it will be useful if in these matters, there is no attitude of hushing up anything. Let facts be brought out and you may do whatever you want after taking the people into confidence. Information is the life-breath of democracy and let not that life-breath be denied to our people.

Shri Sinhasan Singh: I will request the hon. Member himself to place that list before the House. The House must appreciate the spirit which he is expressing. I am also expressing the same spirit. That list may be placed before the House. Government may or may not place the list before the House. He may place the list before the House, so that we may know the facts.

An Hon. Member: How can he place the list?

Shri Sinhasan Singh: If he has got the list, he may place the list before the House. Government may or may not do that, but in this session itself he may place the list before the House and we may know the full facts.

श्री० रणधीर सिंह (रोहतक) : समा-
पति महोदय, विरोधी पार्टियों और विरोधी
सदस्यों ने जो प्रमेंडमेंट्स सरकार की तरफ से
सूब हुए हैं उन की मुखालफत की है। कांग्रेस
पार्टी की तरफ से श्री लाल बहादुर शास्त्री

ने उन की आलोचनाओं का जवाब देते हुए उन को सही नहीं बतलाया और उन को स्वीकार नहीं किया। कल यहां इस बात पर बहस होती रही। शास्त्री जी का कहना था कि इस किस्म के चन्दे प्राइवेट कम्पनियों और पब्लिक लिमिटेड कम्पनियों से उस वक्त भी मिलते थे जिस वक्त कि आचार्य कृपलानी हिन्दुस्तान की कांग्रेस के प्रधान थे या उस से पहले जबकि हिन्दुस्तान आजाद नहीं हुआ था। कांग्रेस को पूंजीपतियों से बड़ी रकमें पहले भी मिलती थीं या नहीं इस विषय को ले कर आचार्य जी और शास्त्री जी में काफी देर तक हाउस में झड़प होती रही। उस संबंध में आचार्य जी ने जो दावा किया था शास्त्री जी उस के खिलाफ अपनी आवाज उठाना चाहते थे और उन्होंने उन के दावे को स्वीकार न करते हुए उसे चुनौती दी। उस के पीछे एक भावना है। उस के पीछे एक कारण है और वह कारण यह है कि जो हमारे भाई यह खयाल पेश करते हैं कि कम्पनियों से वाज पोलिटिकल पार्टियां चन्दा न लें तो इसको न मानने के लिए भी वही कारण है। ताज्जुब की बात यह है कि विरोधी सदस्यों के उस तर्क और अरील में हमारे कर्मठ साथी त्यागी जी भी बह गये। जहां तक श्री राम सिंह भाई वर्मा की बात का सम्बन्ध है उनकी बात तो मैं समझ सकता था क्योंकि उन्होंने जो बात यहां पर रखी वह एक मजदूर के नुमाइन्दे के दृष्टिकोण से रखी। चाहे वह कम्पनी ऐक्ट हो अथवा कोई और दूसरी बात हो। उस में तो एक मजदूर की तरफ से आवाज उठाना यह उनका धर्म है और मैं उसको सही मानता हूं। लेकिन त्यागी जी तो हिन्दुस्तान के वित्त मंत्रालय में भी रहे और डिफेंस मंत्रालय में भी रहे और उनकी जो भी बात वह कहें, काफी वजनदार हो सकती थी। अब उनके द्वारा यह सवाल करना कि पोलिटिकल पार्टियों को जो चन्दा दिया जाता है उसके ऊपर इनकमटैक्स लगता है या नहीं कुछ अजीब सी लगी क्योंकि यह बात तो त्यागी जी ज्यादा अच्छी तरह से

बता सकते हैं क्योंकि पहले तो वह मंत्री रहे और जब से मंत्रिपद से हटे तब से लगातार एक सदस्य की हैसियत से इस सदन में मौजूद हैं और अगर कोई कानून बदलता तो उनको पता होता। इसलिए वह दावे के साथ कह सकते थे। मुझे मालूम नहीं कि मंत्री महोदय ने क्यों वह शब्द बतें? लेकिन किसी मंत्री महोदय के कोई शब्द ढीले बतने से देश के कानून में तो कोई तबदीली नहीं आ सकती है। कानून तो कानून ही रहता है और जोकि हर एक माननीय सदस्य और हर एक वकील के पास मौजूद रहता है।

सभापति महोदय, मैं कह रहा था कि शास्त्री जी ने क्यों नहीं कबूल किया। इसकी वजह यह है कि कांग्रेस पार्टी का अपना एक तरीका है और हमेशा वह सारी चीजें देश के सामने रखती है। उनका अपना तर्जुबा है कि कम्पनीज के पैसे से चन्दे से जो एलेक्शंस लड़े गये या चन्दा कांग्रेस पार्टी को आया उससे कांग्रेस की नीति में कोई फर्क नहीं आया है। यही नहीं पिछले १३, १४ साल के अन्दर एक तरीके से हिन्दुस्तान के अन्दर सब से ज्यादा जिम्मेवारी कांग्रेस पार्टी की और हमारी कांग्रेस वकिंग कमेटी की है जिनके कि पास वह पैसा दिया गया था। लेकिन क्या यह वाक्या नहीं है कि इस देश के अन्दर धीरे धीरे एक समाजवादी ढंग का ढांचा बनाया जा रहा है? कौन व्यक्ति इससे इंकार कर सकता है कि जहां सन् १९४७ के अन्दर लोहे की इंडस्ट्री १०० फीसदी प्राइवेट सैक्टर में थी आज वह तीन चौथाई के करीब पब्लिक सैक्टर में है? इसलिए सभापति महोदय यह सारी बातें सोचने की हैं।

हमारे देश के अन्दर सत्य अहिंसा के मार्ग का अनुसरण करते हुए बगैर किसी आदमी का खून खच्चर किये हुए जैसे चीन के अन्दर २०-२२ लाख आदमियों को कत्ल करने के बाद और लाखों जो जमीन के मालिक थे उनसे जमीन छीन छीन कर गरीब किसानों

[श्री० रणवीर सिंह]

में बांटी गई उसी तरीके से लेकिन बगैर कोई हिंसा किये हुए बगैर किसी तरह की खूनखराबी किये हुए इस देश के अन्दर कांग्रेस शासन ने भूमि सुधार लागू किये । इस देश के अन्दर लाखों ऐसे किसान हैं जो कि जमीन के मालिक नहीं थे और जो कि जमीन पर खेती की मजदूरी करते थे आज वह जमीन के मालिक हैं । यह शान्तिपूर्ण एनकलाब जो हमने लाया क्या उससे कोई इंकार कर सकता है ?

श्री मसानी एक अच्छे वकील हैं और इसलिए बहुत कुशलपूर्वक बात करते हैं लेकिन एक बात मेरी समझ में नहीं आती कि एक तरफ तो वह यह मानते हैं कि बिड़ला और टाटा अगर जाती तौर पर किसी को रुपया दे दें तो वह बुरा नहीं होगा और उसका असर नहीं होगा लेकिन अगर एक कारपोरेट बौड़ी देगी तो उसका असर हो जायगा, यह एक अजीब किस्म का आर्गुमेंट है । मेरी तो समझ में उनका यह तर्क आता नहीं है । मैं मानता हूँ कि अगर हम कोरपोरेट बौड़ी के बजाय साहूकारों से या दूसरे भाइयों से इंडिविजुएली या पार्टीज की हैसियत से चंदा लेते हैं तो उसका असर ज्यादा होता है । कल आचार्य जी ने भी कहा और त्यागी जी ने भी कहा कि गरीब आदमियों से चो चंदा लिया जाता है और त्यागी जी भी कह रहे थे कि छोटे छोटे चंदे इसलिए अच्छे हैं क्योंकि उनका नीति के ऊपर कोई असर नहीं हो सकता । मैं मानता हूँ कि कोरपोरेट बौड़ी से जो चंदा आयेगा उससे नीति के ऊपर कोई असर नहीं हो सकता लेकिन हमारे मसानी जी और दूसरे भाई जिन साहूकारों से चंदा लेना चाहते हैं, तो उससे जरूर असर होगा ।

इस के अलावा इस खयाल की मुखालफत करने वाले कौन साथी हैं और हमारे इस देश का उनके बारे में क्या तजुर्बा है । कौन नहीं जानता कि इस देश के अन्दर जैसे कि मेरे भाई श्री अशोक मेहता ने कहा कि उनको

पता लगा है कि २ करोड़ रुपया कांग्रेस पार्टी को चंदा मिला और जिसको कि शास्त्री जी ने स्वीकार नहीं किया और कहा है कि उनका यह आरोप झूठ है, सब जानते हैं कि पिछले दो एलेक्शन में अगर कांग्रेस पार्टी के बारे में किसी को पता था तजुर्बा था तो वह शास्त्री जी को था क्योंकि उन के ऊपर कांग्रेस ने यह सारा एलेक्शन का कार्य डाला हुआ था । मैं कह सकता हूँ कि जितना शास्त्री जी को एक एक पैसे और एक एक रुपये की बात पता था उतना मेरे साथी श्री अशोक मेहता को पता नहीं था क्योंकि दोनों चुनावों के समय श्री लाल बहादुर शास्त्री को कांग्रेस ने चुनाव कार्य करने के वास्ते जिम्मेदार ठहराया था और उनके कंधों पर कांग्रेस पार्टी को चुनावों में जिताने की जिम्मेदारी डाली गई थी और इस नाते जितना उनको पता हो सकता है उतना किसी दूसरे को पता नहीं हो सकता । आज देश के अन्दर कौन नहीं जानता कि जिस तरीके से उन्होंने कहा कि कुछ भाइयों ने एक ऐसी हवा चलाई है मुझे मालूम नहीं यह सही है या गलत है लेकिन आज इस देश के अन्दर और इस सदन के अन्दर कुछ सदस्य ऐसा खयाल करते हैं कि चाहे वे ईस्टर्न कंट्रीज से ताल्लुक रखते हों या वेस्टर्न कंट्रीज की आइडियोलिजी से ताल्लुक रखते हों वे भी पैसा देकर देश के एलेक्शन के अन्दर असर अंदाज होना चाहते हैं ।

14 hrs.

श्री बजरज सिंह (फ़िरोजाबाद) :
उन को रोकते क्यों नहीं हैं ?

श्री० रणवीर सिंह : अगर बजरज सिंह जी इस बारे में कोशिश करें कि उन को रोक दें, तो हमें क्या एतराज है ? सरकार उन के साथ है । लेकिन हम जानते हैं कि देश, समाज और इन्सान का यह

तरीका है कि जब तक इन्सान खुद अपने ऊपर कोई पाबन्दी नहीं लगाता है, कानून कहां तक पाबन्दी लगाने में कामयाब होता है। हम तो यह चाहते हैं और सरकार इस बात की कोशिश करती है कि इस देश में चुनावों में यहां के लोगों के विचारों का ही असर हो, दूसरा कोई असर न हो। श्री अशोक मेहता ने जो दो करोड़ रुपये की कहानी चलाई है, क्या वह कोई नई बात है? यह कोई नई बात नहीं है। हिन्दुस्तान में जितनी दफा जेनरल इन्वेक्शन हुए, हर बार किसी न किसी भाई ने—कभी श्री अशोक मेहता और आचार्य कृपालानी हमारे साथ होंगे और कभी मुखालिफ़ होंगे—इस तरह की कहानियां चलाई कि कांग्रेस के पास बिड़ला या टाटा से दो करोड़ रुपये आये हैं। लेकिन लोग जानते हैं कि इन की बातों में कितनी सच्चाई है और इस बात का मुब्तूत पिछले दो इलेक्शन का नतीजा है। इन आवाजों से यह नतीजा बदल नहीं सकता है एक भाई क्या कहता है, वह कितना सही कहता है, लोग उस को तोलते हैं और यही शास्त्री जी चाहते हैं। शास्त्री जी ने तो ईमानदारी से यह बात कही है कि अगर कोई भाई कांग्रेस पार्टी को चन्दा देना चाहते हैं, चाहे वह प्राइवेट कम्पनी हो, या पब्लिक कम्पनी, उस का खाता लोगों के सामने आये।

मेरे भाई त्यागी जी को क्यों पबराहट है? अगर कोई प्रमोडमेंट होनी चाहिए, तो यह कि किसी इंडिविजुअल को रुपया न दिया जा सके, पार्टी को बेशक दिया जाये, क्योंकि रुपया व्यक्ति को करस्ट करता है, पार्टी को करस्ट नहीं करता है। यह हिन्दुस्तान का तजुर्बा है। इस सिलसिले में जो खदशा

जाहिर किया गया है, जो अभील की गई है, वह बहुत अच्छी लगती है। इस से मेरे जैसे आदमी के दिल में, जो एक छोटे से किसान के घर में पैदा हुआ और बारह-तेरह साल से इस सदन का मेम्बर हो—त्यागी जी भी मेरे जैसे ही हैं—जो भाव आता है, उस में वह बह जाता है, क्योंकि हम समझते हैं कि गरीब आदमी तभी यहां आ सकता है, अगर साहूकार के रुपये का असर चुनावों पर न हो।

श्री त्यागी : जब तक यह बात नाजायज थी, उस वक्त यह कार्यवाही की गई थी कि चीनी बनाने वाले को फ्री मन कांग्रेस को इतना देना चाहिए और कपड़ा बनाने वाले को फ्री गज इतना देना चाहिए। मुझे डर इस बात का है कि अगर यह जायज करार दे दिया गया और इस तरह की लैबी ली जाने लगी, तो हम बदनाम हो जायेंगे।

श्री० रणबीर सिंह : मुझे मालूम नहीं कि त्यागी जी को कल से और आज भी इस बात का बड़ा शोक क्यों है कि इन ख्यालात का इस देश में ज्यादा से ज्यादा प्रचार हो। मैं बताना नहीं चाहता कि इस में, सियासत में रिजर्वेशन जिसे कहते हैं, वह कारण है। मैं उस कारण में इस वक्त जाना नहीं चाहता हूं।

श्री ए.शो : मुझे अफ़सोस है, लेकिन मैं यह कहना चाहता हूं कि मैं चार बरस से बराबर कांग्रेस हाई कमांड से इस बात का एतराज कर रहा हूं और इस लिए मैं कनसिस्टेंटली इस बात पर कायम हूं। यह कोई नई चीज नहीं है, जो कि मैं पंजाबी सूबे या किसी दूसरे सूबे की वजह से कह रहा हूं।

श्री० रणबीर सिंह : पंजाबी सूबे का यहां कोई बिक्रम नहीं है। शायद त्यागी जी के कुछ दोस्त पंजाबी सूबा चाहते होंगे। वह उन को खुश करने का कोई और समय ले सकते हैं। मेरे समय में वह क्यों पंजाबी सूबे वालों को खुश करना चाहते हैं, यह बात मेरी समझ में नहीं आई।

मैं क्यों इसके हक में हूँ ? जिस तरह से त्यागी जी एक गरीब किसान के घर में पैदा हुए, उसी तरह मैं भी पैदा हुआ। मुझे भी डर है। मैं चाहता हूँ कि इस देश में जितने भी सदस्य चुन कर आते हैं, चाहे स्टेट लेजिस्लेचर में, चाहे सेंट्रल लेजिस्लेचर में, उनमें कोई भी साहूकार न हो, साहूकार का एजेंट न हो, कोई राजा न हो, राजा का एजेंट न हो।

श्री बजरत्न सिंह : लेकिन दरवाजा तो खुला है।

श्री० रणबीर सिंह : मुझे मालूम नहीं है कि बजरत्न सिंह जी के इधर दर्शन कैसे हुए हैं। उन्होंने क्या किया, यह तो वह खुद बता सकेंगे।

मुझे इस बात का डर है कि जो इस वक्त रखा हुआ है, अगर इस को हटा दिया जाये और कांफ़रेंट बाडीज़ को पोलिटिकल पार्टीज़ को चन्दा देने की इजाज़त न हो, तो नतीजा यह होगा कि इस देश में चुनाव लड़ सकते हैं सोमानी जी, बिड़ला और टाटा के रिश्तेदार, राजा और नवाब और उनके अजीब—इस देश में गरीब किसान का बेटा चुनाव नहीं लड़ सकता है। मैं चाहता हूँ कि हमने गरीब किसान के बेटे को राजतन्त्र में जो पूरा अधिकार दिया है, वह उसको इफ़ेक्टिवली इस्तमाल कर सके। मुझे भी एक छोटे से सूबे में कांग्रेस पार्टी

का जेनरल सेक्रेटरी होने के नाने तजुर्बा है कि जो कुछ भाई बड़े जोश में हैं कि कोई कम्पनी चन्दा न दे, वे इलेक्शन के वक्त कितने उत्सुक होते हैं कि उनके चुनाव में उनकी मदद के लिये पार्टी कुछ पैसा दे। मैं जानता हूँ। मैं भी उत्सुक था। मैंने पार्टी से चन्दा लिया और मुझे मिला, लेकिन उसका मेरे दिमाग पर रती भर भी असर नहीं है। कल मैं मज़ाक करता था कि मुझे कम्पनी बिल वह चाहिये, जिसके मुताबिक इस देश में कोई कम्पनी न रहे, क्योंकि हम समाजवाद चाहते हैं। रुपया किसी कम्पनी से आया होगा, उसका रती भर भी असर मेरे दिमाग पर नहीं हुआ और न होगा। मैं समझता हूँ कि इस सम्बन्ध में जो मेरा विश्वास है और जो मुझे तजुर्बा है, वह शास्त्री जी को भी होगा। मैं समझता हूँ कि आचार्य कृपलानी के वक्त कांफ़रेंट बाडीज़ का जो चन्दा आया, अगर वह कांग्रेस को करंट नहीं कर सका, तो १९६२ में जो चन्दा आयेगा, वह भी उसको करंट नहीं कर सकेगा।

कई दोस्तों ने कहा कि कानूनी तौर पर सरकारी कांफ़रिशन पर पाबन्दी क्यों न लगाई जाये। आचार्य जी ने कहा कि आगे दूसरी पार्टी आई, तो क्या बनेगा। दूसरी पार्टी आई और हमने पाबन्दी लगा दी, तो वह उसको हटा सकती है, क्योंकि वह तभी आयगी जबकि उसकी मैजोरिटी होगी और मैजोरिटी से कानून चार दिनों में बदला जा सकता है। उस कानून में रखने से क्या फ़ायदा है ? अगर किसी को गिला है, तो वह साबित करे। उन्होंने कहा कि इश्तहार दिये गये और त्यागी जी ने बड़े जोश के साथ उन की तार्ईद की। क्या वह यह नहीं चाहते कि सरकारी कम्पनीज का माल बिके और दूसरों के मुकाबले में उनका माल बाज़ार में बिक सके ? अगर दूसरी कम्पनीज को प्रचार करने की इजाज़त है, तो सरकारी कम्पनीज को क्यों न हो ? क्या त्यागी जी चाहते हैं कि सर-

कारी कम्पनीज का सामान देश में न बिक सके और साहूकारों की प्राईवेट कम्पनियां जो सामान पैदा करती हैं, वही बाजार में बिक सके ? क्या उनका यह ध्येय है ? अगर उनका यह ध्येय नहीं है, तो उनका ऐतराज सही नहीं है ।

श्री त्यागी । बीस हजार रुपए में एक सफ़हे का एडवरटाइजमेंट दिया गया ।

श्री० रणवीर सिंह : मेरे साथी को मौका मिला । उस वक्त वह अपनी बात कह सकते थे । वह बहुत मजबूत सदस्य हैं, लेकिन मैं भी उनके बिल्कुल करीब बैठा हूँ । वह यकीन रखें कि जब तक आप मुझे मौका देंगे, जब तक मैं नहीं चाहूंगा, उस वक्त तक त्यागी जी चाहे दुगनी आवाज से भी चिल्लाना चाहें, तो भी मैं दूसरे का विचार नहीं आने दूंगा । उन्हें वक्त मिला है और मुझे भी वक्त मिला है । मुझे भी हक है । मैं भी उनके बराबर का मेम्बर हूँ । मैं अपनी मेम्बरी को उनसे इन्फ़ीरियर नहीं होने दूंगा । जो भाई खोर से न बोल सके, जो साता हो वनस्पति भी वह शायद कम हो सकता है । मुझे तो भगवान् की दया से मौका मिला अच्छा भी और दूध पीने का । मैं उनके मुकाबले में उनसे पिछड़ नहीं सकता हूँ ।

Shri Naushir Bharucha (East Khandedh): I will confine my remarks, which will be brief, to a few amendments which I have tabled, and the purpose of the amendments is not very different from what the hon. Minister in charge of the Bill said he proposes to do. The hon. Minister, justifying the political contributions from corporate bodies, said that so long as such contributions were attended with the desired publicity, there was nothing morally wrong about them. Much less, can anybody find fault with Government for accepting such contributions. In that case I do not see why the amendment which I have moved and which says:

"Every company, within one month of its having contributed any amount under clause (e) of sub-section (1) to any political party, shall advertise, in two local news papers, of which one shall be in English language and the other the language of the State, the fact of such contribution, and shall"

cannot be accepted. Sir, through you may I invite the attention of the hon. Minister to the point that I am making?

Shri Lal Bahadur Shastri: I was hearing him.

Shri Naushir Bharucha: I am glad that he was hearing me. What I really fail to see is that if you are all agreed on it, apart from our fundamental objection to this, if contributions have to be permitted under the Act and if we all agree that they should be attendant with publicity, what is the harm in every company being compelled as soon as it receives a contribution to put within one month of it that fact down in two newspapers, one in English and the other in a paper in the State language? If this is done, the purpose which I have been given to understand and which my hon. friend, Shri Asoka Mehta had in view, would be served.

The object is this. Take, for instance, the next political contributions which would be available for the election in March, 1962. These will be available sometime in September or October 1961, but we will not know anything of it till perhaps the end of 1962 if they are published only in the profit and loss accounts. In the mean time the advantage would have been obtained and the principle of democracy which means that the public should be kept informed of political matters would be undermined because the public would be informed too late after they have voted for the wrong party, may be, the congress party. Therefore my submission is that if the ruling party is really sincere about its professions—and I take it that it

[Shri Naushir Bharucha]

is sincere—and if the leaders think that there is nothing wrong in contributions, let this fact be advertised.

Apart from that, I have a few other points to make. Shri Asoka Mehta made a very valued and concrete suggestion, namely, just as we feel about our statutory corporations' accounts and reports being published, why not by a statute all political organisations and parties be compelled to publish the balance sheets, statements of expenditure, their income and everything and put them fully before the public? That should be a statutory obligation.

There is a third point which I am making and it is this. Let us not imagine that simply because we are going to accept the amendment which the Government has moved every contribution which a political party or a political body receives can be brought to light even through the company's accounts. There are ways and ways of circumventing this particular section and the amendment which the Government have brought. I can, if I am a leader of a political party, receive contribution today and yet after complying with the law I can so manage the affairs that the thing cannot be known. It can be done. Therefore the correct way is that companies and political parties must be compelled statutorily to publish their accounts.

I may say that I have moved this amendment but this is without abandoning our fundamental objection that political contributions by corporate bodies in themselves are pernicious and must not be accepted. I would like to make that clear. I repeat that today the Government may pocket corporate finance, but tomorrow corporate finance will pocket the Government.

Shri Mahanty (Dhenkanal): Mr. Chairman, Sir, my view on this question is well-known to this House. Two years ago I had the honour and privilege of sponsoring a private Member's Bill to amend section 293

of the Indian Companies Act to prohibit contribution of funds by the companies to political parties. But since then, the way, the manner in which and the vehemence with which this debate has been carried on both by its protagonists and antagonists outside this House and in the press has mollified my opposition to this provision. Today there has been an occasion for me to receive my old pastures.

I would beg of this House to separate the ethical aspect of the question from the political aspect. If the ethical aspect is going to be confused with the political aspect, the legal aspect and the constitutional aspect, no justice can be done to this. It is true, as Justice Tendulkar of the Bombay High Court had held, that contributions by companies to political parties' funds are capable of corrupting the very spring and the very basis of our political life. I am aware of the judicial *obiter dicta* which have been passed by the Bombay and the Calcutta High Courts. But nonetheless I ask a limited question. Has not an individual his fundamental right to contribute to any fund, be it political or otherwise? What is the fundamental right of an individual is also the fundamental right of a corporate body or a company. The question is what should be the reasonable restraint. Like all fundamental freedoms in this matter also, the question of reasonable restraint comes in. If you cannot take away the right of an individual to sponsor and finance a political party, certainly that freedom is extended to the corporate body or a group of bodies.

In our Constitution no freedom is unrelated. Therefore the question of reasonable restraint comes in. Now the limited issue before us is what should be that reasonable restraint. If we look at the genesis of this clause, we will find that section 86 of the Indian Companies Act, 1913, had no ceiling absolutely whatsoever for companies to contribute to political party funds. Section 86 of the old Indian Companies Act had placed no limit, ceiling or res-

straint on contributions to political party funds.

Thereafter when the Act came in 1956, through various processes a ceiling was placed at Rs. 5000 or 5 per cent of profit whichever was higher under a proviso. The limited question that we have to consider is what the hon. Minister has brought by way of his amendment, namely, Rs. 25,000/- or 5 per cent of the profits during the last three years whichever is higher, I believe there has been no reason to transgress that ceiling which was imposed in the original Act.

Then the other aspect of this question is that if, as it has been stated, nothing now stops an individual from making his contribution to political party funds, what will happen if, suppose, I am a director of a company? I have got my perquisites, salaries etc. I have enough fund at my disposal and I can throw it about. I can distribute it among the political parties and among individuals. Therefore the basic question of stopping corruption through this kind of invidious contributions to political party funds is not being sufficiently thwarted. But, we are forgetting that basic fact. Unless we make it penal and unless we completely prohibit political parties from receiving any funds either from a company or from an individual, this limited restraint that we are going to impose is neither reasonable nor it is going to be effective. In fact, it will mean that certain individuals who are capable of donating that amount of money will come and occupy all these seats and not the middle class and the lower middle-class which are today aspiring to assert themselves.

The third aspect, which is more important according to me is, I do not understand the opposition of the Companies to this clause. In fact, all the Indian companies, private or public are anxious to take umbrage under this clause, under this prohibition if our amendment is accepted. They will say, we are not going to contribute a naya paisa to any political party fund, because legally we are prohibited from doing so. But, as

was pointed out in the application before the Bombay High Court, the Tatas had clearly mentioned that since they believed in this Government's steel policy,—as was also pointed out in the Indian Steel Co.'s application before the Calcutta High Court that they also believed in the Steel policy pursued by this Government,—they were initiated to contribute to Congress Party Funds. Similarly, it will be open to these individuals to contribute to individuals though not to political party funds. These individuals with all the money bags at their command, realised from these charitable sources, will be able to corrupt our political life in a manner which we cannot imagine. Let this fact be remembered that this kind of charity is not Shakespeare's charity which blesses both those who give and those who take. Therefore I have been rather puzzled by all these speeches that have been made from this side of the House.

I am in full agreement with the basic motives. But, I find no amendment has been proposed which is going to completely stultify or nullify and frustrate all these corrupting influences which may be at work. Money is given to political party funds, the party executive, the total membership of the party have control on that fund and they see how that fund is being utilised, and whether it is being mis-used. When it goes to an individual, on an individual to individual level, we really do not know what is happening. Therefore, while I do not subscribe to the views which have been expressed by the supporters of this measure, I am in limited agreement with Shri Naushir Bharucha's amendment which says that if any contribution has been received, it should be acknowledged in the press.

Shri Tyagi: Who would like to receive in that case?

Shri Mahanty: If nobody is prepared to receive, let him not receive.

Shri Tyagi: Here is my friend, I receive and it should be published immediately before the election.

Shri Mahanty: If my hon. friend has not the courage to face the flood-light of publicity, let him not receive it. Nobody is forcing him.

Shri Tyagi: Receive money and lose votes.

Shri Mahanty: Justice Mukerjee of the Calcutta High Court has said that if any contribution is received, it should be published in two Indian newspapers. Shri Naushir Bharucha's suggestion is nothing new.

Shri Tyagi: One has to choose between money and votes.

Shri Mahanty: Summarising the views which I have expressed, I do hold and maintain that it would be wrong to think that companies cannot contribute to party political funds. They have every right to contribute. The next question is whether there should be unlimited, unrelated freedom or there should be reasonable limitations. I believe that the reasonable restriction which had been imposed in the earlier section 293 of the Indian Companies Act of 1913 was reasonable. We have got no reason whatsoever to extend that limit to make it Rs. 25000 as is being proposed by the hon. Minister. Therefore, I do appeal to the House not to accept the amendment which is going to extend that ceiling from Rs. 5000 to Rs. 25,000. I am of the view that all contributions received either by individuals or by political parties should be publicised in two newspapers, one being English and the other being a language paper. I am really in a divided state of mind whether to support this or to oppose this. In the case of division, I will remain neutral to emphasise that I do not wish to take away the right of a company to contribute to political party funds with reasonable restraints.

An Hon. Member: You want funds.

Shri Mahanty: With these words, I conclude.

Shri Kalika Singh: (Azamgarh): The amendment proposed by the hon.

Minister is very simple. It only says, any amount which may, after the commencement of the Companies (Amendment) Act, 1960, be contributed in any financial year to any political party or for any political purposes to any individual or body, shall not in any case exceed Rs. 25000, etc. Speaking on the 17th of November, I had suggested that a ceiling or some limit should be placed and that would be a very good provision. I am very glad that that suggestion has been accepted and that ceiling has been proposed to be put in the Companies Act.

It has been already said that company contributions have been given in the past to all the political parties although in the Companies Act there was no provision for that. The controversy which has been brought in unnecessarily here, dragging in the Congress and the elections, is out of the mark and irrelevant at this stage. Because, it is not the Congress party which is taking any decision here that the Congress party is going to receive any contribution from individuals or from companies. If stalwarts, like my hon. friend Shri Tyagi and so many other Members of the A.I.C.C. prevail upon the Congress party in the Working Committee, a decision can be taken there that the Congress, in the interests of the public and to satisfy the electorate, is not going to receive company contributions for party elections. The Congress may be, at the same time, ready to accept contributions for fighting floods, for fighting agricultural calamities and for so many other such purposes. For the purpose of elections, the Congress may take a decision that it will not accept any contribution. To assume at this very stage as my hon. friend Shri Tyagi has said here that this decision is being taken by the Congress for purposes of election and therefore it is nothing but corruption, I think, is irrelevant at this stage. It is a very good provision that is being made in the Companies Act. Firstly, it was said that in the balance sheet, any amount received by any political

party will be mentioned. Now, a ceiling has been proposed to be put. It is for all the political parties to consider whether to take advantage of this clause or not. Just before election, for instance, Swatantra party might decide that it was going to take heavy contributions, or the Swatantra party might not decide to take any contribution, but set up all the members of the company, all the Rockfellers who are here in India. They will not receive any contribution; they will fight the elections with their own money. But, that money will be nothing but the profits of the company. Therefore, it will be for the parties to take a decision as and when they thought fit. This is not the proper stage.

I refute the suggestion here on the floor of the House that the Congress party has decided to receive contributions for political purposes. In the 1957 election, I know a suggestion was made by the Working Committee and also by the Congress Parliamentary Board that individual contributions to the extent of Rs. 1 or 5 will be received and receipts were printed and distributed to the Congress organisations. But it failed to bring in as much money as was possible. In that conjuncture, a decision might have been taken hurriedly to receive any type of contribution for the political party. But, it was not an all-India decision. It may have been decided locally in Bengal or in Bombay. It was not a uniform decision by the Congress. Therefore, I say that it will be in future for all the political parties to consider whether to take advantage of this clause or not and then to decide how to face the electorate. Therefore, I say that the discussion which has gone on here is quite irrelevant.

Dr. M. S. Aney (Nagpur): I have been listening with amusement to the discussion that has been going on on this clause. The simple question is: are we going to keep ethical principles entirely divorced from our politics or not.

I am not speaking on the amendment. The amendment is only a kind of improvement upon the section that has been in the previous Act. Contributions by companies to political parties have become a practice, no doubt. The question is whether it is a good practice; whether it is an ethical practice; whether it is a practice which we who claim to stand on a higher moral plane should accept or not. It is from this point of view that we have to look at this matter.

Some of our friends asked: if persons have a right to pay, why not the companies, why not the corporations? I think it is not very difficult for them to understand the difference between a person and a corporate person. A corporate person is not a real person; he is only an imaginary and a statutory person.

Now, there are two things in the world, religion and political views. They are the personal things of a man. I may belong to a particular religion; nobody can compel me to do something to help another religion. I am a free man and nobody can ask me to do anything against my conscience, or certain principles which I hold fundamental. In the same way a man may hold a political belief and nobody can compel him to cast his vote in a particular manner, or to do anything which may be a kind of a help to a political party to whose views he does not subscribe, or to which he is opposed.

No, when you give this permission to a company to make contributions, what does it mean? A company consists of several persons. It consists of hundreds of thousands of shareholders who hold different political views. The money available with a company is in the nature of a trust, to be used only in the best interests of the company and its shareholders. In fact, very often we find funds of companies not properly used and misappropriated. The very object of the Company Act is to stop it.

[Shri M. S. Aney]

In regard to political contributions, company may be approached by the Congress Party or Swatantra or any other party. The Congress party seems to believe that all the shareholders belong to that particular party. Any payment made out of company's funds is an injustice done to persons who hold different political views. The money is given to a particular party. The shareholders who do not belong to that party are being wronged by you, in fact. We will thereby allow ethical and moral wrongs to continue. This beggary has been going on. I know how this begging by political parties has begun. So long as it was going on without Government being concerned in it was all right. But empowering a company to do certain things which may be offensive or even fundamentally unjust to a section of the shareholders is not correct.

I am member of the Congress Party; I do not want to say anything further. I only place these points for the consideration of hon. Minister to see if he cannot drop this clause.

Before I conclude I want to refer to one point. A statement was made by my hon. friend Shri Asoka Mehta that Rs. 2 crores had been collected by the Congress Party. He has thrown a bomb-shell. I was glad to see my hon. friend Shri Lal Bahadur Shastri immediately getting up and denying it. But this may be published as a later date and the Congress Party may have to prepare a statement to show how that is not true, or it has to be explained away.

Shri Kanungo: Sir, with your permission I wish to move an amendment.

I have given a substitute amendment. The sense of it is the same; only the drafting is a little more elegant.

Shri M. B. Masani: Can we have a copy?

Shri Kanungo: It is the same.

Shri Tyagi: Could it be read?

Shri Kanungo: It will be circulated.

Shri Tyagi: It is better it is read, because we are going to vote on it.

Shri Kanungo: Sir, I beg to move:

Page 53,—

omit lines 4 to 18. (127).

Page 53,—

after line 18, insert—

“298A. Insertion of new section 293A.—After section 293 of the principal Act, the following section shall be inserted namely:—

“293A. Restrictions on the power to make political contributions.—(1) Notwithstanding anything contained in section 293, neither a company in general meeting nor its Board of directors shall, after the commencement of the Companies (Amendment) Act, 1960, contribute—

(a) to any political party, or

(b) for any political purpose to any individual or body,

any amount or amounts which or the aggregate of which will, or in any financial year, exceed twenty-five thousand rupees or five per cent. of its average net profits as determined in accordance with the provisions of sections 349 and 350 during the three financial years immediately preceding, whichever is greater.

Explanation.—Where a portion of a financial year of the company falls before the commencement of the Companies (Amendment) Act, 1960, and a portion falls after such commencement, the latter portion shall be deemed to be a financial year within the meaning, and for the purposes, of this sub-section.

(2) Every company shall disclose in its profit and loss account any amount or amounts contributed by it under sub-section (1) to any political party or for any political purpose to any individual or body during the financial year to which that account relates, giving particulars of the total amount contributed and the name of the party, individual or body to which or to whom such amount has been contributed.

(3) If a company makes default in complying with the provisions of sub-section (2), the company, and every officer of the company who is in default, shall be punishable with this which may extend to five thousand rupees.". (128).

Shri M. R. Masani: May I make a clarification from the hon. Minister? It seems to me that unless it is made clear, you might be raising the joint ceiling for political and charitable purposes, and that ceiling should remain.

Shri Tyagi: Will the contribution for charitable purposes be within this ceiling or it will be separate?

Shri Kanungo: For charitable purposes by a meeting of the general shareholders it can exceed the limit of 5 per cent.

Shri Naushir Bharucha: May I know why individuals are excluded from that?

Shri Kanungo: Individuals are there.

14-40 hrs.

[**SHRI JAGANATHA RAO** in the Chair]

Shri Tangamani: In the original clause, line 14 to 18, there is a specific provision, adding sub-section (7) reading as under:

"The provisions of this section in so far as they relate to contributions made by a company to any political party or for any political

purpose to any individual or body shall also apply to a private company which is not a subsidiary of a public company."

Here, it is still in general terms. I would like to know how this amendment is going to include private companies.

Shri Kanungo: The expression is "every company", which includes all companies, private, public or other.

Shri Tangamani: Does it mean that it will include statutory companies, government companies also, because it includes every company? It is very difficult, because in several places "company" has been defined, and that is why when this amendment was introduced Shastriji clearly pointed out that the amendment was an improvement inasmuch as we were including private companies as such. Though private companies were not banned from contributing under section 293 (1), we included them specifically. So, I would like to know what the opinion of the Government is on this matter, and whether any explanation will be added.

Shri Kanungo: No, it is not necessary at all. All private companies, whether subsidiary or not, are included here.

Shri Lal Bahadur Shastri: I think the position has been made clear by my colleague Nityanandji, and I need not take the time of the House on that point. Private companies are definitely covered under this provision. For charitable and welfare purposes, the general body meeting can go to any limit. So far as political contributions are concerned, the general body cannot go above the limit prescribed under clause (a). That is generally the position.

I am sorry that in dealing with clause 98, the House has almost completely ignored the other main clauses, and really the main objectives of this Bill. What is this Bill meant for? Why has it come before the House?

[Shri Lal Bahadur Shastri]

The main purposes of the Bill are, firstly to improve certain restrictions, so that there will be better management of companies, an improvement in the present management of companies; secondly to take action if they work against the laws or rules and regulations prescribed; and thirdly, we do not want that wealth should be concentrated in a few heads. That is why restriction has been imposed on inter-company investment and the number of companies that can be managed by one managing agent. One managing agent cannot manage more than ten companies under this law. There are other provisions, and I may say something on them tomorrow if necessary while the House takes up the third reading, but now, without taking more time, I am merely mentioning this fact that the basic objective of this Bill is being completely ignored. It is therefore that Acharya Kripalani became so angry yesterday. Because of this clause only, he has not, somehow, kept in view the very purpose of this Bill. And this Bill, as I said, is not generally liked by the big industrialists, they are highly critical of it.

Leaving that apart for the time being and coming to this clause 98, again I am sorry I have to say that this is a restrictive clause. Before the 1956 Act, there was no limit. In the 1956 Act a limit was imposed.

Shri Mahanty: May I know why that limit is now sought to be extended from Rs. 5,000 to Rs. 25,000.

Shri Lal Bahadur Shastri: There is no extension. We are not extending or increasing the amount. The hon. Member is perhaps under a wrong impression. It remains as it was in the 1956 Act.

As I said, formerly there was no restriction. The 1956 Act placed a restriction on the contributions being made—an improvement, an advance. We go ahead further in this clause and we have therefore provided that,

firstly, there will be disclosure. Then we have also covered private companies; they come under the purview of this clause. Further, as I had suggested yesterday, it has been also announced now that no government companies or statutory bodies can make any contribution. I might make it clear to Shri Masani that we will, if necessary, change the very articles and memorandum of association of the different corporations, and then there will be no difficulty at all. If any government company in future again wants to change the articles and memorandum of association, it will have to go before a court or come before the House. I do not think it will be easy for any Government to bring about a change without taking the House into confidence.

Shri Tyagi: A Swatantra Government can do anything.

Shri Lal Bahadur Shastri: So, the corporations and the government companies, as I have said, are debarred.

Finally, there will be a ceiling now. Up till now there was no ceiling, and the shareholders could vote any amount, in a general body meeting for political parties or purposes.

We have gone so far and we have imposed restrictions, and yet perhaps this is not fully realised by some hon. Members of this House.

In so far as the ethics of the question is concerned, I am not one of those who will categorically say that on this particular matter there cannot be difference of opinion. There can certainly be two opinions, but merely talking in terms of ethics—I am sorry, I cannot fully subscribe to that view whether it comes from Dr. Aney or some other Member from the other side. Ethics is involved in everything. I can say that a gentleman who takes Rs. 50,000 from an industrialist, hides that fact, comes

here and expresses views in support of that particular gentleman is doing a more immoral and unethical thing.

Shri Braj Raj Singh: But who denies it, everybody agrees.

Shri Lal Bahadur Shastri: Let me speak. I did not disturb the hon. Member.

I, therefore, say that this question of ethical principles may not be raised. But, as I said, there can be two opinions, opinions can differ.

Shri Masani quoted Shri Mundra and said something.

Shri M. R. Masani: I quoted Justice Vivian Bose.

Shri Lal Bahadur Shastri: Yes, he quoted Justice Vivian Bose, but may I tell him that he is not prepared to accept any regulation being enforced on such people as Mundra.

Shri M. R. Masani: No, Sir.

Shri Lal Bahadur Shastri: Give me a minute please.

Shri Masani is wholly opposed to the provision we have put in the Bill against inter-company investment. Why did we put in that clause? In fact, in the Joint Committee I mentioned the name of Mundra, and I said that wrong and illegal transactions were made and it had become necessary for the Government to intervene in such matters, and therefore a certain clause had to be put in.

Shri M. R. Masani: He is being a little unfair to me without knowing it perhaps. My amendments to the clause on interlocking of companies were very modest. They only said they should not be retrospective. They were small amendments. I did not object to restriction on interlocking. I thought your clause went too far. I did not oppose your clause, I put in two small amendments.

Shri Lal Bahadur Shastri: So far as I remember, in the Joint Committee the hon. Member did oppose many of our suggestions in connection with that provision.

Shri M. R. Masani: The hon. Minister will remember that....

Shri Lal Bahadur Shastri: Please let the hon. Member not interrupt me. I might also add that his general approach and philosophy are entirely different. So, again, I say that it is just a viewpoint. Shri M. R. Masani does not consider it necessary to put a curb and check on people like Mr. Mundhra....

Shri M. R. Masani: No; I only said that excessive checks should not be put.

Shri Lal Bahadur Shastri: but he is very particular that Mr. Mundra does not contribute a single pie....

Shri M. R. Masani: To anyone.

Shri Kanungo: I am sorry. Shri M. R. Masani in his minute of dissent has said otherwise.

Shri M. R. Masani: What have I said? Please read it out. I do not accept what the hon. Minister is saying.

Shri Kanungo: I would not waste the time of the House. I am referring to his minute of dissent on clause 136.

Shri M. R. Masani: Please read it out. Now that the minute of dissent has been referred to, may I point out that it only says that there should be no objectionable type of interference with investment companies which should be given freedom to invest? It does not say that interlocking of the Mundra type should be sanctioned. I think it is rather an unfair distortion of what the minute of dissent says. Anyway, it is there for the record.

Shri Lal Bahadur Shastri: That is one point.

As regards the parties being frightened of the Congress or the Government, that is also not a justifiable charge, and I know that at least some prominent members of the Communist Party, leaders, have been given receptions and welcome addresses by businessmen, by big industrialists. I know of a particular case in a particular city where the top bosses of the Communist Party were presented welcome addresses and were given a reception also. I want to know why it was done and what it was for; I think it was done because, in fact, they are really frightened of the Communist Party and perhaps, some of the parties which are in the Opposition. Of course, they have to look after many things. They have to cajole the Members of the Opposition also, sometimes members of the Government too.

Shri Braj Raj Singh: That is the reason why you should not have it there.

Shri Lal Bahadur Shas'ri: I am exceedingly grateful to Shri Asoka Mehta for his kind words; I really do not deserve them, but he has been good enough to say all that, and I must express my sincere thankfulness to him.

Shri Asoka Mehta says that the contributions made by some fifty companies should be placed somewhere, should be published or something like that. May I tell him that the balance-sheets of all these companies and corporate bodies are public documents? It is not at all necessary that I should collect those things and put them either before the hon. Member or before the House or before the outside public. Let those who care to do so look into those fifty balance-sheets; it is not going to be a very complicated affair; they can look into them and see what contributions have been made.

As regards the criticism that licen-

ces etc. for machinery and other things are given, I did not expect that from Shri Asoka Mehta. I can accept all his criticisms, but, for him, for a responsible leader of his calibre to say that they were benefited because they had made certain contributions, is, to say the least, unjustified. He is one of those who hold a very strong opinion on foreign collaboration and foreign investments. He is very much in favour of that. I remember that Acharya Kripalani once said that this had been another big tragedy or something like that, when Asoka Mehta had sponsored or supported the idea of foreign collaboration and foreign investment in India. If Asoka Mehtaji wants foreign investments and foreign collaboration, what does he think about it? Does he think that those big parties in America, UK, Germany or Japan or the other countries will not search for the most resourceful and the most reliable party, from their point of view? They cannot enter into collaboration with Lal Bahadur, who is a man almost without any bank balance; they will certainly be in search of parties that are resourceful and reliable. And, there are big industries, technically speaking, most complicated industries, and it is just possible that there may be a few big parties who might come forward to put up those factories, and the foreigner is also prepared to collaborate with them. If Asoka Mehtaji is going to single out two dozen or three dozen names, and say, well, licences have been given to A, B, C, D, E, and F and so on, then I would say that they are bound to be given, unless other parties are prepared to come forward. May I say that during the last two years, we have done our level best to help the new *entrepreneurs*, the small *entrepreneurs*, and the medium *entrepreneurs*, to come up and put up factories or establish industries? Government have gone to the length of providing them with working capital, loans at concessional rates, machinery on hire-purchase basis....

Shri Ranga (Tenali): They will give Rs. 25,000 each.

Shri Lal Bahadur Shastri: They cannot give Rs. 25,000 each. My hon. friend should rest satisfied. Government have been doing all these things in order to decentralise and to reduce monopolies. So, it is not fair for Shri Asoka Mehta to say so; and I refute it with all the force at my command and say that no particular party has been able to take advantage of his position, power, or of his resourcefulness.

I am exceedingly sorry that I somewhat annoyed Acharya Kripalani. As I said, I consider him to be my leader even now, but I shall merely like to make one point clear. He said that I was trying to dub the old Congress as a pro-capitalist organisation. I would be the last person to do so. I have been one of its humblest soldiers, and perhaps, till the end, one does not know however what might happen, I might continue in the same capacity. Therefore, as I said, I would be the last person to say that the old Congress organisation was a pro-capitalist body; it was never so, and it could never be so. My only difference with Acharya Kripalani is that I even today consider that the Congress is not a pro-capitalist body. That is the only difference. Otherwise, I have no other difference, and whatever he said was quite correct on this point. He can certainly criticise the Government. We have failings. Acharya Kripalani can criticise me as a Congressman, as an individual Congressman; Lal Bahadur may be bad; he may have all the weaknesses. Let, the Congress organisation as such, I can say, with the policies and objectives that it has placed before itself and before the country, cannot be condemned, but individuals can certainly be criticised; they have their own limitations.

I wanted to refer to one or two other points referred to by Acharya Kripalani, but I shall not do so because there is not much time

I would only like to say that all political parties do collect funds and collect them for different purposes, and we are unnecessarily bringing in the name of elections only. For elections and for so many other things, funds are collected. For instance, funds are collected for newspapers, for daily newspapers, for weekly newspapers, and for so many other activities, and no body can dare say that it is not making collections from big men. I was surprised when Shri H. N. Mukerjee said that he went about collecting small moneys, asking for labour and what not. Well, no election can be run without the help of co-workers and without hard work. After all, I am not able to run my own election singly; I have also to take the help and assistance of my colleagues, just as the hon. Member opposite or the Leader of the Communist Party does. But, I might ask, after all, what has happened in Kerala. I have no definite or positive information to give at present; he may not have received complaints, but we did receive complaints about collections etc. and other matters. There are independent authorities who have expressed their views on certain deals: independent bodies have expressed their views I know the Chief Minister there was a very reasonable person who wanted to restrain his friends. But he was not able to control or regulate the activities of his co-workers. Therefore, it is not fair to criticise only one Party for one thing. We are all, if you like, living in glass houses and there is no point in throwing stones at each other.

Shri Narayanankutty Menon (Mukadapuram): Close the door to every-one.

Shri Lal Bahadur Shastri: Shri H. N. Mukerjee may be quite correct when he says that we are not keeping contact—losing touch—directly with people as much as we should do. It is true that we devote more of our time to parliamentary or govern-

[Shri Lal Bahadur Shastri]

mental work. But somehow or other, fortunately or unfortunately for Shri Mukerjee, the Congress still commands a big majority in all the States and at the Centre. And in the bye-elections we are still winning. I do not know what is the reason if contact is not there at all (*Interruptions*).

An Hon. Member: What about Orissa?

Shri Lal Bahadur Shastri: Orissa will be tested in the coming elections i.e. again a year hence. Kerala has already been tested.

I might also add that I did not make any promise. Shri H. N. Mukerjee was under a misapprehension in saying that I made any promise in the beginning that I would bring forward some major changes in the existing provision. I had not said that. I had merely reserved my remarks to a later occasion. I did not want to take the time of the House then, as there was lack of time. Therefore, I said that whatever views I had to express I would do so at the time of the consideration of the Bill clause by clause.

I have nothing further to add. I should have concluded by 3 P.M. We have gone as far as we can and I would now leave the matter to the good sense of the House. They can decide as they think best.

Mr. Chairman: There are some amendments.

Shri M. R. Masani: I would like my amendments Nos. 1 and 14 which are supplementary to each other to be put together. They are on the matter of principle.

Shri Naushir Bharucha: I would like amendment No. 70 to be put to vote separately.

Shri Tangamani: I would like my amendments Nos. 42 and 43 to be put to vote.

Mr. Chairman: The question is:

Page 5, after line 14, insert—

'5A. Amendment of section 13. In section 13 of the principal Act, to clause (c) of Sub-section (1), the following proviso shall be added namely:—

"Provided that the objects set out in the memorandum of a company shall not include the making of any contributions to any political party or political fund." (1).

Page 52,—after line 25, insert—

'(ii) (a) to clause (e), the following proviso shall be added, namely:—

"Provided, however, that nothing contained in this Sub-section shall permit the Board of Directors to contribute directly or indirectly any sums to any political party or political fund." (14).

Let the Lobbies be cleared—

Acharya Kripalani: Yesterday, we were told that there would be no whip for voting on this issue. Today I find the Whip going round. I want to know what is the position.

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): When the Whip says there is a whip, why is he asking?

Shri M. R. Masani: I ask the Minister to clarify the position.

Acharya Kripalani: Is the Whip greater or the Minister greater? Will the word of the Minister carry here or the word of Whip prevail?

The Minister of Finance (Shri Morarji Desai): The word of the Chief Whip.

Shri Satya Narayan Sinha: I do not think he requires any elucidation on this point. It is so obvious.

Shri Braj Raj Singh: It is not a party matter. It has become an affair

of the House, because the Minister gave the assurance on the floor of the House.

Shri Tyagi: How are they concerned with our Party affairs? I would ask them to sign the membership form of our Party and then talk about it.

Acharya Kripalani: I belonged to the Congress Party.

Shri Satya Narayan Sinha: He is a free-lancer now.

Mr. Chairman: Order, order. I would just request hon. Members to bear in mind how the automatic voting machine has to be operated. Both the hands are to be used, one on the switch and the other on the voting button and they must be continuously pressed till the second gong has sounded.

The question is: . . .

Shri Braj Raj Singh: Before you put the amendments to vote, I have got to seek a clarification. The Minister announced on the floor of the House that there is no whip while the voting on this goes on. What is the position now?

Shri Morarji Desai: May I say that this is an internal affair of one Party?

Shri Braj Raj Singh: It was stated on the floor of the House.

Shri Morarji Desai: Even then, the position remains the same.

Acharya Kripalani: An assurance was given on the floor of the House.

Shri Tyagi: Whip or no whip, we are not like sheep. We vote according to our conscience.

Acharya Kripalani: The point is very simple. Yesterday, the Minister announced that there would be a free vote on this issue, and this has appeared in the morning papers today. Now we are told that the Congress Party is under whip to vote for what has been placed before the House by the Minister.

1423 (A) LS—7.

15.07 hrs.

[MR. SPEAKER in the Chair]

Shri Morarji Desai: May I say that this is not a matter which requires a ruling in this hon. House from you? This is a matter more for the party concerned than for others. There is no whip applyig to the Opposition.

Acharya Kripalani: It was declared in the House and it appeared in the Press. You must also have seen it.

Shri Tyagi: From this it looks as if this Party has never been exercising a free vote. Whenever we vote, we vote freely.

Shri Braj Raj Singh: The point is not clear. Since it has gone on record, in the proceedings of the House, we have to get a clarification as to what is the position.

Mr. Speaker: It is rather strange that hon. Members go on raising this matter in the House. Each hon. Member is free. Hon. Members cannot give up their Parties; at the same time, they cannot give up their freedom. Both of these will go together.

The question is:

Page 5,—after line 24, insert—

'5A. Amendment of section 13.

In section 13 of the principal Act, to clause (c) of sub-section (1), the following proviso shall be added, namely:—

"Provided that the objects set out in the memorandum of a company shall not include the making of any contributions to any political party or political fund." (1).

Page 52,—after line 25, insert—

'(iia) to clause (e), the following proviso shall be added, namely:—

"Provided, however, that nothing contained in this sub-section shall permit the Board of Directors to contribute directly or indirectly any sums to any political party or political fund." (14).

The Lok Sabha divided.

Shrimati Tarkeshwari Sinha: Sir, this button did not work; there is some mechanical defect. My vote was for the 'Noes'.

Mr. Speaker: Any other hon. Member.

Shri Ram Saran (Moradabad): Sir, the mechanism did not work. I wanted to vote for the 'Noes'.

Shri Bhawani Prasad (Sitapur—Reserved—Sche. Castes): Sir, my vote has not been recorded. I voted for the 'Noes'.

Mr. Speaker: The result of the division is:

Ayes: 45; Noes: 122.

Division No. 2]

AYES

[15.10 hrs.

Banerjee, Shri Pramathanath
Banerjee, Shri S.M.
Beck, Shri Ignace
Bharucha, Shri Naushir
Braj Raj Singh, Shri
Brij Narayan "Brijesh", Pandit
Chandramani Kalo, Shri
Gaikwad, Shri B.K.
Godara, Shri S.C.
Gupta, Shri Sadhan
Karni Singhji, Shri
Khedkar, Dr. G. B.
Khushwaqt Rai, Shri
Kodiyani, Shri
Kripalani, Acharya

Krishnaswami, Dr.
Kumbhar, Shri
Kunhan, Shri
Mahendra Pratap, Raja
Majhi, Shri R. C.
Masani, Shri M. R.
Matera, Shri
Matin, Qazi
Menon, Shri Narayanankutty
Mohan Swarup, Shri
Mukerjee, Shri H. N.
Nath Pai, Shri
Pandey, Shri Sarju
Panigrahi, Shri Chintamoni
Parvathi Krishnan, Shrimati

Prodhan, Shri B. C.
Ram Garib, Shri
Ranga, Shri
Rao, Shri T. B. Vittal
Sakena, Shri S. L.
Seth, Shri B. C.
Shastri, Shri Prakash Vir
Soren, Shri Debi
Sugandhi, Shri
Tangamani, Shri
Thakore, Shri M. B.
Tyagi, Shri
Vajpayee, Shri
Warior, Shri
Yajnik, Shri

NOES

Abdul Latif, Shri
Abdul Salam, Shri
Achar, Shri
Achint Ram, Lala
Ambalam, Shri Subbiah
Aney, Dr. M. S.
Ashanna, Shri
Babunath Singh, Shri
Bahadur Singh, Shri
Banerji, Shri P. B.
Basappa, Shri
Bhargava, Pandit M. B.
Bhawani Prasad, Shri
Birbal Singh, Shri
Bist, Shri J. B. S.
Chaturvedi, Shri
Chettiar, Shri Ramanathan
Damani, Shri
Dasappa, Shri
Datar, Shri
Desai, Shri Morarji
Dube, Shri Mulchand
Dwivedi, Shri M. L.
Elayaperumal, Shri
Ganapathv, Shri
Ghosh, Shri N. R.
Gounder, Shri K. Periaswami
Guha, Shri A. C.
Gupta, Shri Ram Krishan
Harvani, Shri Anar

Hathi, Shri
Hem Raj, Shri
Iqbal Singh, Sardar
Jain, Shri M. C.
Jangde, Shri
Jhunjhunwala, Shri
Joshi, Shri A. C.
Kanungo, Shri
Kedaria, Shri C. M.
Keshava, Shri
Keskar, Dr.
Kiledar, Shri R. S.
Kripalani, Shrimati Suchera
Lachman Singh, Shri
Lahiri, Shri
Laxmi Bai, Shrimati
Mafida Ahmed, Shrimati
Maiti, Shri N. B.
Majithia, Sardar
Malhotra, Shri Inder J.
Maniyengadan, Shri
Mathur, Shri Harish Chandra
Melkote, Dr.
Minimata, Shrimati
Mishra, Shri Bibhuti
Mishra, Shri R. R.
Misra, Shri B. D.
Mohideen, Shri Gulam
Mohiuddin, Shri
Morarka, Shri
Muniswamy, Shri N. R.

Nair, Shri Kuttikrishnan
Naldurgkar, Shri
Negi, Shri Nek Ram
Nehru, Shrimati Uma
Newvi, Shri
Pahadia, Shri
Palchoudhuri, Shrimati Ila
Pandey, Shri K. N.
Patel, Shri P. R.
Patel, Shri Rajeshwar
Pillai, Shri Thanu
Radha Raman, Shri
Raghubir Sahai, Shri
Raghunath Singh, Shri
Raghuramaiah, Shri
Rai, Shrimati Sahodrabai
Raj Bahadur, Shri
Ram Saran, Shri
Ram Subhag Singh, Dr.
Remaal, Shri S. N.
Ranbir Singh, Ch.
Rao, Shri
Rangarao, Shri
Rao, Shri Jaganatha
Rao, Shri Thirumala
Reddy, Shri Narapa
Roy, Shri Bishwanath
Rungsung Suisse, Shri
Sedhu Ram, Shri
Sahu, Shri Rameshwar
Salgal, Sardar A. S.

Samanta, Shri S. C.
Samantsinhar, Dr.
Sambandam, Shri
Satyabhama Devi, Shrimati
Selku, Shri
Shah, Shri Manubhai
Shakuntala Devi, Shrimati
Shankaraiya, Shri
Sharma, Shri D. C.
Sharma, Pandit K. C.

Sharma, Shri R. C.
Siddananjappa, Shri
Siddiah, Shri
Singh, Shri D. N.
Singh, Shri K. N.
Sinha, Shri Satya Narayan
Sinha, Shrimati Tarkeshwari
Santak, Shri Nardeo
Somani, Shri
Sonavane, Shri

Sumat Prasad, Shri
Surya Prasad, Shri
Tariq, Shri A. M.
Tula Ram, Shri
Uike, Shri
Varma, Shri Remsingh Bhai
Vedakumari, Kumari M.
Vyas, Shri Radbelal
Wasnik, Shri Balkrishnan
Wilson, Shri J. N.

The motion was negatived.

Shri Naushir Bharucha: Sir, I press my amendment No. 70.

Mr. Speaker: The question is:
Page 53, line 6,—

for "Every company shall" substitute—

"Every company, within one month of its having contributed any amount under clause (e) of sub-section (1) to any political party, shall advertise, in two local newspapers, of which one shall be in English language and the other the language of the State, the fact of such contribution, and shall" (70).

The Lok Sabha divided.

Shri Hem Barua: I was in the Library, Sir; and I did not hear the bell.

Mr. Speaker: He can now vote; it is for his benefit the bell is now ring-

ing. The hon. Member has no business to go to the Library when business is going on here.

Shri T. B. Vittal Rao (Khammam):
When there are Select Committees.

Mr. Speaker: I have ruled that no committees should go on normally when the House is sitting.

Shrimati Tarkeshwari Sinha: There is some mechanical trouble; the voting has not come. I voted for 'Noes'.

Mr. Speaker: Yes.

Shrimati Mafida Ahmed (Jorhat):
Sir, the mechanism did not work. I wanted to vote for the 'Noes'.

Shri Ram Saran: Sir, my vote too has not been recorded; I wanted to vote for the 'Noes'.

Mr. Speaker: Yes. The result of the division is as follows:

Ayes: 47; Noes: 132.

Division No. 3]

AYES

[15.17 hrs.

Banerjee, Shri Pramathanath
Banerjee, Shri S. M.
Barua, Shri Hem
Beck, Shri Ignace
Bharucha, Shri Naushir
Braj Raj Singh, Shri
Brij Narayan 'Brijesh', Pandit
Chandramani Kalo, Shri
Drohar, Shri
Gaikwad, Shri B. K.
Goisora, Shri S. C.
Gupta, Shri Sadhan
Karni Singhji, Shri
Khadilkar, Shri
Khushwaqt Rai, Shri
Kodiyar, Shri

Kripalani, Acharya
Kumaran, Shri M. K.
Kumbhar, Shri
Kunhan, Shri
Mahanty, Shri
Mahendra Pratap, Raja
Majhi, Shri R. C.
Masani, Shri M. R.
Matera, Shri
Matin, Qazi
Mohan Swarup, Shri
Mukerjee, Shri H. N.
Nath Pai, Shri
Pandey, Shri Sarju
Panigrahi, Shri Chintamoni
Parvathi Krishnan, Shrimati

Proddhan, Shri B. C.
Ran Garib, Shri
Ranga, Shri
Rao, Shri T. B. Vittal
Saksena, Shri S. L.
Seth, Shri B. C.
Shastri, Shri Prakesh Vir
Siva Raj, Shri
Soren, Shri Debi
Sugandhi, Shri
Tangamani, Shri
Thakore, Shri M. B.
Vajpayee, Shri
Warior, Shri
Yajnrik, Shri

NOES

Abdul Latif, Shri
 Abdul Salam, Shri
 Achar, Shri
 Achint Ram, Lala
 Ambalam, Shri Subbiah
 Aney, Dr. M. S.
 Ashanna, Shri
 Babunath Singh, Shri
 Bahadur Singh, Shri
 Benerji, Shri P. B.
 Bhagat, Shri B. R.
 Bhargava, Pandit M. B.
 Bhatkar, Shri
 Bhawani Prasad, Shri
 Birbal Singh, Shri
 Bist, Shri J. B. S.
 Chaturvedi, Shri
 Chettiar, Shri Ramanathan
 Damani, Shri
 Das, Shri N. T.
 Desappa, Shri
 Datar, Shri
 Desai, Shri Morarji
 Dube, Shri Mulchand
 Dwivedi, Shri M. L.
 Elayaperumal, Shri
 Ganapathy, Shri
 Ghosh, Shri N. R.
 Gounder, Shri K. Periaswami
 Guha, Shri A. C.
 Gupta, Shri Ram Krishan
 Harvani, Shri Ansar
 Hathi, Shri
 Hem Raj, Shri
 Iqbal Singh, Sardar
 Jain, Shri M. C.
 Jhunjhunwala, Shri
 Joshi, Shri A. C.
 Kalika Singh, Shri
 Kanungo, Shri
 Kedaria, Shri C. M.
 Kesava, Shri
 Keskar, Dr.
 Khan, Shri Sadath Ali

Kiledar, Shri R. S.
 Kripalani, Shrimati Sucheta
 Lachman Singh, Shri
 Lahiri, Shri
 Laxmi Bai, Shrimati
 Mafida Ahmed, Shrimati
 Maiti, Shri N. B.
 Majithia, Sardar
 Malhotra, Shri Inder J.
 Maniyangadan, Shri
 Mathur, Shri Harish Chandra
 Melkote, Dr.
 Minimata, Shrimati
 Mishra, Shri Bibhuti
 Mishra, Shri R. R.
 Misra, Shri B. D.
 Mohideen, Shri Gulam
 Mohiuddin, Shri
 Morarka, Shri
 Muniswamy, Shri N. R.
 Nair, Shri Kuttikrishnan
 Naldurgkar, Shri
 Negi, Shri Nek Ram
 Nehru, Shrimati Uma
 Neewi, Shri
 Onkar Lal, Shri
 Pabodie, Shri
 Palchoudhuri, Shrimati lla
 Pandey, Shri K. N.
 Patel, Sushri Maniben
 Patel, Shri P. R.
 Patel, Shri Rajeshwar
 Pillai, Shri Thanu
 Radha Raman, Shri
 Raghubir Sahai, Shri
 Ragbunath Singh, Shri
 Ragburamiah, Shri
 Rai, Shrimati Sahodrabai
 Raj Bahadur, Shri
 Ram Saran, Shri
 Ram Subhag Singh, Dr.
 Ramaul, Shri S. N.
 Raobir Singh, Ch.
 Raut, Shri

Rangarao, Shri
 Rao, Shri Jaganatha
 Rao, Shri Thirumala
 Reddy, Shri Naraya
 Roy, Shri Bishwanath
 Rungtung Suisse, Shri
 Rup Narain, Shri
 Sadhu Ram, Shri
 Sabu, Shri Rameshwar
 Saigal, Sardar A. S.
 Samants, Shri S. C.
 Samantdar, Shri
 Sambandam, Shri
 Satyabama Devi, Shrimati
 Selku, Shri
 Shah, Shri Manabendra
 Shah, Shri Manubhai
 Shakuntala Devi, Shrimati
 Shankaraiya, Shri
 Sharma, Shri D. C.
 Sharma, Shri R. C.
 Shastri, Shri Lal Bahadur
 Siddananjappa, Shri
 Siddiab, Shri
 Singh, Shri D. N.
 Singh, Shri K. N.
 Sinha, Shri Satya Narayan
 Sinha, Shrimati Terkeshwari
 Sinhasen Singh, Shri
 Snatak, Shri Nardeo
 Somari, Shri
 Sonavane, Shri
 Subbarayan, Dr. P.
 Sumet Prasad, Shri
 Surya Prasad, Shri
 Tariq, Shri A. M.
 Tula Ram, Shri
 Tyagi, Shri
 Uike, Shri
 Varma, Shri Ramesingh Bhai
 Vedakumari, Kumari M.
 Vyas, Shri Radhelal
 Wasnik, Shri Balkrishna
 Wilson, Shri J. N.

The motion was negatived.

Shri M. E. Masani: Amendments Nos. 78 and 79 remain to be voted, Sir.

Shri Tangamani: Amendments Nos. 42 and 43 also remain to be voted.

Mr. Speaker: May I put all the amendments together?

Shri Tangamani: Yes, Sir.

Mr. Speaker: I will now put amendments Nos. 42, 43, 69, 78 and 79.

Amendments Nos. 42, 43, 69, 78 and 79 were put and negatived.

Mr. Speaker: Now, there are the Government amendments, Nos. 127 and 128. I will put them to the House.

The question is:

Page 53,—

omit lines 4 to 18. (127)

Page 53, after line 18, insert—

'98A. Insertion of new section 293-A.—After section 293 of the principal

Act, the following section shall be inserted, namely:—

"293A. Restrictions on the power to make political contributions.—

(1) Notwithstanding anything contained in section 293, neither a company in general meeting nor its Board of directors shall, after the commencement of the Companies (Amendment) Act, 1960, contribute—

(a) to any political party, or

(b) for any political purpose to any individual or body, any amount or amounts which or the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent. of its average net profits as determined in accordance with the provisions of sections 349 and 350 during the three financial years immediately preceding, whichever is greater.

Explanation.—Where a portion of a financial year of the company falls before the commencement of the Companies (Amendment) Act, 1960, and a portion falls after such commencement, the latter portion shall be deemed to be a financial year within the meaning, and for the purposes, of this sub-section.

(2) Every company shall disclose in its profit and loss account any amount or amounts contributed by it under sub-section (1) to any political party or for any political purpose to any individual or body during the financial year to which that account relates, giving particulars of the total amount contributed and the name of the party, individual or body to which or to whom such amount has been contributed.

(3) If a company makes default in complying with the provisions of sub-section (2), the company, and every officer of the company who is in default, shall be punishable with fine which may be extend to five thousand rupees." (128)

The motion was adopted.

Mr. Speaker: Now, has the hon. Minister leave of the House to withdraw amendment No. 126?

The amendment was, by leave, withdrawn.

Mr. Speaker: The question is:

"That clause 98 as amended, stand part of the Bill."

Those in favour will say 'Aye'.

Several Hon. Members: Aye.

Mr. Speaker: Those against will say 'No.'

Some Hon. Members: No.

Mr. Speaker: The Ayes have it.

Shri Sadhan Gupta (Calcutta—East): The Noes have it.

Mr. Speaker: It is already on record: the names have been recorded.

Shri Sadhan Gupta: Under the Rules, as soon as there is a challenge . . .

Mr. Speaker: I am not bound to order a division; I will ask the hon. Members to stand in their seats. There is no purpose. The hon. Members have seen once, twice. I can call for a Division; what is the difficulty? Certainly we are not deciding only for today. Let the posterity know who is for and who is against with respect to a particular matter; that is the object of the division. Though the hon. Members may know definitely that they will not succeed, I allowed two divisions. If they want merely to spend two more minutes, I have no objection. If there is really any demand, I will certainly allow it. I suppose he does not want it. The Ayes have it.

The motion was adopted.

Clause 98, as amended, was added to the Bill.

Clause 98A was added to the Bill.

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

Shri Kanungo: I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

Now, the Third reading on this Bill will take place tomorrow and we will take up the other business, in the Order Paper.

15-25 hrs.

DISCUSSION RE: INDUS WATERS TREATY

Mr. Speaker: Sardar Iqbal Singh.

Shri Braj Raj Singh (Firozabad): Sir, the time allotted for this is not sufficient. This matter has created considerable concern in the country.

Mr. Speaker: I have no objection provided the hon. Members are willing to sit till 6 o'clock.

Shri Naushir Bharucha (East Khandesh): When the same matter comes up in the Supplementary Demands also, some more time may be given then also . . . (*Interruptions.*)

Mr. Speaker: Very well. Sardar Iqbal Singh.

Shri Mahanty (Dhenkanal): Sir, this particular matter which we are about to discuss is a matter concerning our external relations with Pakistan and it comes within the jurisdiction of the Prime Minister and he has been signing this Treaty since 1948. In all humility may I request you to kindly communicate to the hon. Prime Minister that he should be present? (*Interruptions.*) It is not a matter of the Irrigation Ministry. Therefore, I venture to submit that, though the hon. Minister of Irrigation is competent enough to answer the points that may be raised on the floor

of the House, in the fitness of things the hon. Prime Minister may be requested to come here so that he can dispel our misgivings and doubts if any.

Mr. Speaker: It is a matter of joint responsibility: any Minister may be present.

The Minister of Irrigation and Power (Hafiz Mohammad Ibrahim): May I inform the hon. Member that the Prime Minister also will be speaking on this subject in this House?

Mr. Speaker: Even apart from that, I do not propose to give a ruling; it is unnecessary. International treaties such as GATT, etc. are entered into in respect of trade, etc. Constantly between our country and other countries. Is anybody entitled to say that the hon. Prime Minister should undertake the responsibility for entering into these treaties and he is not entitled to distribute these portfolios? Some element of international affairs comes in and to that extent he is the Minister in charge. But we are not here to decide who is responsible for what; there is the joint responsibility. Of course in a matter like this, if the hon. Members want to hear the Prime Minister also, I would have no objection to request him but it is open to the Minister in charge of the portfolio to reply to the discussion and handle the situation.

Shri Mahanty: The Prime Minister was the signatory to this Treaty.... (*Interruptions.*)

Mr. Speaker: There is no point in this. If the Prime Minister also comes and takes part, I have no objection.

It is understood that we sit till 6 O'Clock?.... (*Interruptions.*)

Some Hon. Members: No....

Shri Vajpayee (Balrampur): Why not tomorrow? (*Interruptions.*)

Shri Braj Raj Singh: Even if we sit till 6, we shall not be able to finish it.