

to the Starred Question No. 692 on the 24th August, 1960, regarding recognition of Hindi Sahitya Ratna Examination of the Hindi Sahitya Sammelan, Allahabad, Dr. Shrimali had stated that the standard of various Hindi Examinations, conducted by different Hindi Organisations in the country had been recognised as equivalent to the standard of Matric, Intermediate and B. A. examinations etc. The position is that the recognition of the different Hindi Examinations conducted by these organisations has been accorded only in regard to the standard of Hindi prescribed in the equivalent examinations.

12.05 hrs.

COMPANIES (AMENDMENT) BILL
—contd.

Mr. Speaker: The House will now resume further clause-by-clause consideration of the Bill further to amend the Companies Act, 1956, as reported by the Joint Committee. Consideration of clause 181 is to be resumed. Shri T. B. Vittal Rao may continue his speech. Time taken by him is 5 minutes.

The time allotted for clause-by-clause consideration is 18 hours. The total time taken is 11 hours 15 minutes. 6 hours 45 minutes remain. Time allotted for clauses 148 to 193 is 2 hours. Time already taken is 1 hour 30 minutes. Balance is 30 minutes. May I know how many hon. Members would like to speak on this and other clauses in this group?

Shri Tangamani rose—

Shri Morarka (Jhunjhunu): I also want to speak on this clause.

Acharya Kripalani (Sitamarhi): Shri Morarka and Shri Tangamani are eternally speaking.

Mr. Speaker: They speak on a subject known to them.

Acharya Kripalani: I do not know; Tangamani has nothing to do with money!

Shri T. B. Vittal Rao (Khammam): Yesterday while I was speaking on the amendments moved by Shri Tangamani, Shri Naushir Bharucha and Shri Ramsingh Bhai Varma, I pointed out how in the various labour legislation, the limit has been increased from a lower amount to a higher amount. I have not much to add to what has been already said. For instance, payments under the Workmen's Compensation Act and Employees' Provident Fund Act qualify for preferential payment. These constitute a very insignificant amount of the total cost of production. So also wages. According to a recent study that has been conducted by the Ministry of Labour and Employment, we are told that the wages constitute only 14 per cent of the total value of the products.

Therefore, I think it will not be against the interest of the shareholders or anybody if this amount is increased from Rs. 1,000 to Rs. 2,000. On the other hand, it will be in the interest of the workers. When a company goes into liquidation, the worst affected are the workers employed in that factory. Therefore, I would very strongly urge upon the Minister kindly to accept this amendment for raising it to Rs. 2,000.

Shri Morarka: Mr. Speaker, Sir, clause 181 seeks to amend section 530, which deals with preferential payments. This section comes into operation only when a company gets into difficulty. When a company is being wound up, the question is how the assets of the company, which may not be enough to satisfy all claims, should be distributed among the creditors, who should get priority and who should not.

There is one point I want to make clear. There is no dispute so far as the management and the workers are concerned, because if the company comes into difficulty because of

[Shri Morarka]

mismanagement or for any other reason whatsoever, the shareholders or the directors are not going to get anything till the labour's claim or anybody else's claim is fully satisfied. Therefore, to say that because there is a limit of Rs. 1000 only, the management is going to get any better term is according to me a little bit misconceived.

The company has got several types of creditors, Government are one of the creditors for revenue, taxes, etc. Labourers, store suppliers who supply goods to the company, etc. are other creditors. There also people who have deposited cash with the company. I know certain cases, particularly in the Ahmedabad Textile Mills, where the depositors are mostly ordinary persons of very small means. They have deposited small sums only in order to get some secured interest on those sums. I can understand that before any director or any shareholder is paid anything by way of dividend or by way of a share in the assets, etc., you must give priority to the labourers' claims or revenue due to Government. That is all right. But to make a distinction between one class of creditors and another class of creditors, particularly when the company has got into difficulties for no fault of theirs, is being a little harsh to them. This section 530, again, we have copied from the English Act, section 319, where the amount of preference provided for labour is £200. There the limit to which a labourer can get preference is £200. It is true that in our country we are providing only Rs. 1,000. Looking at the standard of wages and the standard of living in that country, they considered that £200 is a reasonable amount and a reasonable extent to which preferential payment should be assured to the workers. In India, in our wisdom, we thought that Rs. 1,000 would be enough to meet the ends of justice. Clause 181 of the Bill says:

"In section 530 of the principal Act, in sub-section (1) in clause

(b), after the words "relevant date", the following words, letters and figures shall be inserted, namely:—

"and any compensation payable to any workmen under any of the provisions of Chapter VA of the Industrial Disputes Act, 1947."

In section 530 there was no provision for giving any preference to the payment if the payment is on account of this compensation but for the first time, we are including in that section that a workman should be entitled to a preferential payment even in respect of compensation payable to him.

The main argument of my hon. friend, Shri Varma, yesterday was: what is the use of giving this benefit when the overall limit of Rs. 1,000 is not increased. That argument is correct in a way because the overall limit of Rs. 1,000 remains there. But I thought Shri Varma would give some figures to point out whether in actual practice a worker has suffered or the worker's dues from any concern has remained unpaid, more than Rs. 1,000. By adding these words a worker would get some relief in this way. If the worker's total dues are only Rs. 600 on account of his wages and salaries and if his dues as compensation payable to him is another Rs. 300, till now he was not entitled to this Rs. 300 as a preferential payment. But hereafterwards he would be entitled to the entire amount by way of preferential payment. That means, he would get preference not only in respect of his wages and salaries but also in respect of compensation allowance. I am quite prepared to admit that this particular amendment may not go far enough, or as far as our friend Shri Varma wants it, but I am sure that in actual practice it is bound to give some more relief.

Shri Tagamani (Madurai): Is the hon. Member aware that in the case

of retrenchment due to partial lock-out workers have been getting as compensation from Rs. 800 to Rs. 1,500 even in textile mills?

Shri Morarka: I am quite aware of that; in case of retrenchment they get more compensation. But here it is not a question of retrenchment compensation. Here it is a question of the company going into liquidation, and when the company is wound up it is not a question of retrenchment. The company does not retrench people at all; it goes into liquidation and it is only in the name of winding up this is given, if you read section 530.

Shri K. N. Pande (Hata): If the factory is closed then the workers have to be paid something.

Shri Morarka: I quite agree that even if the factory is closed it has to be paid. But so far as section 530 is concerned, it is applicable only when the company is wound up, and not before that. Here we are considering only the question of the degree of preference to be shown when a company is wound up. In all other contingencies your other schemes may work but so far as preference on liquidation is concerned, section 530 comes into operation.

Then there is a practical difficulty in increasing this sum of Rs. 1000, and the Joint Committee has gone into the details of that. The Chairman of the Bankers' Association, who gave evidence before the Joint Committee, stated that if preferential payment is provided to a greater extent, or even to the extent that workers compensation etc., then, to that extent, the security of the company is endangered and so the banks would be very slow to give their advances on the same terms and conditions on which they are giving today. When I put a specific question whether the incorporation of this section into the statute would curtail the advances or loans to the companies his answer was "certainly". At that stage I requested the Chairman and the others that Government

may make sure of the position by consulting the Reserve Bank, or the State Bank which is one of the biggest lending institutions, whether this would have such practical implications. If the clause is going to have such practical difficulties then this, instead of doing any good to any class or any community or company, may actually do some harm, because what may happen is, if the banks start contracting their lending, withdraw their advances or do not give loans to the needy firms, some of the factories which are working at the marginal level may go phut and the companies may be forced to close down. These were the views which were considered by the Joint Committee and while the Joint Committee was very sympathetic and wanted to do something about this thing they thought that the overall limit of Rs. 1,000 may be kept for the time being. If the words "compensation allowance" are brought within the purview of the preferential payment . . .

श्री रामसिंह भाई बर्मा (निमाड़) :
सवाल यह है कि ज्वायन्ट कमेटी ने धमोड कर के रीट्रचमट कम्पेन्सेशन की भी रकम जोड़ दी है, लेकिन वर्कर्स की जितनी रकम निकलती है, उतनी न देते हुए एक पैसा, एक आना, दो आना दी है। उसमें प्राथमिकता किस को दी है? उस का तो मतलब ही कुछ न हुआ।

Shri Morarka: Preference is given to the wages; it is also given to the retrenchment compensation. But the overall limit if Rs. 1,000 is kept.

श्री राम सिंह भाई बर्मा : वह तो पहले से था।

श्री मुरारका : पहले से था, लेकिन पहले रीट्रचमट कम्पेन्सेशन नहीं था।

An Hon. Member: It was there already.

Shri K. N. Pande: When the wages have been increased and the retrenchment compensation has been given on the basis of the new wages, naturally the amount will also be higher. I do not know what he is talking of.

Shri Morarka: If he kindly listens to me he will understand what I am talking of. I may give another example. Suppose a worker today has to receive a total wage of Rs. 600 and on account of retrenchment compensation he has to receive another Rs. 600, in all he has to receive Rs. 1,200. Before this amendment he will get preference only in respect of the first Rs. 600. After this amendment he will get preference in respect of not only his first Rs. 600, but also for Rs. 400 of his retrenchment compensation. He will not get preference for all the Rs. 1,200 because there is the overall limit of Rs. 1,000. So, Rs. 1,000 would be given to him as preferential payment and for the rest he will have to stand in line with all the other creditors.

Now this preferential claim is not given to other creditors who have supplied stores or raw materials. They are also not necessarily rich people. Why should they suffer. In what way are their claims inferior to those of the workmen in the company? To a certain extent you have to give preferential treatment to the claims of the workers. That is understandable. But if you discharged completely the claims of other creditors, who would like to deal with a company like that?

You would create innumerable difficulties in the working of the company. Even in England where wages and everything are so high they have provided for only £200|.

Shri Sadhan Gupta: (Calcutta—East): They have unemployment relief there.

Shri Morarka: You also provide for unemployment relief here. We are all for it. You provide for unemploy-

ment relief. You provide for compulsory insurance and other schemes of social benefits etc. That is quite different. You cannot make those provisions in the company law. What would happen is that in your anxiety to do one good you may harm the other things and the overall cause may be defeated. That is my sole point. I hope both Shri Pande and Shri Varma will appreciate what I have said and will not press their amendment.

Shri K. N. Pande: We are not at all able to appreciate the point made by the hon. Member. How many elements have been included? Apart from wages, provident fund, gratuity and other things retrenchment compensation has also been included. This limit of Rs. 1,000| was kept simply for arrears of wages, provident fund contribution against employees' state insurance, gratuity and other things. Now this retrenchment compensation has been added over and above all those things. Then how can the same limit remain when this new item is added? Therefore our suggestion is that the limit should also be increased.

Mr. Speaker: What the hon. Member says is that the overall limit of Rs. 1,000| was exclusive of the compensation till now and that the compensation has been included in the Rs. 1,000|.

Shri K. N. Pande: That was not included previously.

Mr. Speaker: Therefore the hon. Member says that there is no advantage, because it includes something else also, in the case of those people for whom the other amounts come to about Rs. 1,000|. They will not get any advantage so far as this is concerned. Only those whose other amounts in the aggregate are less than Rs. 1,000| will be benefited. The principle is simply this that nobody loses, but it does not mean that anybody loses; if at all, there is an advantage in favour of those salaries and wages are low. The concession is there to some extent but not to the

full extent. Preferential payment, to some extent, is guaranteed now by this though the upper limit is only Rs. 1,000|-. Compensation is also included in it. It is of advantage only to those people who are drawing less and who do not get Rs. 1,000|- in the aggregate, but not to all as the hon. Member evidently would like to contend.

श्री रामसिंह भार्ही वर्मा : मेरा निवेदन ऐसा नहीं है कि रिट्रैचमेंट कम्पेन्सेशन की पूरी रकम मिले। मेरा तो निवेदन यह है कि अभी भी कानून के अनुसार रिट्रैचमेंट कम्पेन्सेशन के सम्बन्ध में औसत २०,२५ साल की सविस् सुप्रीम कोर्ट ने भी मानी है। अगर आप एवरेज के हिसाब से टैक्स्टाइल में ११० रु० प्रति माह भी गिनें तो औसतन १२०० रु० रिट्रैचमेंट कम्पेन्सेशन वैसे ही हो जाता है। किन्तु मैंने रिट्रैचमेंट कम्पेन्सेशन की यह पूरी रकम नहीं मांगी है और जो पहले ही वेजज और मंहगाई भत्ता प्राविडेंट फंड के १०००रु० ठहराये गये थे उसके बाद भी वेज बोर्ड के फैसले के अनुसार वेतन है। अगर पूरी रकम न मिले, उसका कुछ अंश ही मिले तो भी वह २,००० रु० तो होने ही चाहियें इस लिये मैं एक अंश की बात कहता हूँ, पूरे की बात नहीं कहता हूँ।

Shri Surendranath Dwivedy (Kendrapara): Mr. Speaker, Sir, I rise to give my support to the amendment brought forward by my hon. friend, Shri Tangamani. I have heard with interest Shri Morarka's arguments, but I am not convinced.

Mr. Speaker: What does Shri Tangamani want?

Shri Surendranath Dwivedy: He wants that this should be increased to Rs. 2,500|.

Mr. Speaker: So that there may be a guarantee that the other Rs. 600|- will definitely get included in it and there are greater chances.

Shri Surendranath Dwivedy: Otherwise this new amendment has no meaning.

Mr. Speaker: It has meaning to some extent.

Shri Surendranath Dwivedy: I have no meaning because the limit of Rs. 1,000|- was already there in the original Act.

Mr. Speaker: Hon. Members will bear in mind three things. One of the hon. Members here says that there is a disadvantage. There is no disadvantage but the advantage is not to the extent that hon. Members would like to have.

Shri Surendranath Dwivedy: Why I say that there is no meaning is because re-renchment compensation is being included by a new clause provided for in this amendment Bill. Unless the limit is increased I do not think the workers are going to get that benefit. Therefore, it comes to almost nothing. The scaremongering that the companies will be at a great disadvantage and that credit will not be available is always raised when the question of workers comes in. If for the first time such a provision is being made to give preference to the workers' dues, I think it is right and proper that the amount should be so fixed that the workers can actually get that benefit. Therefore I think that Government should see its way to accept this simple amendment.

The Minister of Commerce (Shri Kanungo): Sir, the section which this clause wants to amend is section 530 which deals with one of the procedures of liquidation. It is not a question of any other circumstances. It is the question of claims as they will arise after liquidation.

Normally what would happen, if there were no preferential claims, is that all the assets will be collected by

the liquidator and will be equitably distributed amongst all the creditors, both secured and unsecured; the secured come first and the unsecured come next. That is the normal condition of things. But the law puts down certain creditors as preferential creditors. Those preferential creditors have been enumerated in sub-clauses (a) to (g). First in the list come the claims of the State. Then come wages of the employees or workers and all that. These are the claims which get preference over other claims. Such other claims may be not only for services rendered but also for goods sold, for money advanced by bankers and by investment houses and by contractors and various other sources. Those who have sold goods come below that. If the number and quantum of preferential creditors is increased, the result will be that credits will be squeezed. That was the point which was made by the credit institutions.

श्री रामसिंह भाई वर्मा : उहोंने प्राफिट और ब्याज तो बहुत लिया है ।

Shri Kanungo: It is not a question of who has got what and whether it is proper or not. As we are concerned with the total economy, we have got to see that the preferential creditors are kept to the minimum. In this case merely saying that wages and other claims should remain unspecified will make it very loose. Therefore, in the case of wages the limit has been put as four months' wages.

I want to draw a distinction between closure and liquidation. An establishment can close down for a couple of years or for more than a couple of years, but it may not go into liquidation. To close an establishment is a different thing coming under different law. Here, under this section you come in only when liquidation comes in and in case of liquidation all the creditors have got to be paid back. If all the creditors could

be fully paid back, there would not have been a condition of liquidation. If the company was in a sound condition, it need not go into liquidation.

Therefore, every one has got to be satisfied with something less than his full claim. That is obvious.

Shri Narayanankutty Menon (Mukandapuram): Including the Government.

Shri Kanungo: Yes, of course. That is why, though the preferential claims are enumerated in the clause, it is not necessary that they will get the full claim. It depends upon the assets. If the realisable assets are not enough, the non-secured creditors go away and the non-preferential claimants go away, and possibly the preferential claimants may not get their whole claim. Therefore, to keep it at a certain level, the figure of Rs. 1000 has been kept.

It has been argued that bringing retrenchment compensation within preferential claims will be of no effect, because the ceiling has not been increased. The very fact that this claim has been brought as a preferential claim is an improvement in the sense because, otherwise, this claim will be in the other general list and will be covered by the remaining assets after meeting the claims of the preferential claimants. Therefore, the Joint Committee, after a great deal of deliberation, agreed to put this claim as a preferential claim. I would point out that other matters like provident fund, and Employees State Insurance Corporation funds are also classed as preferential claims, which means, that all claims of the wage-earners have been put in the classification of preferential claims. To that extent, the availability of assets for other creditors, secured and unsecured has been jeopardised. We have to remember that a corporation can function only if its creditworthiness is high. It goes into liquidation because the credit is not there.

About the quantum, as my hon. friend Shri Morarka has pointed out, in England, where the scale of wages is very high, £200 is the maximum which has been kept there. Therefore, taking all these facts into consideration, I would suggest that the clause as proposed by the Joint Committee may be passed. I am not prepared to accept the amendments.

Shri Tangamani: My amendment No. 45 may be put separately.

Mr. Speaker: Amendment No. 74. Shri Naushir Bharucha. Not pressed.

The amendment was, by leave, withdrawn.

Mr. Speaker: The question is:

Page 92, after line 25, add

'(b) in sub-section (2), for the words "one thousand rupees" the words "two thousand five hundred rupees" shall be substituted.' (45)

The motion was negatived.

Shri Ramsingh Bhai Varma: My amendment may be put to the House.

Mr. Speaker: The question is:

Page 92, after line 25, add—

'(b) in sub-section (2), for the words "one thousand rupees" the words "two thousand rupees" shall be substituted.' (124).

The motion was negatived.

Mr. Speaker: All the other amendments that have been moved are withdrawn.

Shri Tangamani: These are the only three amendments.

Mr. Speaker: The question is:

"That clause 181 stand part of the Bill."

The motion was adopted.

Clause 181 was added to the Bill.

Clauses 182 to 190 were added to the Bill.

Clause 191.—Amendment of section 610)

Shri C. R. Pattabhi Raman (Kumbakonam): I beg to move:

(i) Page 95 after line 5, insert—

'(ii) in clause (a), after the word "Registrar", the words and figures "in accordance with the rules made under Destruction of Records Act, 1917 (5 of 1917) shall be inserted.'

(ii) in line 6, for "(ii)" Substitute "(iii). (85)

Mr. Speaker: Amendment No. 115 is also the same.

Shri Kanungo: I accept the amendment.

Shri C. R. Pattabhi Raman: There is no provision in the Companies Act, 1956 for the destruction of any document, however old, filed or registered by the Registrar of Companies and kept by him in his office in pursuance of any provision of the Act. On the other hand, section 610 of the Act provides that any person may inspect any document kept by the Registrar, being a document filed or registered by him in pursuance of the Act or making a record of any fact required or authorised by the Act to be recorded or registered, on payment for each inspection of a fee of one rupee. He may also call for a copy or extract of any such document. This section is interpreted by some as requiring a document once filed with the Registrar to be preserved for all time.

This has given rise to considerable difficulties in the matter of proper storage and maintenance of the ever-growing volume of records in the offices of the Registrars, particularly in Calcutta, Bombay and Madras.

[Shri C. R. Pattabhi Raman]

Nor is any useful purpose served by the maintenance of very old records in the offices of the Registrars, as such records are hardly ever inspected.

The present amendment seeks to make it clear that only such documents, etc. would be available for inspection at the Registrars offices as were required to be kept and maintained by him in accordance with the rules made under the Destruction of Records Act, 1917. This Act contains the general law relating to the destruction or other disposal of documents in the possession or custody of public officers, such as Registrars of Companies.

I move the amendment.

Mr. Speaker: The question is:

Page 95—

(i) after line 5, insert—

“(ii) in clause (a), after the word “Registrar”, the words and figures “in accordance with the rules made under the Destruction of Records Act, 1917” shall be inserted.’ (5 of 1917).

(ii) in line 6, for “(ii)” substitute “(iii)”. (85)

The motion was adopted.

Mr. Speaker: The question is:

“That clause 191, as amended, stand part of the Bill.”

The motion was adopted.

Clause 191, as amended, was added to the Bill.

Clauses 192, 193 and 194 were added to the Bill.

Mr. Speaker: The next group is clauses 194 to 215. I did not find any amendment to clause 194, unless some hon. Members want to discuss it now. So far as this group is concerned, hon. Members are aware, two hours are

allotted to this. Any hon. Members who want to move amendments in this group? Clause 195.

Clause 195—(Amendment of section 617)

Shri M. R. Masani (Ranchi-East): I do not wish to move amendment No. 23 to clause 195. Do I mention the other amendments?

Shri Naushir Bharucha (East Khandesh): I want to move amendment No. 75 to clause 213.

Mr. Speaker: I find that it is no good taking all these together. Clause 195. There is no amendment to clause 195. Also to clauses 196 and 197. That is a new clause. I will put clauses 195, 196 and 197 together.

The question is:

“That clauses 195, 196 and 197 stand part of the Bill”.

The motion was adopted.

Clauses 195, 196 and 197 were added to the Bill.

Mr. Speaker: Clause 198.

Shri M. R. Masani: I wish to move amendment No. 24 which seeks to omit section 620 of the Act. Section 620 of the Act refers to Government companies. It says. . .

Mr. Speaker: Is it in keeping with the Amendment? First of all, we have to decide that. You ought not to enlarge the scope of the Amending Bill. Therefore, whatever portion is not touched upon in the Amending Bill, cannot be normally amended. If it is ancillary or auxiliary or flows naturally out of some amendment which has been carried, that is allowed. The hon. Member will justify his amendment.

Shri M. R. Masani: There are other clauses of the Bill which deal with Government companies. Since that has been touched upon, I am suggesting that power should not be given to

exempt Government companies from the provisions of the Companies Act.

Mr. Speaker: Let me first of all decide this matter. What does the hon. Minister say?

Shri Kanungo: I do not think any clauses of the amending Bill affect Government companies.

Shri Masani: For instance, clause 195 deals with the matter of Government companies and their constitution. I wish to say that this power given to the Government companies to be excluded from the provisions of the Companies Act is not a desirable thing.

Mr. Speaker: It is a big matter. I am not going to allow. This is a matter of principle, I am sorry. Not that I am against it personally. What do I lose? This is out of order.

The question is:

"That clauses 198 to 201 stand part of the Bill".

The motion was adopted.

Clauses 198 to 201 were added to the Bill.

Clause 202—Insertion of new section 629A

Shri C. R. Pattabhi Raman: I beg to move:

Page 99, line 9, after "this Act" insert—

"or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted."

Shri M. E. Masani: I wish to oppose the clause.

Mr. Speaker: I will allow him.

Shri Jhunjunwala (Bhagalpur): I beg to move:

(i) Page 99, line 11, after "fine" insert—

"which shall not be less than one hundred rupees and". (121).

(ii) Page 99, line 14, add at the end—

"If the Court dealing with the matter is of the opinion that default has been committed by the company or any of its officers it shall further order that the expenses incurred by the aggrieved party shall be reimbursed to him by the company and/or any of its officers." (122).

This is a sort of omnibus clause seeking to give protection to shareholders and punish a company for any offence not provided in this amending Bill.

There are certain minor offences which companies are in the habit of indulging in, and the shareholder or the Registrar or the Government has to go to court to prosecute the company for these minor offences. It was pointed out during the general discussion that many minor offences had been committed by companies and many cases had gone to court, but the court took a lenient view of the offences and the companies or the officers concerned were let off with a very light punishment, a punishment of Rs. 5 or Rs. 10 or something like that. The result has been that these offences, instead of decreasing, are increasing day by day, and the grievances of the people who have been the victims of these offences are not redressed. Therefore, by my amendment I want the fine to be not less than Rs. 100.

It has been provided under company law that notices of meetings should be sent by registered post acknowledgement due at the cost of the shareholder, but in spite of the shareholder asking the companies to send the notices and dividends by

[Shri Jhunjhunwala]

registered post acknowledgement due, the companies do not do so and commit an offence. This may be a very small thing for the company, but it is a very serious thing for the shareholder who might go and change the decision of the company.

If the shareholder lives in Punjab and the company is situated in Bombay, the shareholder has to go all the way to Bombay to file a suit against the company or prosecute it, and it becomes practically impossible for the shareholder to take recourse to this. It is not within the capacity of the shareholder to incur all these expenses, go there and file the complaint. Therefore, I have said in my amendment that the court dealing with the matter of the opinion that default has been committed by the company or any of its officers, it shall further order that the expenses incurred by the aggrieved party shall be reimbursed to him by the company and/or any of its officers. If such a provision is made, the company will think twice before committing the offence, and it will also be possible for the shareholder to go all the way and file the complaint against the company. Unless the expenses are paid, it will not be within the capacity of the shareholder to go and file the complaint. The Government or the Registrar does not in all cases file the complaint. So, I hope this amendment would be accepted.

Shri C. R. Pattabhai Raman: Sub-section (1) of the proposed section 637A—clause 204 of the Bill makes it clear when we come to that—does not contain any sanction for enforcing the conditions etc., subject to which approval may be granted under this section by the Central Government. My amendment seeks to bring the violation of any such condition within the scope of the general penalty section, namely 629A. When we come to my amendment No. 87, you will find that it seeks to provide further that if such condition is violated, the approval of the

Central Government would become void. That is my amendment.

Shri Tangamani: I support clause 202 as it has emerged from the Joint Committee. Originally it was clause 200 as introduced. That and the present clause are virtually the same, except for some recasting.

The present clause seeks to add a new section, section 629A, reading as under:

“629A. If a company or any other person contravenes any provision of this Act for which no punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to five hundred rupees and where the contravention is a continuing one, with a further fine which may extend to fifty rupees for every day after the first during which the contravention continues.”

Here, there are so many offences made out in this company law, but it is not laid down in each case what the punishment will be. Such provisions are there in many other enactments also. I believe that when the Bill was first introduced, we were told that section 46 of the Banking Companies Act had a similar provision. This matter was also considered by the Sastri Committee. In para 204 of their report, they have stated that the Department had found that similar to the section in the Banking Companies Act, 1949, to which I have just made a reference, and similar to section 188 of the Indian Penal Code, a suitable section was necessary; otherwise, there would be absolutely no sanction clause. And they have suggested an amendment more or less on the following lines:

“In cases not expressly provided for in the Act, if any provision of the Act is contravened or if any default is made in compliance with

any requirement of the Act or of any order made thereunder, every director and other officer..”.

This was discussed also in the Joint Committee, and after the recasting was done, the present provision met with considerable approval from most of the Members of the Joint Committee. The amendment which has been made is also concise, and it has only carried out the intention as it has been carried out in other Acts like the Banking Companies Act and the Indian Penal Code.

Therefore, I submit that we need not modify this clause or whittle it down by the amendments which have been suggested by Shri C. R. Pattabhi Raman or Shri Jhunjhunwala.

Shri M. R. Masani: I do not wish to enter into the point of detail which has been argued by the last two speakers, but I am sorry that no hon. Member has yet pointed out the very doubtful desirability of a clause of this nature which seeks to lump together in one clause and one punishment an unspecified number of breaches of the provisions of the Act. One of the fundamental principles of jurisprudence is to make the punishment fit the crime. A clause like this which says that there will be one punishment for an undescribed and unspecified list of numerous small offences or big offences, which cannot all be of equal magnitude or guilt, is contrary to the principles of sound jurisprudence, and I think we are doing an injustice to this House in getting it to pass such a clause.

It is not as if penal provisions are lacking. There are already in the Act about 159 sections, as the present Bill would now have them, which provide for specific penalties of imprisonment or fine or both. I think now to create this doubt or ambiguity by leaving out several other offences—if they want to specify punishments for other offences, let them say at each point what the punishment should be—and saying that there will be one punish-

ment for numerous breaches of the law which may be of a very differing magnitude is not a sound thing to do.

I, therefore, oppose this clause, as being contrary to the principles of jurisprudence by which we should try to abide.

Shri Kanungo: Certainly, no one would disagree with the broad proposition of Shri M. R. Masani that the penalties should be commensurate with the offences. Unfortunately, in the Companies Act, there are offences which by their very nature have more or less gravity, according to the time, the condition and the circumstances in which they are committed.

To give an example, the non-filing of a balance-sheet on the due date may seem to be very inoffensive. And there have been cases where people have pleaded loss of memory or something like that, and there have been cases where the courts have imposed the penalty of a fine of 5 rupees. It is quite possible that in such cases, the non-filing of the balance-sheet did not cause any harm to anybody, and perhaps, the man who failed to file it in time had very good reasons, and the court perhaps took those things into consideration. But, under different conditions, the non-filing of balance-sheets in time might mean a very serious offence in the sense that the creditors or the shareholders may be kept in the dark as to what is happening.

Therefore, it is just impossible to provide specific punishments for the various offences. Wherever possible, specific penalties have been provided for in various sections, but there are several of them where it has not been possible and it is not possible to do so.

Then, there is the other group of clauses where, as the amendment of my hon. friend Shri C. R. Pattabhi Raman will show, there are conditional approvals or conditional orders, breaches of which have not been provided for at all; and the very fact that Shri Jhunjhunwala has

[Shri Kanungo]

moved an amendment which seeks to make the penalties much more severe, and rightly so, in many cases, points out that very thing. We have felt such a provision to be necessary, and the annual reports of the Company Law Administration have mentioned it. But, taking all these factors into consideration, and hoping that the administration of such a complex legislation like the Companies Act will be appreciated by the courts spread out over a large country like ours and they will be able to acquit or provide adequate punishment in proper cases in course of time, the Joint Committee have agreed to this particular provision which I commend to the House.

As far as the question of costs is concerned, to which Shri Jhunjhunwala's amendment has made a reference, I understand that the courts are always free to allocate costs, wherever they like, either in criminal or in civil cases.

Shri Sadhan Gupta: Not in criminal cases.

Shri Kanungo: I, therefore, submit that the clause as amended by amendment No. 86 may be accepted.

Mr. Speaker: I shall now put amendment No. 86 to the vote of the House.

The question is:

Page 99, line 9, after 'this Act' insert:

"or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted." (86)

The motion was adopted.

Mr. Speaker: Need I put Shri Jhunjhunwala's amendments to vote?

Shri Jhunjhunwala: I am not presenting them.

Amendments Nos. 121 and 122 were, by leave, withdrawn.

13 hrs.

Mr. Speaker: The question is:

"That clause 202, as amended, stand part of the Bill."

The motion was adopted.

Clause 202, as amended, was added to the Bill.

Clause 203 was added to the Bill.

Clause 204

Shri C. E. Pattabhi Raman: Sir, I beg to move:

Page 100,—

(i) line 16,—*add at the end—*

"and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption;"

(ii) lines 18 and 19,—

omit "by a company."

(iii) line 30,—

after "or" insert—

"in case of applications by companies," (87).

Sub-section (1) of the proposed section 637A (*vide* clause 204 of the Bill) does not contain any sanction for enforcing the conditions, etc., subject to which an approval may be granted under that section by the Central Government. This amendment provides that if such conditions, etc., are violated the approval of the Central Government would become void. Amendment No. 86 further provides for a penalty for the violation of any such condition.

In regard to items (ii) and (iii), sub-section (2) of the proposed section 637A begins with the following words:

"Save as otherwise expressly provided in this Act, every application which may be, or is required to be made by a *company* to the Central Government under any provision of this Act—"

It is visualised that an application under a provision of the Act may be submitted, not always by a *company*, but by a body corporate (i.e. a foreign company), or a firm (e.g., managing agent, secretaries and treasurers) or an individual, (e.g., managing agent, managing director, etc.). As instances, sections 167, 346, 408, 409 and 594 may be cited. Applications under these sections may be made by a body corporate or person other than a company. It may not be desirable to charge a fee under section 637A (2) on applications which may be submitted to Government by individuals, e.g., shareholders as under sections 167 and 408; or by managing director, director, as in section 409. But it seems only proper that a fee should be charged when an application is submitted by a foreign company or by an individual or firm (e.g., the managing agent) on behalf of or in respect of the managed company.

Shri M. R. Masani: Sir, I oppose this clause for the same reasons that I opposed clause 202. It is an omnibus clause of the same nature. Government is given a power and the amendment that has been suggested adds to the indefiniteness. He is getting power to attach conditions to any permission or sanction given. To give a sanction or to deny it is the right of the Government. But to bargain over the grant of a sanction or approval and to say that if you do this or agree to that, then I will give my sanction, is a much more dangerous power. Then, Sir, no limitations at all are set on the power to impose conditions, and we feel that this is too wide a discretion. Really it comes to this that you are legislating by executive action.

1410(Ai)LS-5.

You are varying the law laid down in the Companies Act by saying: I will allow you to depart from the law if you accept such and such a condition. This is a case of delegated legislation given to the executive of the day and since I am opposed to the principle of allowing legislation by executive decree, I oppose this clause.

Shri Kanungo: It is not as atrocious as Mr. Masani has tried to make out. The power of giving permission is inherent.

Mr. Speaker: Can't we have a schedule covering the clauses where some application has to be made. That is all that is necessary.

Shri M. R. Masani: What I am questioning is the right of Government to impose conditions departing from the law of the land.

Shri Kanungo: When there is a discretion of giving permission, it can be conditioned by certain circumstances. If the conditions are not fulfilled, then the permission becomes in-operative. That is what we mean.

Mr. Speaker: The question is:

Page 100,—

(i) line 16,—add at the end—

"and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption";

(ii) lines 18 and 19,—

omit "by a company"

(iii) line 30,—

after "or" insert

"in case of applications by companies," (87)

The motion was adopted.

Mr. Speaker: The question is:

"That clause 204, as amended, stand part of the Bill."

The motion was adopted.

Clause 204, as amended, was added to the Bill.

Clauses 205 and 206 were added to the Bill.

Clause No. 207— (Amendment of Section 641)

Shri M. R. Masani: Sir, I am not pressing my amendment (No. 25).

Mr. Speaker: The question is:

"That clause 207 stand part of the Bill."

The motion was adopted.

Clause 207 was added to the Bill.

Clause 208— (Amendment of section 642)

Shri M. R. Masani: Sir, I am not pressing my amendment (No. 26).

Mr. Speaker: The question is:

"That clause 208 stand part of the Bill."

The motion was adopted.

Clause 208 was added to the Bill.

Clauses 209 to 212 were added to the Bill.

Clause 213— (Insertion of new Schedule IA.)

Shri Naushir Bharucha:

(i) Page 103,—

(i) omit lines 19 to 22.

(ii) omit line 26

(iii) omit line 29.

(vi) omit line 31. (75)

(ii) Page 104,—

omit lines 19 to 22. (76)

The purpose of my amendment Nos. 75 and 76 is to amend Schedule IA which prescribes the list of relatives. The underlying object of section 6 is to prevent malpractices and corruption in the administration of companies arising from the packing of the Directorate by the relatives of the person who is either a director or who desires to obtain control over the affairs of certain companies. Therefore, it is right that we exclude very near relations. But I am surprised that in their zeal for excluding relations, some very peculiar relations have also been put in, for instance, father's father has been mentioned in the list of relatives; then father's mother, mother's mother, mother's father. I should like to know in how many cases the Company Law Administration has come across instances where the Directorate have been packed by grandpas and grandmamas. Is there a single instance which can be shown where the directorate has been packed in this manner? Is there any instance worth mentioning? The zeal of the Government should not be permitted to outrun its discretion.

Similarly if you see there are other relations: son's daughter's husband, daughter's son's wife, daughter's daughter's husband, father's brother's son, mother's brother's son, mother's sister's son. All these relatives, experience shows have not been normally utilised for packing the Board of Directorate and I think that it is only a case of excessive legislation and the list requires to be cut by the deletion of items which I have suggested in my amendment Nos. 75 and 76.

Shri Tangamani: I beg to move:

Page 104,—after line 35, add—

- “50. Sister's daughter's husband.
51. Mother's sister's son.
52. Mother's sister's daughter.
53. Husband's brother's father.
54. Husband's brother's mother.
55. Husband's mother's father.
56. Husband's mother's mother.
57. Wife's father's father.
58. Wife's father's mother.
59. Wife's mother's father.
60. Wife's mother's mother.” (77)

Shri Naushir Bharucha: He has forgotten great grandfather.

Shri Tangamani: These were of the relatives who were mentioned in the original Bill and when amendments were moved in the Joint Committee for the deletion of these, I did oppose them. I have also said in my Minute of Dissent that there is no justification for deleting these.

Mr. Speaker: What is the Schedule?

Shri Tangamani: This Schedule defines the relatives. Section 6 of the original Act defines a person who is to be a relative.....

Mr. Speaker: For what purpose?

Shri Tangamani: For the purpose of sections 295, 297, 314, 354 and so on.

Mr. Speaker: It relates to ban on carrying on business in another name.

Shri Tangamani: Or giving office of profit to persons who are close relations or giving loans to them. There are several restrictions. I have mentioned certain sections where the word 'relative' has appeared.

Mr. Speaker: Shri Naushir Bharucha wants to delete from the list; the hon. Member wants to add to it.

Shri Tangamani: Yes. The difficulty arises as to what is to be the interpretation of 'relative'. Courts also have differed on this point. The Sastri Committee—I shall read the relevant portion from their report later—said it varies from 40 to 80. Nothing is very definite. So this is for enabling the Administration to administer the various sections without difficulty; they will be guided by the list that has been given to them. Though the list may be exhaustive, it will be a proper guide also, because the principle that relatives should be excluded from the operation of clauses has been accepted.

As I have said, I am inclined to make the list of relatives 60 by adding the ones I have mentioned. It will make it practicable for the officers of the company to comply with the several provisions in which the expression 'relative' has been used.

So far as remote relations are concerned, they may be excluded. Such remoteness also came up and they have been excluded. Section 6, as amended now, says that—two persons shall be deemed to be relatives if, and only if, they are members of a Hindu undivided family, or they are husband and wife, or they are related to each other in the manner indicated in Schedule IA. The present clause 213 deals with that Schedule which contains the entire list.

As I have mentioned, the word 'relative' occurs in sections 2(3), 2(4), 295, 297, 314, 354 to 360 and so on. I think the Company Law Committee as also the Sastri Committee had said that list would vary from 67 to 81. Many suggestions were made when evidence was recorded by the Sastri Committee. Some suggested that section 6 should be completely dropped; others pointed out that those relations who were not relations legitimately, that is to say, relations as a result of adoption and so on, should be deleted. But making a compromise, the Sastri Committee said in paragraph 26 of

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their Report—here they tried to give a particular definition:

“Two persons shall be deemed to be ‘relatives’ if and only if:—(a) they are members of a Hindu undivided family”—

this has been accepted in section 6—

“(b) they are husband and wife”—
this has also been accepted—

“(c) the one or the spouse of the one is related to the other or the spouse of the other as parent and child, grand parent and grand child, or brother and sister; or

“(d) the one is related to the other directly (and not by marriage only) as uncle or aunt, nephew or niece”.

The principle has been more or less accepted and an entire list has been given, and it is exhaustive enough. Then the Committee has gone into the question of Hindu law, which is not relevant for our purpose here. I only say this to stress how important it is that it is not only defined but a ban is also imposed on those relatives. The Sastri Committee has observed:

“...It must be remembered that the practice of resorting to *benami* transactions in the names of relatives is prevalent in certain sections of the mercantile community and that this practice is often resorted to for concealing the identity or interest of the person standing to gain by questionable transactions”.

It has, therefore, suggested a simpler and narrower definition of ‘relatives’.

Coming to the various sections, I will only refer to three. Section 295 deals with loans by companies . . .

Mr. Speaker: I am afraid the scope of the amendment is limited. There is a Schedule here which contains the list of relatives. The only point here is who ought to be those relatives and whether we should add to or subtract from the list. Therefore, there is no purpose in going into the various clauses which put a ban upon such transactions. It is not open under the amending Bill to go behind those clauses which have already been accepted.

Shri Tangamani: In their Annual Report, the Company Law Administration also have given instances to show . . .

Mr. Speaker: Here the only question is how far you are going to extend this question of relationship. They will not be satisfied with mere relation. They go further and enter into *benami* transactions. When once he is a relation, there is no question of *benami*. It is automatically accepted. The difference between the two is this, that once a transaction is entered into in the name of a relation, automatically, irrespective of the fact whether it is for the benefit of the relation or not—it may be for the benefit of the relation—there is a ban; with respect to others, if it is *bona fide*, it is not *benami*. That is all the difference. Shall I now call upon any other hon. Member who wishes to speak?

Shri Tangamani: In the Second Report also, it is mentioned.

Mr. Speaker: The only question is whether these people ought to be relatives or not for the purpose of these clauses.

Shri Tangamani: I want to add to the list of relations. I also read out the basis which has been adopted.

Mr. Speaker: He wants to add some more to the list. The point is simple, whether we should extend the

number of relations or not. We are not going into the question as to whether the ban is right or wrong.

Shri Sadhan Gupta: I support Shri Tangamani's amendment for extension of the list and oppose Shri Naushir Bharucha's amendment for contraction of the circle of relatives. The reason why this list of relatives has been included is to prevent certain transactions which are regarded as malpractices by the Companies Act. Shri Naushir Bharucha has asked whether there are any instances . . .

Mr. Speaker: What is "husband's brother's father"? I cannot understand it. It is the same as husband's father.

Shri Tangamani: That is also possible.

Mr. Speaker: There is no meaning in adding that.

Shri Warior (Trichur): There may be two fathers.

Mr. Speaker: Then there is "husband's brother's mother".

Shri Warior: Wife's father may be a person different from the brother's father.

Mr. Speaker: I do not know what is meant by husband's brother's mother and husband's brother's father.

Shri Sadhan Gupta: It may be uterine brother.

Mr. Speaker: Then, say something like that; otherwise there is no meaning. Then, there is this sister's daughter's husband. One must have faith to enter into such transactions. The sister's daughter's husband would walk away with the property. It very often happens like that.

Shri Sadhan Gupta: Shri Bharucha has asked whether any instance could be cited where a board of directors or some bodies have been

packed with grandpapas and grand-mamas. The question is not whether we have present examples of some malpractice being indulged in through such relations. The question is whether such a malpractice might occur and whether it is necessary to check the malpractices. Previously, when there were no curbs there was no necessity of finding out such relatives to help . . .

Mr. Speaker: We are going into the fundamentals. It is agreed that these curbs must be imposed; and they have been imposed. The nature of relationship is described instead of saying vaguely relations. It has been found necessary to deal with them in particular. The only point is whether a few more relations are to be added or not and whether some relations have to be omitted.

Shri Sadhan Gupta: I am giving the reason why it should be extended. Previously there was no necessity. Now, when the curbs have been imposed, people will go about hunting for useful relations through whom they can exert pulls. The fact that these instances have not been found . . .

Mr. Speaker: I can understand *benami* transactions. *Benami* transactions can be entered into in favour of strangers and relations. The question that counts is the question of confidence. The man in whose favour the *benami* transaction is entered into should command the confidence. He should not walk away with the property. Then, there is no kind of *benami* at all. The question is that confidence is presumed in the case of transactions entered into with relations. The question is whether the sister's daughter's husband is a person who comes within that intimate relationship that when once he gets an advantage he would not take advantage of it for himself but will always hold it for the other. Is he in such intimate relationship? That is the point here. Is the hon. Member with his experience of the world in a position to say that the sister's

[Mr. Speaker]

daughter's husband will return the property for which a deed has been executed in his favour?

Shri Sadhan Gupta: In this circle of relatives, some are undoubtedly very close and others are not so very close.

Let us take the case of the sister's daughter's husband. Before the curbs were introduced there was no necessity to hunt for him. Now that curbs are introduced it might be necessary, unless other closer relatives are available, to fall back upon him, though he is not as nearly related as a wife or a son or a daughter-in-law or brother's son or a brother's daughter-in-law.

Mr. Speaker: He is interested in taking away as much as possible. You know we are passing the Dowry Bill here. That man is interested in squeezing, as much as he can, the father-in-law's property.

Shri Sadhan Gupta: That is quite another matter, Sir. Normally, it is not every sister's daughter's husband that is bent upon taking away the maternal uncle-in-law's property.

Mr. Speaker: I would give him a certificate of good conduct. It is impossible to find one who obliges a maternal uncle-in-law. Are we making laws for one individual out of 400 millions?

Shri Sadhan Gupta: Perhaps, there may be some benefit to himself. For that purpose it is preferable that such transactions also should be guarded against. From that point of view, I would endorse the list given by my hon. friend, Shri Tangamani.

Mr. Speaker: What has the hon. Minister to say?

Shri Kanungo: Sir, the whole matter was considered in the Joint Committee. I must frankly admit that it is beyond me to appreciate the degree of closeness or remoteness of this relationship which has been described.

Mr. Speaker: Step-mother's son will be the last person to return the property.

Shri Kanungo: Anyway, as you mentioned, Sir, I cannot yet understand what the husband's brother's father means.

Shri Tangamani: That may be deleted. Are you prepared to accept the others?

Shri Kanungo: Therefore, I am taking the safe line and I am sticking to the wisdom of the Joint Committee. I am not accepting any of the amendments.

Mr. Speaker: Shall I put the amendments of Shri Bharucha together?

Shri Naushir Bharucha: Yes, Sir.

Mr. Speaker: I will now put amendments 75 and 76 to the House.

Amendments Nos. 75, 76 and 77 were put and negatived.

Mr. Speaker: Now, the question is:

"That clause 213 stand part of the Bill."

The motion was adopted.

Clause 213 was added to the Bill.

Clause 214 and 215

Mr. Speaker: Now, I think there are only clauses 214 and 215. I will put them together.

The question is:

"That clauses 214 and 215 stand part of the Bill."

The motion was adopted.

Clauses 214 and 215 were added to the Bill.

Mr. Speaker: I think there are no Schedules independent of the clauses. There are two clauses that have been held over.

Shri Kanungō: Clause 98 has been held over and also clauses 1 and 2.

Mr. Speaker: Clauses 1 and 2 are different. Clause 98 is there.

Shri M. R. Masani: There is new clause 5A, Sir.

Sir, may I make an appeal to the hon. Minister who is in the House to open the debate on this clause 98 because on the second reading the hon. Minister withheld his comment on behalf of Government. We still do not know what the Government's position is. This is a matter of vital public importance. Before we are asked to support our amendments, I would request the hon. Minister who happens to be here—I do not know if he is listening—to open the discussion and state the Government's view so that we may know where we stand. He should have done so in the second reading itself.

Shri Naushir Bharucha: It is necessary that Government gives its mind on this vital problem. On the last occasion Government had the benefit of listening to the various viewpoints. The hon. Minister Shri Lal Bahadur Shastri said on that occasion that he would not speak....

Mr. Speaker: The hon. Member need not make a speech. I will call upon the hon. Minister to give his views.

Shri Tangamani: Before we proceed, we shall have the amendments moved, Sir.

Shri M. R. Masani: Sir, I have amendments Nos. 1, 14 and others. Amendment No. 1, new clause 5A was held over because the matter was a cognate matter and had a common purpose. Clause 5A was held over along with clause 98.

Mr. Speaker: Does it relate to clause 98?

Shri M. R. Masani: Yes; it relates.

Shri Kanungo: It is a sort of consequential to clause 98.

Shri M. R. Masani: When it was reached, I myself suggested that it should be held over and taken along with clause 98. The hon. Minister was also of the same view.

Mr. Speaker: Yes.

Shri M. R. Masani: There are some other amendments also—Nos. 14, 78 and 79.

Shri Naushir Bharucha: I am moving my amendments Nos. 69 and 70.

Shri Tangamani: I am moving amendments Nos. 42 and 43.

Mr. Speaker: Now, Amendment No. 1 which is for the inclusion of a new clause 5A—and the other amendments Nos. 14, 78, 79, 69, 70, 42 and 43 will be treated as moved.

Shri M. R. Masani: I beg to move:

(i) 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)

(ii) Page 52,—

after line 25, insert—

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

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

[Shri M. R. Masani]

(iii) Page 52,—

after line 25, insert—

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

“Provided however that nothing contained in this subsection shall permit the Board of Directors of any Government Company to contribute directly or indirectly any sums to any political party or political fund.”

Page 53, line 6,—

after “shall disclose” insert—

“by advertisement in two leading daily newspapers, one published in Delhi in the English language and the other at the place where the registered office of the company is situated, within a period of one month, and” (79)

Shri Naushir Bharucha: I beg to move:

(i) Page 52,—

after line 36, add—

“Provided that where any contribution is proposed to be made to a political party, or political fund, under sub-section (1)(e), previous sanction of the Court shall be obtained therefor.” (69)

(ii) 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).

Shri Tangamani: I beg to move:

(i) Page 52, lines 33 to 36—

omit “or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e)”. (42)

(ii) Page 53,—

omit lines 4 to 18. (43)

Mr. Speaker: We have had a lot of discussion at the first reading stage. If the hon. Minister has to add anything to what has been said so that we may avoid further discussion in the matter, he may do so. How far he is prepared to go, if he goes at all, may be indicated to the House.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): I shall say a few words.

13.31 hours.

[MR. DEPUTY-SPEAKER in the Chair]

Clause 98 has attracted the attention of the House and the longest discussion had been held on it. I have given thought to this matter and I have one or two proposals to place before the House. But before I do so, I would like to say a few words on the general question. Clause 98, it should be remembered, imposes further restrictions on political contributions. The old section 293 had been amended and two additional things have been provided. The hon. Members know the provision about the disclosure of political contributions. I feel that the second point had been somewhat ignored and that is about the private companies which were excluded from the purview of the law previously. They are now roped in. Even if private companies are not subsidiaries of public companies, they are prevented from going above the provisions of this Bill. Then again, it applies not only for political contributions; it includes contributions for charitable as well as welfare

purposes. I thought it proper to draw the pointed attention of the hon. Members to these three things, namely, disclosure, private companies being roped in, and the inclusion of contributions for charitable or other purposes. Now, what would be the effect if this clause is omitted as has been suggested through some amendments?

Shri M. R. Masani: It is nobody's case that the clause should be omitted. What we are saying applies to the political part of it. There may be a proviso saying that charitable contributions may be made but not to political parties.

Shri Tangamani: Amendment No. 14 is more specific.

Shri Lal Bahadur Shastri: When I said omission, I referred to the political contributions. Now, what would be the effect if political contributions are omitted from this clause? It cannot be denied that the election expenses are very heavy. Our set-up is such and we have adult franchise. Is it the case of any hon. Member of this House that they can do without public funds for running the elections?

Shri M. R. Masani: Contributions from individuals.

Shri Lal Bahadur Shastri: Will you kindly hear me?

Acharya Kripalani: What is the meaning of public funds? They may as well come from the Government; that is public fund.

Shri Lal Bahadur Shastri: There are public companies; there are private companies; there are statutory bodies and there are Government companies. These are all different bodies; their rules and regulations are different. I am sorry that Acharyaji is unnecessarily upset over it. . . . (*Interruptions*) I am coming to the point. If Acharyaji is opposed to it, I can understand it but he should at least give me an opportunity to say what I want to say.

I shall try to speak out frankly. I may be sometimes—I do not know—criticised for that. My fear is that if this is omitted, it will do no good. Individuals these days make very little political contributions because they say there are heavy taxes and if what they contribute is taxable, they are not prepared to make any contributions. The result will be these people will give contributions and somehow manage that the money comes out of the company funds. There will be taking of accounts and I do not think that Acharyaji or Shri Masani would like to allow subterfuge methods to be adopted for making contributions from the profits of the company in some form or the other. If the hon. Members face realities, they will see that we prevent that kind of manipulation, etc. if we provide this clause here. If manipulation of funds is made, it will demoralise those who give and also those who take it. I would, therefore, suggest that if we want to be frank and straight in this matter, it is better to provide it in the law itself and give an opportunity to the shareholders or the directors to decide as they think best. There is of course no compulsion; it all depends upon the board of directors and ultimately in some cases on the shareholders, to take a decision.

When I say this—last time also I said—I might be considered an interested party being a political worker and belonging to a political party. But let us see what some independent authorities had to say on this matter—the High Courts and the Sastri Committee. They have nothing to do with politics or any political matter, and I would, without taking much of your time, Sir, like to place before the House what concrete proposals the High Courts had to make in this regard. They have examined section 293. The Sastri Committee has looked into that. There were many representations and memoranda placed before the Sastri Committee. The High Courts and this important Committee which have had nothing to do with any political matter have come to certain conclusions. I shall place

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before the House their concrete suggestions.

Let us first take the High Court of Calcutta. The High Court of Calcutta did make some very critical observations on political contributions being made by the companies, but what they have said is this:

"It is essential that there should be the fullest publicity to the fact that a company is contributing some of its money to the political fund of a political party..... as well as in the particular interest of the shareholders, having regard to the dangers of the power of money, it will be highly undesirable in my view to encourage any kind of secrecy in respect of such demands."

The order of the Calcutta High Court was in regard to ISCO. ISCO had gone to the High Court for making an alteration in their Memorandum and Articles of Association. The High Court ultimately said that alterations should be made effective for a period of six months unless further extended and, secondly, the amount and date of every single contribution made directly or indirectly to any particular party to be shown separately in the account.

The Bombay High Court also, Sir, similarly, approved of the necessary alterations in the Memorandum of TISCOs—Tata. Tatas had already while applying to the Court agreed to make full disclosure. So it will be seen that the constructive proposal made by the High Courts was in favour of disclosure which they considered absolutely essential.

The Sastri Committee also, as I said, considered the matter and took the view that companies alone could not be prohibited from making contributions to political funds. It recommended that the law should be amended so as to provide that every company shall disclose in its profit and

loss account every donation made by it during the year of account to every political party giving the particulars of the amounts given and the names of the person or persons, association or party to whom or to which the donation was made. The Sastri Committee has also, in fact, along with the High Courts laid emphasis on the disclosure of political contributions. They have also held this strong view that it is not considered advisable that the Company Law should be encumbered with any other matter concerning these contributions.

I might, in this connection, mention something about what the Bombay High Court had said. Shri Bharucha had some doubts and even, perhaps, Shri Masani shared it.

Shri Naushir Bharucha: I have no doubts, I am sure about it.

Shri Lal Bahadur Shastri: When I mentioned that the Bombay High Court had said that the question as to what should be the amount paid by any company to any political party should come up before the High Court for decision, Shri Bharucha said that it was not said by the High Court. I have looked into that again. The Bombay High Court, in fact, observed like this:

"...and the least that Parliament could do is at least to require the sanction of the Court before any large amount is paid by the companies to the funds of a political party."

So I had expressed my doubts about the propriety of the suggestion. I would, if you will permit me, merely mention that the Sastri Committee also did not consider it desirable to impose on the courts the duty to decide as to what amount if any a company should be permitted to contribute to any political fund.

Sir, much has been said about the democracy being in danger. I do not deny the fact that we have to move

very carefully in the early stages of our democracy here. It is, however, not only the money which corrupts. There are various other dangers against which we must safeguard ourselves. In democracy we have political parties, and at least recognised political parties have set views on different matters whether political or economic. The electorate or those who help in the elections come up with their help knowing fully well as to what the opinion or what the policies or objectives of the different parties are. In the circumstances, it is not those who contribute that help in framing the policies of different parties. I do not think it can be said either in the case of the Swatantra Party or even in the case of other parties. They come to certain conclusions, and I think they come to those conclusions independently. There are ideologies. Everyone or every party can have its own ideology. In the case of the Swatantra Party it is clear that they are for *status quo* in economic matters, *laissez faire*....

Shri M. R. Masani: We want a change from the *status quo*.

Shri Lal Bahadur Shastri: Of course, at the present moment the Swatantra Party does say that there should be minimum interference—that is a different thing—and it does not like any kind of nationalisation or any kind of control or regulation. The Swatantra Party does not like those things at all. If that is the position and if even after knowing that fully well the companies give contribution to the Congress it seems that they think that the Congress organisation can deliver the goods better than the Swatantra Party, or, if I might be permitted to say so, the P.S.P. or even the Communist Party.

Shri M. R. Masani: Government patronage.

Acharya Kripalani: You have better capitalists than even the Swatantra Party.

Shri Lal Bahadur Shastri: I think Acharya Kripalani had taken thousands and lakhs from capitalists and yet he was not influenced when he was in the Congress. I am glad he did it.

Acharya Kripalani: I was General Secretary of the Congress for 12 years and all the money that we left when we went to jail was Rs. 32,000. We managed our affairs through the four-anna membership mostly, and the President of the Congress went about collecting money mostly from the middle class. It was a bogey raised by the British Government that the Congress was being supported by the capitalists. It was never supported by them. I am very sorry that a Minister who had been in the political struggle for freedom does not know this much about the history of the Congress.

Shri Lal Bahadur Shastri: I am very sorry I have offended Acharyaji. I have been a humble Congress worker and has has been my leader. Still I consider him to be my leader. But unfortunately he has forgotten what happened in the elections. He might have run the A.I.C.C. office, but a number of elections were run. Let us be truthful to ourselves. A number of elections were run—elections in British days to the Central Legislative Assembly and State Assemblies and tremendously big elections in 1937. I wonder if those elections were run purely on four-anna membership fee.... (Interruptions).

Mr. Deputy-Speaker: I would not advise old gladiators to provoke each other, disclosing those secrets.

Shri Lal Bahadur Shastri: There is no secret. We need not hide the fact that during the independence struggle, we did take money from whosoever came forward to help us. After all, we stood for a certain cause and we were prepared to take the co-operation of anyone who was prepared to help us—individual citizens, concerns, companies and others. Shri Masani was one of our best helpers in those days,

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especially in money matters, because he lived in that big industrial sector at Bombay.

I merely wanted to say that because the views of the parties are set, it is left to the companies or concerns to contribute to any party with whose ideology they agree. To say that because a party takes money from a person, it is influenced by the opinion of that particular person or set of people is hardly fair. I cannot go into individual cases. Sometimes names of industrialists are mentioned. Our policies are clear before the House and the country. I know how unhappy the capitalists feel with our policies, our programmes and our way of doing things, either in the abolition of zamindari, or nationalisation of different industries or life insurance. I need not quote instances, but it is obvious that we have certain views on important matters, political as well as economic and we have pursued our objective without fear of any kind, without fear of any group or set of people.

In this case, I would like to quote what Justice Tendulkar said. It is relevant to what I said about the views of political parties and the influence it has on others. Justice Tendulkar drew a line of distinction between supporting a candidate or party with whose policies the company was in substantial agreement, 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. So, it is a distinction worth considering and understanding. To give publicity to the amount of donation to political parties, the Judge said, was a wholesome safeguard against the tendency to corrupt political life in the country. This decision was later on agreed to by Chief Justice Chagla and Justice Desai, who observed that a company could contribute to the funds of political parties if in its opinion such parties serve the industry in general and the industry of the company in particular.

I may add that money does play an important part in the elections, but I must also say that at least for some years to come in India, large sums of money with the political parties may be found somewhat disadvantageous, for, as the House is aware, the people are in a way allergic to large money. Our general average of income is so low. So any party, at least a broad-based party like the Congress, if it really wants to prove effective, will have to depend more on small collections than on large collections. But as I said, I do not want to hide the fact that if big contributions are made, they need not be refused. But the Congress Organisation has to depend more and more on smaller contributions. We have done so before and we hope we will do so in future.

There is one more point to which attention was drawn by the Sastri Committee. The Sastri Committee said that there are many matters concerning the elections, etc., which should be dealt with in some election law and not in any law or rules or regulations under the company law, because the scope of the company law in that regard is somewhat limited. I shall quote what the Sastri Committee had to say:

"Whether lobbying and financing of political parties or candidates for elections should be prohibited in the interests of the public is a broad question of public policy. It has been the subject of special legislation in America. The case of companies could not be considered in isolation and contributions from other sources such as bodies corporate, partnerships, societies, trusts, trade unions and even from individuals might have to be regulated or prohibited by a comprehensive enactment. This, however, is a matter which falls outside the scope of the Companies Act."

In foreign countries, these matters often form the subject-matter of election laws or rules. So, I do hope that

the House will appreciate the viewpoint I have placed before it. And, if hon. Members feel that some of these matters are important and should be placed somewhere on the statute-book, they can discuss them in connection with the law concerning our elections.

As I said in the beginning, I would like to say something about Government companies, about which there is an amendment from Shri Masani. He has not pressed it....

Shri M. R. Masani: I have pressed. I have moved amendments Nos. 78 and 79.

Shri Lal Bahadur Shastri: I have seen that amendment and I feel it is an important matter, so far as contribution by Government companies to any political parties is concerned. As Acharyaji said, there are two categories: Government companies and statutory corporations. A Government company means any company in which not less than 51 per cent. of the share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government or partly by one or more State Governments. A statutory corporation is like the Life Insurance Corporation or the Industrial Finance Corporation. They are entitled to carry on only such business as is expressly laid down in the Act setting up the Corporation. Naturally, the provisions laying down the functions and the powers of a statutory corporation do not contain any specific authority to contribute to political funds, though such Acts usually contain a residuary clause on the following lines—I am quoting—

“to do all such things as may be incidental or conducive to the proper exercise of any of the powers of the corporation”.

14 hrs.

It may be assumed that a statutory corporation like the Life Insurance Corporation, State Bank of India, the

Industrial Finance Corporation or a State Finance Corporation does not have any specific authority to contribute to any political funds. Further, most of these statutes contain provision empowering Government to give directions to the corporation in matters of policy which the corporation is bound to carry out. For example, section 18, sub-section (1) of the State Bank of India Act is as follows:

“In the discharge of its functions, the State Bank shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Governor of the Reserve Bank and the Chairman of the State Bank, give to it.”

Section 39, sub-section (1) of the State Financial Corporation Act, 1951, lays down that:

“In the discharge of its functions the Board shall be guided by such instructions on questions of policy as may be given to it by the State Government in consultation with the Reserve Bank.”

Lastly, all these statutes confer the usual power on the Government to frame rules to carry out the purposes of the Act. It will be observed from what I have said just now that from the point of view of political contributions the statutory corporations are not likely to give rise to any difficulty and that they will not make any political contributions for any political purpose. About Government companies, in fact I have made it clear in the Joint Committee itself that Government have full control over the management of such companies. Further, the articles of most of these companies incorporate provisions empowering the President to issue such directions and instructions to the company, from time to time, as may be considered necessary. For example, article 139 of the Articles of

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Association of the Heavy Engineering Corporation Limited is as follows:

"Notwithstanding anything contained in any of these articles, the President may, from time to time, issue such directions or instructions as he may consider necessary in regard to the affairs or the conduct of the business of the company or the directors thereof and in like manner may vary and annul such directions or instructions. The directors shall duly comply with and give immediate effect to directions and instructions so issued."

So, obviously, a Government company will not be in a position to make any contribution to any political fund.

Shri M. R. Masani: Then why not accept amendment No. 78 and close the door?

Shri Lal Bahadur Shastri: In fact, it is not necessary to provide it in the law, because usually the Act provides only a directive from the President.

Shri M. R. Masani: I am talking of private limited companies to whom the door is still open to make contributions. Why not close that door? Even in the case of Government companies, the Minister would appreciate that if the Government do not give a direction stopping the Government companies from making a contribution they would be entitled to do so by a resolution of the board of directors.

Shri Lal Bahadur Shastri: There are two or three ways in which we can prevent it. As I said the first thing is the President's directive. The second point which has to be remembered is that all the directors of the board are Government directors, a majority of more than three-fourth or 90 per cent.

Acharya Kripalani: They will do what the President says.

Shri Lal Bahadur Shastri: The Financial Adviser is also one of the directors of the Board. (*Interruptions*) If you will kindly give me some time I will explain the whole position. Then, under section 620, if at all we feel it necessary, we can lay a notification in this House and prohibit any kind of contribution by those concerns. The point is: is any amendment necessary here? That is not necessary. That is point No. 1. Secondly, no amendment in section 620 is called for. Then, I am making this policy announcement that no Government company or any statutory corporation will make any contribution to political parties or for any political purposes. For that purely a directive from the Government will be more than enough.

Shri M. R. Masani: Does he not appreciate that he is not a permanent Minister? He is a member of the Cabinet and in a democracy Governments change? We want to bind future Governments also to this directive.

Shri Naushir Bharucha: May we take it that this is a policy announcement of the Government in this House?

Mr. Deputy-Speaker: Surely. This is not being made secretly at a meeting. It is being recorded and shall remain till eternity. The future Governments also shall be bound by it.

Shri Nath Pai (Rajapur): Future Governments can be bound only by statutes. Only law is binding.

Mr. Deputy Speaker: Even laws can be amended by them. If some other Government want to throw them out, certainly they can do that. In any case, this is an assurance.

Shri Lal Bahadur Shastri: It is a definite statement and action will be taken accordingly.

Acharya Kripalani: The Swatantra party may come and sweep over the elections.

Mr. Deputy-Speaker: If that happens, they can amend the law.

Shri Lal Bahadur Shastri: I was going to say that there are concerns in the States also which are controlled by the State Governments. In their case, naturally, we will have to take up the matter with the State Governments and I have every hope that they will fall in line with the policy I have just now enunciated.

The second point is about the ceilings on political contributions. Shri Masani has stated a number of times that some kind of ceiling should be imposed. I did give considerable thought to it and I also share the view that some kind of ceiling should be imposed. So far as clause 98 is concerned, which refers to "Rs. 25,000 or 5 per cent of the net profit, whichever is greater", well, I do not accept any change to be made in that portion. So far as the general body meeting is concerned, as Shri Masani has stated, they are free to give up to any amount and they can make any contribution with the approval of the general body meeting. A draft is just being prepared and if you will give us a few minutes, it will be finalized and I shall place it before the House. My purpose in bringing forward this amendment would be to see that complete freedom to the general body to make any contribution for any political party should not be there and we should impose some restrictions.

I personally want that there should be full restriction in so far as contributions to political parties are concerned. For charitable and other purposes they should be free to make any contribution. There should be no limit on that. But in so far as political parties are concerned, I feel that

there should be full control, that is, they should not with the approval of the board of directors go above what is provided for in clause 98.

Shri Tangamani: May I make a submission while he is on that point? If the limit of Rs. 25,000 or 5 per cent is not amended, a position will arise when without the approval of the general body they will be in a position to contribute more than Rs. 1,00,000 or Rs. 2,00,000 for political parties.

Some Hon. Members: No, no.

Shri Naushir Bharucha: We will see the amendment.

Shri Lal Bahadur Shastri: I will place the amendment before the House. I will clarify the position. If I might make it clear, clause (e) of section 293 in a way becomes the ceiling. Even the general body meeting will not be allowed to exceed the amount which has been mentioned in clause (e) of section 293 for political parties.

I have taken much time of the House and do not want to take more. I would merely request Shri Masani and other hon. friends to keep political considerations aside at least for the time being. They have made enough speeches and enough criticism. Let this matter be considered objectively. It would be advisable to face realities and then judge whether what I have just now suggested does go some far at least to satisfy the hon. Members. But, anyhow if even this does not satisfy them, I cannot go beyond what I have said.

I might only add that there is no whip as such and it would be most advisable to leave the decision on this matter to the House itself. Let the House decide. In so far as we are concerned, we would very much like to go by the decision of the House itself.

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This is the amendment. I beg to move:

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(a) after line 25, insert—

“(iii) in clause (e), the following proviso shall be added at the end, namely:—

“Provided that any amount which may after the commencement of the Companies (Amendment) Act, 1960, be contributed in any financial year (whether by any such company or by its Board of directors with or without the consent of such company) to any political party or for any political purpose to any individual or body, shall not in any case, exceed twenty-five thousand rupees or five per cent. of the average net profits of any such company as determined in accordance with the provisions of sections 349 and 350 during the three financial years immediately preceding, whichever is greater.”;

(b) in line 26, for “(iii)” substitute “(iv)”. (126)

Acharya Kripalani: Whichever is less or greater?

Shri Lal Bahadur Shastri: Whichever is greater. That is what is already provided there. The same clause is there, but the general body meeting can exceed that figure.

As I said, these are the two proposals which I wanted to place before the House. I think with these two alterations we will be taking further steps to bring about proper regulation and control of political contributions.

Shri M. R. Masani: Will the hon. Minister be good enough to state his position in regard to the amendments moved by Shri Bharucha, myself and others—Shri Morarka and Shri Nathwani—which deal with immediate publicity to such contributions so that they are made before the elections and not afterwards?

Shri Lal Bahadur Shastri: I do not see much force in them because that is purely political. The purpose is only political and nothing else. The point is that when contribution is made it should be disclosed and the people should know which party has given it.

Shri M. R. Masani: In time.

Shri Lal Bahadur Shastri: There is no question of ‘in time’. There will be five years for the giver as well as the taker and for people to know during those five years as to who has got the money and then decide about casting their votes to a particular individual, group or party. Therefore I am sorry to say that I am unable to accept that amendment.

Shri Braj Raj Singh (Firozabad): If there is no force, why not accept them?

Acharya Kripalani: Mr. Deputy-Speaker, Sir, I had no intention to take part in this debate excepting for this clause. I am very sorry that my opposition to this clause, so far as contributions to political parties are concerned, is greater after I listened to the hon. Minister’s very elucidating speech. I did not think that this clause was so dangerous before he had spoken than what I think of it after he has spoken.

It is historically a fact that such kind of contributions bring into dis-grace democracy. It is these contributions that made the Communists say that democracy is capitalism. They always say that democracy and capitalism go together. They cannot be separated. I am afraid the speech of

the hon. Minister has confirmed the idea that they cannot be separated.

Democracy came into disrepute because it allied itself with big business. We are now deliberately allying it with big business. The big businessmen did not, in England or in America, conduct the government of the country. They only conducted the government and the country through their agents. Who were their agents? The Government became their agents. Now definitely this clause makes this Government the agent of the capitalists. They invite them (the capitalists) to make contributions so that they may come into power and retain power. Not only it is against democracy, but because it is against democracy it is also against socialism. A socialist government inviting capitalists to make contributions to party funds appears such an absurdity that it could only have occurred to the Congress ministers and to nobody else because they talk of socialism but they do not believe in socialism. Maybe, the hon. Prime Minister may be believing in it, but I do not think any other hon. Minister believes in it. Believing in socialism they want funds to be provided to them for election purposes by private business and by corporations, not only by individuals!

Wherefrom does that money come? They say that it is the company's money. The other day a young capitalist was arguing that it is the shareholders' money. I say that no money belongs to anybody but to the public. It is neither the shareholders' money nor is it the capitalists' money. It is public money. All production in the world today is social production. If anybody takes more than his share, he is a thief. That is what Gandhiji taught. It is not that the profits of a company belonged to the shareholders and to the capitalists. We the consumers are also interested in it. If money is given to political parties, if money is given in order to keep a Government in power, then, I say, we are being cheated. It is our

money also. To say that the money belongs only to the company and its shareholders is not true today. Today, no company can function excepting there is Government, excepting there is the police, excepting there is the telegraph department, excepting there are roads and railways. All these things are social constructions. Nobody can today say that this or that is his private property. The company's private property is not its property. It is also national property.

Apart from that, what is the contribution?

Shri Nathwani (Sorath): I am sorry to interrupt. May I ask a question? Is this legislation, the Companies Bill a product of the agents of the capitalists? Can such a piece of legislation be the product of the agents of the capitalists? I mean the present Bill. I want to know. (*Interruption*).

Acharya Kripalani: I can answer that. What I say is, this may be the production of a Government that is not the agent of the capitalists. But, this clause makes it the agent. This is the clause by which they are going to spoil the whole effect of that. This makes it the agent. Otherwise, why should it be like that?

We must remember that capitalists in England and America never conducted the Government. They had not the time to conduct the Government. They were busy about making money. Making money is a whole-time business. So is politics or love-making. You cannot divert your attention to anything else. But, they had their agents whom they paid. Who were their agents? The Government were their agents. Therefore capitalism and democracy came to be identified. This is the historical view of the whole thing. It is on that ground that the communists have identified democracy with capitalism. I do not want our democracy to be identified with capitalism so that my hon. friends (communists) here might

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have an advantage. I want these two ideas, capitalism and democracy to be kept separate. They have nothing to do with each other. I know the Founding fathers in America said that if wealth begins to increase and there is disproportionate wealth with different classes, then, democracy will be destroyed. I believe in that.

I also believe that there is no difference between honest democracy and socialism. You are neither honest democrats nor are you socialists. You want to cut at the root of it. Why do you want to cut at the root of it? I remember, the great Yudhishtira was asked, what are the most curious things in the world. One of the things he said was, we see everybody dies, but we believe that we are going to be immortal. This Congress Government is every day dying. Yet it thinks it is immortal. It wants to create conventions which would stand in its way when it would be in the opposition. What will they do at that time? They would want the ruling party to go on getting funds then? This is strange behaviour of a party which cries from the housetops that it is a socialist party. I say it is not even a democratic party. This injures even democracy, not to talk of socialism.

Shri Radhelal Vyas (Ujjain): Which party you think to be democratic or socialist. You have left the P.S. party as well.

Acharya Kripalani: It is a very queer question to ask when I have said that I belong to no party. I have never spoken in this House but as a non-party man even when I was in a party. When I was in the Congress, I told this Government, because there was a scandal about sugar, because a Minister in the U.P. had written to every sugar dealer.....

Shri Tyagi (Dehra Dun): The U.P. may not be brought in.

Some Hon. Members: Why not?

Pandit K. C. Sharma (Hapur): An absentee man need not be accused.

Acharya Kripalani: It is in the proceedings of the House that there was a letter—a facsimile letter was published in the press by which the Minister had asked—I am not giving the name of the Minister; the sugar dealers were asked to give so much money on every bag of sugar that they sold. This is a fact. On that occasion, I was in the Congress, I said, "please govern or get out."

Shri Tyagi: It was an appeal.

Acharya Kripalani: It was not an appeal. It was a letter of coercion, exercised in getting money for a political party in power. This is vitiating democracy.

Shri Tyagi: For a good party.

Shri Naushir Bharucha: You are not the Minister, I hope.

Mr. Deputy-Speaker: Order, order.

Acharya Kripalani: These funds are collected, by the bosses. It is not every Congressman that gets funds. When these bosses collect funds, they put their pressure upon individual members. Today, individual members cannot afford all the money that is needed for the election. They have to rely upon the party. What is the meaning of the party? Party means party bosses. How do you know that the party bosses would always be honest? Some of them pocket some of the money they get. I know that. This does not happen in one party. In every party there are people like that. Why should we have such a thing that money is asked for election purposes and some Johnny puts it in his pocket and gets away with it? No accounts are kept for these election funds at all.

Mr. Deputy-Speaker: That may be socialisation.

Acharya Kripalani: It may be socialisation. That is not the only mischief. The greater mischief lies in that the independence of the Member in Parliament or in the Assembly is hampered. He has got funds from the party. He has been able to fight, he is able to succeed on account of the funds that he got from the party. He is therefore, under the party bosses. He dare not vote on anything according to his own conscience, but according to the conscience of the boss who has already sold his conscience.

There is another defect. There is a limit to the expenses of a candidate. There is no limit to the expenses that may be spent on behalf of an individual by the party. An individual may be entitled to spend Rs. 5000. But, the party may spend upon him Rs. 50,000. There is absolutely no limit. Therefore, a party requires funds. The Minister tells us that elections are a very costly business and the expenses are very heavy. If the expenses are heavy and the party does not get funds from these money bags—I am very sorry to use the expression; from the capitalists—if they do not get funds from the capitalists, candidates will stand on their own merits. Today, nobody can stand on his own merit. He requires funds. In a poor country like ours, we should try to make elections as cheap as possible. But, the Minister takes advantage of having made elections expensive and gives that as a reason for collecting funds from doubtful quarters.

Shri Lal Bahadur Shastri: Great men like you even cannot stand on merits.

Acharya Kripalani: This is because money counts. It is said that taxation is heavy. Individuals, therefore, do not pay! Individuals may like a party, they may not like a party. They are free to pay. The Minister says, they do not pay on account of heavy taxes. What is the meaning of this? It

plainly is, whatever is being paid by a company is being paid from the pocket of the Government. That means, from the pocket of the public. Otherwise, they would pay from private funds? They say plainly that the taxes are heavy. Whose money is then paid? When a company pays Rs. 1,000 or Rs. 5,000 or Rs. 20,000, more than half comes from the Government.

Shri Somani (Dansa): Political contributions are not exempted from tax. A company pays from its own funds and not on account of the Government. The Income-tax department does not allow any deduction.

Acharya Kripalani: Then, from the consumers' pockets.

Shri Tyagi: The rate of tax on companies' contribution is less than the rate of tax on individuals.

Acharya Kripalani: There is a difference, is it not? I do not know much of this commercial business.

Shri Morarka: Your general points are all right.

Acharya Kripalani: Here is a young capitalist who is supporting my point of view! Then we are told about the High Court judgment. I was taken by surprise, a Minister quoting High Court judgments. High Courts give judgments on specific issues, they do not take up the political question. Here we are dealing purely with a political question. If you ask the High Court to give judgment on a political question, you will be told that you are out of court. The High Court will say they have nothing to do with it, they only interpret the laws.

You, Sir, have been a High Court Judge. You know that a judgment is confined within certain limits.

Mr. Deputy-Speaker: I am glad that at least in this I have been addressed directly!

Acharya Kripalani: I was all the time addressing you, because the Ministers are past hearing. Why should they hear? They can listen to nothing than what they say.

Shri Lal Bahadur Shastri: I am listening all right. If Acharya wants that I should interrupt him once or twice and then alone he would feel that I am listening, I am prepared to do so, but I am listening to him all right.

Acharya Kripalani: It is the privilege of every Member to interrupt anybody.

Shri Lal Bahadur Shastri: That is true, but I do not want to do it in your case.

Acharya Kripalani: You may do it, it is all right. It is your privilege. I cannot deny you the privilege which I myself exercise so often.

So, no political reference was made to the High Courts. The judgments on the limited reference is also very significant. It shows how the mind of the High Courts was working. I would not like to analyse it further than that.

The Minister has also told us that it is not money that corrupts, it is not only money that corrupts; there are a thousand and one things that corrupt an individual. But here we are talking about this particular act. We are talking about the money that a political party gets from the companies. We are not talking about other things. People are corrupted by very smooth faces, and all that, but that is not the question here. We are not talking about that kind of legislation. We are talking about the monetary point of view. So, it is no use saying there are a thousand and one ways of corruption. I may be under the thumb of my wife and I may get corrupted; somebody may be under the thumb of his father and he may get corrupted; there are a thousand and one ways, but I would remind Shri Shastri that we are not legislating about all cor-

ruption, we are only legislating about this corruption.

Then the Minister tells us very smoothly, a member of the Government, that there will be indirect methods. If there are indirect methods of corruption, what is the police for? What is the Minister for? Does he go to sleep? Can he not catch thieves because they happen to be commercial thieves? Commercial thieves are also thieves. If the Government is so incompetent, then it might as well give up the ghost. If there are other ways that the companies employ in giving funds indirect ways, it is for the police to investigate. If there are other loopholes, those leaks also must be plugged. Whenever they come to view, they can be plugged. And even then, when all of them are plugged, there will be clever people who would be able to do something or the other which is fishy. If they are to do it, then the laws must proceed against them.

Shri Tyagi: What he meant was that if other parties came to power, they might practise other ways.

Acharya Kripalani: Other parties may practise other ways, but we are concerned with this party practising these ways. We are not thinking of what will happen tomorrow. This is a particular Bill brought by a particular Government, and that Government knows how it is going to affect us.

Mr. Deputy-Speaker: I will request the hon. Member now to be very brief, because time is limited.

Acharya Kripalani: As brief as the Minister was.

Mr. Deputy-Speaker: All cannot become Ministers.

Acharya Kripalani: But at least they can rival with them. I will come very near it. Then the Minister says we are not afraid of the capitalists. May I remind the Minister, it is not

they who are afraid of the capitalists, but the capitalists are afraid of them, and therefore they give them funds. He says they abolished the zamindari etc. They can also abolish capitalism, and because they can abolish capitalism the rich capitalists are afraid of them. It is not a question of Government's fear. It is a question of those poor people fearing that their business may disappear at any time, and they have got to give contributions to you. **दोर कौतवाल को डडा**

The fear is on the other side, and he says they, the Government, are fearless. Of course, you are very fearless, wherefore the agitations for linguistic provinces! You are very fearless, there is no doubt about it.

He (the Minister) says the smaller collections are very good, that a popular party should rely upon smaller contributions. I entirely agree with him. Then why not rely upon small contributions from individuals? That would make the party more respectable, that will help the party, that will strengthen the party. Unfortunately I interrupted the Minister, but I would again remind him that before independence we ran the whole Congress machinery without any capitalist giving us a single pie.

Shri Lal Bahadur Shastri: I still refute it, and most positively.

Acharya Kripalani: I am coming, you listen to me. Let me finish the sentence. They did give funds to the parliamentary parties.

Shri Lal Bahadur Shastri: No, Sir; to the Congress organisation, and I can also.....

Acharya Kripalani: I was the General Secretary of the Congress, and I ran the Congress with the money that was collected by the President, and that also occasionally. It was run by the four anna membership and the contributions made by the provinces.

Shri Lal Bahadur Shastri: No, Sir. We used to do both—small collections

as well as big collections. We have always done it, and we have never hidden that fact. Even in the collection of Rs. 1 crore for the Tilak Swaraj Fund.

Mr. Deputy-Speaker: That is not very material to this clause.

Shri Tyagi: That was mostly from evaded income on which they did not pay income-tax, and they gave it out of books, and therefore those collections were not taken into account.

Mr. Deputy-Speaker: I suppose this is not very material for taking a decision on this clause.

Acharya Kripalani: It is very material because this thing has been said so often. Capitalists used to contribute to the legislative fund, only to the legislative fund, and I make bold to say they contributed to the legislative parties.

Shri Lal Bahadur Shastri: Quite wrong, absolutely wrong.

Acharya Kripalani: I am giving my views. It is open to the Minister to say that I am wrong.

Shri Lal Bahadur Shastri: It is a question of facts, not views.

Acharya Kripalani: It is a question of facts which I am likely to know better than he does.

Shri Lal Bahadur Shastri: I also claim to know not less than Acharya Kripalani.

Acharya Kripalani: I suppose you were not the General Secretary.

Mr. Deputy-Speaker: I would not allow this to continue indefinitely. He has made an assertion, the hon. Minister refutes it. He might proceed further now.

Acharya Kripalani: I was proceeding further. I simply said that before

[Acharya Kripalani]

independence there were contributions made to the legislative parties. Why? Because in those days capitalists wanted protection, and what that protection was I know very well. But so far as the Congress was concerned, I can only say that even when capitalists gave money to Gandhiji for his personal expenses, never for politics. And I challenge anybody to disprove this point. Why should the new Congress malign the old Congress?

Shri Lal Bahadur Shastri: You are not the only old Congressman. We are also old Congressmen. Very unfair.

Acharya Kripalani: I only say that people are falling into the very charge that was made by the British Government, saying that the Congress was a capitalist organisation. It was never a capitalist organisation. It was never supported by the capitalists but today.

Shri Tyagi: Hear, hear. It is a very good augury that he is supporting the Congress. I welcome him.

Mr. Deputy-Speaker: I have already requested the hon. Member to move on to his next argument, but he is again labouring the same point.

Acharya Kripalani: I am sorry.

Mr. Deputy-Speaker: He promised to move on to his next point.

Shri Tyagi: His sweet heart is in the Congress; his heart is in the Congress.

An Hon. Member: What is this personal reference?

Acharya Kripalani: Then, we have been told that there are companies that are called statutory corporations. They will also have freedom to give.

Shri M. R. Masani: Private companies owned by Government.

Acharya Kripalani: All right, private companies owned by Govern-

ment. I always held that there are no such things as State enterprises but Government enterprises. Now, I see that there are companies that are private and are also governmental, and they will be able to pay; they will carry out the instructions of the President. Now, the President may be of any type. We have got a very distinguished person as our President, and a person who is known for his high character. But, looking round the world, we do not see that all the Presidents are very desirable persons.

An Hon. Member: Like Kasavubu.

Acharya Kripalani: I have seen that in many countries that the Presidents are just, if I may say so, dictators, and they do not always look to the interests of the poor. And when the President gives an order, then, the small man in the office will not be able to go against it and do according to the fair position that should be occupied in this matter.

I am very sorry I have annoyed my young friend with whom I have had very sweet relations from the earliest times, but I have got unfortunately to do a duty.

I shall only conclude by saying this. When all the political parties are against it, including the party which is wedded to private capitalism, why does the Congress insist upon this? There must be something in it. कुछ

दाल में काला तों होगा, भाई । There must be something in it. Why do the Government insist upon a thing which is undemocratic, which is un-socialistic, which gives them a bad name and which is not necessary? You do not want to get advantage from the money that you get from the capitalists. Then, why do you want it? There must be something in it that makes you so anxious, that makes you so excited that you do not like me even to condemn it. There must be something in it; the Congress must be getting some advantage.

So far as advantages are concerned, I am very sorry to say this; I have to mention that there are some other advantages also which the Congress Governments get at the time of elections. They use official phones; they use official cars. I remember a story that a Minister told me, and he wanted to show me his honesty, and he said, 'I never went to any election meeting in car.' I asked him, 'Then, how did you go?'. He said, 'I went to that town in a car, but I went to the meeting on foot.' He had kept his official business in that town, and he went in the official car, but he told me how honest he was that he went to the meeting on foot. One wonders at this kind of honesty. What a high-class honesty that you go to a place where you have to speak for a candidate, in this manner!

Then, a Minister is put in charge of all the elections. I say, a Minister. Then, there is the Prime Minister; I am very sorry that he is not present here, but what can I do? That is my misfortune, and to a certain extent, his too. He goes in 'planes', during election times and these 'planes' belong to the military; and he pays money, but if I pay money, I cannot get that plane.

This is not fair elections, this is not free elections; this is not democracy; this is *Congress raj* as you conceive it, not as the nation would want it. I am, therefore, strongly against this clause and even the limitations that they put are only an eye-wash.

Mr. Deputy-Speaker: Now, Shri M. R. Masani.

Shri M. R. Masani: Having spoken on the second reading just a little while ago, I thought I should speak a little later. If however you want me to speak now, I shall start.

Mr. Deputy-Speaker: Then, I shall call some other hon. Member. Shri H. N. Mukerjee.

Shri H. N. Mukerjee (Calcutta—Central): **Mr. Deputy-Speaker,** Sir,

I am glad that Acharya Kripalani has introduced a whiff of fresh air into this House where a certain turgid atmosphere had begun to settle over the discussion of the clauses of the Companies Bill.

I am glad also that he has referred to the traditions of the Congress, which at one time, as we all know, was the undisputed spokesman of the people's will, and he has told us how the approach to the people used to be in a very different manner from what we see today suggested in the speech of the hon. Minister and also in the actions of the party in power.

I have heard my hon. friend Shri Lal Bahadur Shastri, and though, with much hesitation, he has unbent ever so slightly, he has not conceded the position, and I agree entirely with Acharya Kripalani that there should be a ban, as far as our law is concerned, on the contribution to the coffers of political parties from the companies.

I know very well that it is not necessary, nor is it proper to repeat at the arguments which have been used before, but I could not appreciate either the politics or the economics or even the ethics of what the hon. Minister has proposed. There is no doubt about this, and this is most elementary, that part of the corporate funds would be diverted by majority vote to the coffers of one political party or the other. The political party favoured by the majority of people who control these corporate funds would be the beneficiary, and this, I feel, is opposed to every canon, not only of political morality but also of normal business.

Acharya Kripalani has said how he has wanted in this country to see the back of capitalism and to see democracy go ahead. I am sure he knows that the quantity of democracy brings about a change in the quality of democracy, and at one time, there could be a conjunction between capitalistic forces and a sort of democracy, but by today, the

[Shri H. N. Mukerjee]

condition of things is such that capitalism and democracy cannot coexist, and we have to have a socialist democracy; whether you have it by methods which might be described as revolutionary or by other methods is a different proposition. But, if we are going to have a real change in the quality of democracy, surely, the control which capitalist interests have over different aspects of our life has got to be removed; the taint which might come from big money interests into our political life has got to be pushed out. And I do not quite understand why this sort of indulgence continues to be given to people who are in control of big money, and who can finance the expensive elections to which reference has been made by the Minister. I do not know why today when we find in our Plan, what is called in present day parlance the 'U-sector' is becoming so very important, and this 'U-sector', a kind of elite, a kind of aristocracy is going ahead in such a way that the priorities in our Plan are being disturbed, the people who are at the top, financially speaking, are individually not ready to see a miserable hole in their pocket. They might be very friendly towards the Congress Party or any other party, but they are not friendly enough, nor enthusiastic enough, nor devoted enough, for ideological considerations, in order to pay out of their own private resources. As members of the 'U-sector' in society, they get all sorts of things, houses, travelling expenses, refrigerators, and all kinds of gadgets paid for. I am sure all these people who travel in our airlines and all that usually do not pay out of their own pockets but out of company funds. Now, even for the sake of having the satisfaction of supporting their own favoured political party, they are not ready to put their hand in their own individual pocket; they do not like a hole in their pocket; they want to pick the pocket of the shareholders; they get the corporate funds and they pay to the political party they like. This is a kind of thing which should not be permitted.

Here is a class of people who are taking every advantage of the lacunae in our building of a socialist society. We are building it so badly that we are not building it at all, and it has become almost a pathetic fallacy, the attempt to build socialism in the way that the Congress Party is proceeding. But the result is that today they have to depend even for the purposes of running their own party and of working their parliamentary apparatus, on the good grace and the favours of people with big-money interests who control the purse of these corporate funds. That was why on the last occasion in 1957, as I have said before in this House, the Congress Party did not hesitate to receive from Tatas Rs. 10,30,000—and I do not know how much they are going to expect in 1962.

Now, this is a kind of thing which should be stopped, and I am very happy that Acharya Kripalani has raised some very fundamental questions. How are we going to face our people? At election time, what do we do and what do we tell them? I remember—I can repeat it here because Acharya Kripalani has referred to something of that sort—every time I have gone to electioneering meetings, I have asked not only for votes for the Party to which I belong; I have also asked for money from the people. I have said, as a matter of contrast, so to speak, that there are certain parties who go and offer money to the people, whereas we ask not only for their votes but also for their labour and for their money.

So we ought to be in a position to mobilise the enthusiasm of our people in such a way that for election purposes we would not have to depend upon the large mammoth contributions made by the big-money interests, but we should be able to say that we go to our people, we make pice collections, we go to everybody in our country and get as much as we can. And if there is enthusiasm, there

would be the people coming forward in order to see that at election time their favourite Party does not lose.

My feeling is that the tragedy of the Congress Party is that it has lost its ideology. The tragedy of the Congress Party is that being in power, it is no longer in touch with the people, being in power and enjoying the glories of pomp and upholstered comfort, it does not go to the people and talk to them in their own terms. That is why they do not create enthusiasm in the hearts of our people. They do not like that glow of freedom in people's hearts which would solve all the problems about which Shri Lal Bahadur Shastri, as the person in charge of the election mechanism of his own Party, is today worrying so much.

That is why it is very important that we should go back to our fundamentals, to the desirability of taking such steps as would ensure the purity of our political life, to see that we again mobilise the emotion of our people in the service of whichever ideology we hold. That is why I feel that there should not be anything in our law which would help big-money interests to have their own lousy finger in the pie of our national politics. That is why I say any effort by the backdoor, directly or indirectly, any effort to see that these big-money interests are enabled to entrench themselves in the country and its administration should be stopped. That is why I support entirely the stand which Acharya Kripalani has taken. I am very sorry that after having promised us earlier something much more substantial than what Shri Shastri has said, he has today offered us something which we cannot accept as satisfaction for the demand which has been put forward by all the different Opposition Parties together.

श्री राम सिंह भाई वर्मा : उपाध्यक्ष महोदय, उद्योग में से या कम्पनियों में से अगर उनके सिवाये, जिनका कि उद्योग से

डायरेक्ट सम्बन्ध है, किसी और को कोई रकम दी जाती है, तो उसका मैं विरोध करता हूँ। मैं अपने अनुभव की बात करता हूँ, किसी की सुनीं या कही हुई नहीं। प्रश्न यह है कि लेने वाला जितना धातुर नहीं है, उतना देने वाला धातुर क्यों है। मैंने देखा है कि कारखानों की आर्थिक हालत खराब होती जाती है और देने वाले ऐसी हालत में भी चूकते नहीं हैं, लेकिन जिनका डायरेक्ट सम्बन्ध होता है और जिन को अपने पसीने की कमाई में से कुछ मिलना चाहिए, उन्हें कुछ नहीं मिलता है। इसलिए यह एक सवाल विचारणीय है। मुझे तो यह देखकर बड़ा आश्चर्य होता है कि यहां हाउस में हमारे विरोधी पार्टी के साथी कांग्रेस का नाम लेकर कांग्रेस के ऊपर हमले कर रहे हैं, जैसे वे गरीब तो कुछ जानते ही नहीं हैं और उन्होंने कुछ छुआ ही नहीं है। मैं यह निबंदन करना चाहता हूँ कि जो कांग्रेस की आपोजीशन पार्टीज हैं, उनको इंडस्ट्रीज में से हजारों रुपये दिए गए हैं और वे इसलिये दिए गए हैं कि कांग्रेस पार्टी से सम्बन्धित आरगना-इजेशन को कमजोर किस प्रकार से बनाया जाये, उसको नीचा किस तरह से दिखाया जाये। यह चीज कोई गुप्त नहीं है, बिल्कुल ओपन है कि एक बड़े नेता को बुलाया गया और पच्चीस हजार रुपए की थैली इंडस्ट्रीज में से इकट्ठा कर के इस लिए दी गई कि यहां रामसिंह भाई का आरगना-इजेशन बड़ा स्ट्रॉंग है और बराबरी के आधार पर इस से डील करना पड़ता है, इसलिए एक राइवल आरगनाइजेशन बनाई जावे और हजारों लोगों की सभा में वे पच्चीस हजार रुपए देते वक्त यह ऐतान किया गया। इतना ही नहीं बल्कि वह पैसा ऐसी हालत में इकट्ठा किया गया, जब कि मेरे यहां कोई कम्पनी प्राफिट नहीं कर रही थी, लास पर ही चल रही थी। पब्लिक में प्रकाशित करने, किसी व्यक्ति या किसी आरगना-इजेशन को देने और बैलेंस शीट में पब्लिश करने के बारे में बहुत कुछ कहा गया है,—

[श्री रामसिंह भाई वर्मा]

लेकिन मैं समझता हूँ कि सोमानी जी अच्छी तरह से ये तरीके जानते हैं कि यह सारे काम किस तरह करने चाहिए।

उप.ध्यक्ष महोदय : किसी खास मेम्बर का नाम लेकर ऐसी बात नहीं करनी चाहिए।

श्री रामसिंह भाई वर्मा : उन लोगों की अपनी आरगनाइजेशन-एसोसियेशन हांती है, जो यह तय करती है कि दो रुपए, चार रुपए या दस रुपए प्रति-लूम इक्ट्टे किय जायें और एसोसियेशन को दिये जायें। उनकी एसोसियेशन किस को वह रुपया देती है, यह किस बैलेंस-शीट में पबलिश होगा। यह ज़रूर मालूम हो जायगा कि फ़लां मिल ने प्रति-लूम के हिसाब से इतनी रकम अपनी एसोसियेशन को दी है और एसोसियेशन का बैलेंस-शीट तो केवल उसके मेम्बरों के लिए होता है, वह आम जनता के लिए नहीं होता है, क्योंकि उसके शेयर-होल्डर्स नहीं होते हैं। एसोसियेशन जानती है कि किस को कितना देना है, कितना नहीं देना है।

मैं यह निवेदन करना चाहता हूँ कि आज के ज़माने में कांग्रेस के मुकाबले में विरोधी पार्टियों को ज्यादा दिया जाता है, लेकिन वे अच्छी तरह से जानते हैं कि लेने वाले इस बात को ठहरा लेते हैं कि हमारा नाम बैलेंस-शीट में नहीं आना चाहिए। वे कहते हैं कि कैसे आयेंगा, हम अपनी आरगनाइजेशन के द्वारा देंगे। ऐसे एक नहीं, कितने ही किस्बे हैं।

15 hrs.

मैं यह निवेदन कर रहा हूँ कि यह देने और लेने की बात क्यों हो रही है। प्राविडेंट फंड के करोड़ों रुपए श्रमिकों को नहीं दिए गए और मालिकों ने जमा नहीं कराये, लेकिन वे इस बात के लिए तैयार हैं कि हम पोलिटिकल

पार्टिज़ को दें। जब प्राविडेंट फंड की बात आती है, तो कोई देता नहीं है। मैं समझता हूँ कि अगर देने वाले किसी अच्छे परपज के लिए देना चाहते हैं, तो वे बकारी के निवारण के लिए, बन्द कारखाने को चलाने के लिए श्रमिकों के वेलफेयर के लिए, मुनाफे के पांच परसेंट या पच्चीस हजार रुपए क्यों नहीं देते हैं। अभी थोड़े दिन पहले उनकी एसोसियेशन में एक सवाल आया, एक साहब की वर्ष-गांठ मनाने के लिए एसोसियेशन पच्चीस हजार रुपए उसके लिये दे। उस समय एसोसियेशन से यह कहा गया कि जब इनकी वर्ष गांठ मनाने के लिए पच्चीस हजार रुपए दिये जा रहे हैं, तो श्रमक नेता की वर्ष-गांठ मनाने के लिए भी पच्चीस हजार रुपए दिये जायें, जब कभी भी बह मनाई जाये—चाहे वह मनाई जाने वाली हो या न हो इस तरह एसोसियेशन दोनों के लिये पचास हजार रुपए निकाले।

मेरी समझ में यह नहीं आता है कि दरअसल यहां पर यह आग्रह या दुराग्रह क्यों हो रहा है कि श्रमक पार्टी को श्रमक रकम दी जानी चाहिये और वह या तो २५,००० रु० हो या प्राफिट का ५ परसेन्ट। एक मुख्य सवाल है कि मजदूरों के बोनस के सम्बन्ध में जब डिमान्ड की जाती है तो उसके लिये ट्राइब्यूनल ने एक फार्मूला ठहरा दिया कि श्रमक प्राफिट हो तो भी बोनस नहीं दिया जा सकता।

उप.ध्यक्ष महोदय : क्या माननीय सदस्य अभी ख़त्म कर रहे हैं ?

श्री रामसिंह भाई वर्मा : मैं ५ मिनट में ख़त्म कर दूंगा।

उप.ध्यक्ष महोदय : अगर ५ मिनट लेने हैं तो फिर कल शुरू करें।