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THE COFFEE MARKET EXPANSION (AMENDMENT) BILL, 1954

Composition of the Select Committee

1. Shri R. Venkataraman—*Chairman*.
2. Shri C. R. Narasimhan.
3. Shri Birendranath Katham.
4. Shri Laisram Jogeswar Singh.
5. Shri Vyankatrao Pirajirao Pawar.
6. Shri Chandrashankar Bhatt.
7. Shri Amar Singh Sabji Damar.
8. Shri Goswamiraja Sahdeo Bharati.
9. Shri Wasudeo Shridhar Kirolikar.
10. Shri Raghavendrarao Srinivasrao.
11. Shri H. Siddananjappa.
12. Shri N. Rachiah.
13. Shri K. Sakthivadivel Gounder.
14. Shri George Thomas Kottukapally.
15. Shri N. Somana.
16. Shri Hem Raj.
17. Shri P. C. Bose.
18. Shri Nayan Tara Das.
19. Shri Bhagwat Jha 'Azad'.
20. Dr. Satyanarain Sinha.
21. Shri Gajendra Prasad Sinha.
22. Shri Baij Nath Kureel.
23. Shri Vishwanath Prasad.
24. Shrimati Ganga Devi.
25. Seth Achal Singh.
26. Shri Har Prasad Singh.
27. Shri Badshah Gupta.
28. Shri K. G. Wodeyar.
29. Shri R. N. Singh.
30. Shri K. A. Damodara Menon.
31. Shri K. Ananda Nambiar.
32. Shri M. D. Ramasami.
33. Dr. D. Ramchander.
34. Shri Y. Gadilingana Gowd.
35. Dr. Indubhai B. Amin.
36. Shri D. P. Karmarkar.
37. Shri T. T. Krishnamachari.

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary*.

Shri A. L. Rai, *Under Secretary*.

(ii)

Report of the Select Committee

The Select Committee to which the Bill* further to amend the Coffee Market Expansion Act, 1942, was referred, have considered the Bill and I now submit their Report, with the Bill as amended by the Committee annexed thereto.

2. The Committee held five sittings in all.

3. The Committee heard the evidence tendered by the representatives of the Indian Coffee Board, Bangalore, and the United Planters' Association of Southern India, Coonoor. The Committee decided to lay on the Table of the House a copy of the evidence tendered *in extenso*.

4. The Select Committee observe as follows upon the principal changes proposed in the Bill:—

5. *Clause 2.*—In order to bring the wording in the clause in line with Entry 52 of List I of the Seventh Schedule of the Constitution of India, the Committee feel that the words "Central control", should be replaced by the words "control of the Union". The clause has accordingly been amended.

6. *Clause 6.*—The Select Committee are of the view that for the proper management of the affairs of the Coffee Board, it is necessary to have a paid Chairman appointed by the Government so that he could devote his attention fully to the problems and affairs of the Board.

The Committee also feel that it is necessary for the development of the coffee industry in the country, that special attention is paid to the Robusta coffee growers.

With a view to assisting the small growers and others connected with coffee production and marketing, the Select Committee are of the view that—

- (i) small coffee growers who own less than 50 acres of coffee estate should be given proper representation on the Coffee Board;
- (ii) a "curer" representing coffee trade interests should be nominated on the Board;
- (iii) the number of representatives of labour on the Board should be increased to four;
- (iv) three persons should represent the interest of consumers instead of two on the Board;
- (v) the number of persons to be nominated by the Government under clause 6, should be increased to three in order to enable the Government to nominate an economist or other competent persons on the Board.

*Published in Part II—Section 2 of the *Gazette of India Extraordinary*, dated the 13th May, 1954.

(iii)

Accordingly, suitable amendments have been made in this clause at the appropriate places.

The Committee feel that membership of the Coffee Board should not debar a person from being elected member of Parliament. In view of this sub-section (5) to section 4 of the principal Act has been inserted in this clause.

7. *Clause 8 (new clause).*—The Committee are of the view that while ordinarily Government may be required to consult the Board before taking any action relating to the affairs of the Board, occasions may arise when Government may not be in a position to do so, and provision to validate such action is, therefore, necessary. The new clause 7A has accordingly been inserted in the Bill.

8. *Clause 21.*—This clause is intended to make certain amendments in Section 48 of the principal Act which deals with the rule making powers of the Government. The Committee have amended this clause so as to provide for the laying of the Rules made by Government under Section 48 of the principal Act as soon as may be after they are made, before both the Houses of Parliament.

9. The Committee feel that, sub-clause (d) which was proposed to be inserted in Section 32 of the principal Act by original clause 18 of the Bill is more in conformity with Section 31 of the principal Act, and that it should therefore be added to original clause 17 of the Bill, and original clause 18 thereof should therefore be deleted. Suitable amendments to the various clauses affected thereby have been accordingly made in the Bill.

10. The Select Committee recommend that the Bill as amended now be passed by the House.

NEW DELHI;
The 26th August, 1954.

R. VENKATARAMAN,
Chairman of the Select Committee.

Minutes of Dissent

I

We are sorry that we are unable to accept some of the important amendments embodied in the Bill, as recommended by the Select Committee, and are constrained to record a note of dissent.

2. In the first place, there does not appear to be any urgency or necessity for this amending Bill. At any rate, it would have been better if this Bill were considered after and in the light of the recommendations of the Plantations Enquiry Committee Report.

3. Secondly, under the Coffee Market Expansion Act, 1942, which is now sought to be amended, the Government of India have ample powers to regulate and control the activities of the Indian Coffee Board. There is also enough scope, under the Act, for the Government of India to initiate through the representative of the Ministry of Commerce and Industry on the Board any measure they deem necessary. Further, under the Act, in the constitution of the Board members nominated by Government, Union or State, outnumber those elected by the coffee growers' associations. The Indian Coffee Board, as constituted under the Act, has been working very satisfactorily, efficiently and responsibly, and has succeeded in a remarkable degree in expanding Coffee acreage and increasing production by restoring stability and confidence to the industry.

4. Judged from all reasonable points of view, the amending Bill appears to be an unnecessary and undesirable interference with the democratic and elective principles underlying the constitution and working of the Board under the Act. To say the least, the provision in the Bill for the appointment of a whole time paid Chairman for the Board, and the provision for the nomination of members to represent various interests of the Coffee industry, particularly the interest of the growers, are most undemocratic and retrograde steps for which there is absolutely no justification of any kind, except the determined will of the Government to have practically autocratic powers over the affairs of the Board and take away the growers' right of free expression and determination in matters which affect them very vitally. Generally, nomination makes the nominee a supporter of the Government. It is fair and just that the producers, who surrender the whole of their produce to the Board, should be allowed to have their interests safeguarded by their elected representatives, who command their confidence and respect. If the Coffee industry is to develop, the willing and free co-operation of the growers is quite essential.

5. Coffee is not an essential food article. Its consumption in India is small. The Coffee Growers generally, have no other source of income. The cost of production is high. The yield of Coffee very much depends upon the vagaries of the monsoon. Unless the grower is

assured of a reasonable income over his cost of production, he will not be able to purchase the necessaries of life for himself and his family. It works as a great hardship on the Coffee growers, if only Coffee is subjected to stringent control while all other essential commodities are left untouched. The cost of production of Coffee must be determined fairly and impartially.

6. The practice of clothing the Chairman of the Board with executive powers, which the amending Bill provides for, is highly injurious to the interests of the Coffee industry. For a proper and efficient working of the Board it is necessary that the Chairman and the Chief Executive Officer should be separate persons.

7. Taking the above factors into consideration, we are of the strong opinion that the Chairman of the Board must be elected by the members of the Board from among themselves, that he should have no executive powers and that the various interests of the Coffee industry should have elected representatives on the Board, particularly so in the case of growers' interest.

8. We are glad that the Select Committee have thought fit to recommend the insertion of a new section 6A, after section 6 in the principal Act, to provide for consultation with the Board before the Government takes any action touching the affairs of the Board. But the advantage gained by this provision is taken away by the proviso appended to that section 6A. In our view this proviso should be deleted.

9. The question of granting financial aid to deserving Coffee estates out of the funds collected under the Bill is very important. And we hope the Government will evolve very sound principles for the beneficial use of this fund.

NEW DELHI;
The 26th August, 1954.

K. G. WODEYAR,
H. SIDDANANJAPPA,
N. SOMANA.

II

I find myself unable to agree with the report of the Select Committee on two points.

1. The principal Act provides that the Chairman of the Board shall be elected by the Board from among the members of the Board. This provision is now sought to be amended. The Select Committee are of the view that for the proper management of the Board, it is necessary to have a paid Chairman appointed by the Central Government. This change will only serve to bureaucratise the Board and will not in any way make the Board more efficient or more capable of serving the interests of the Coffee industry. The Board, ever since its constitution in 1940, has shown a fine record of work and the Coffee industry has steadily advanced under its careful control and supervision. The fact that the Board has an elected Chairman did not in anyway hamper this progress. I

am, therefore, of the view that the Chairman should continue to be elected from among the members of the Board. When the Chairman is made the Chief Executive Officer as contemplated now, there is the danger of the Government delegating, in effect, their discretionary powers also to the appointed Chairman. To-day if there is a difference of opinion between the elected Chairman and the Chief Marketing Officer the Ministry has to apply its mind to the matter and give proper directions. I see no reason why this wholesome safeguard should now be given up.

2. I cannot also agree to the proposal that the representatives of Coffee growers on the Board should be nominated. The principal Act provides for their election by accredited planters' associations in different Coffee growing areas. It is contended that the small growers' interests will not be adequately safeguarded if representatives are elected and that the Coffee Board will be dominated by big growers who will not generally look to the interests of the consumers. Both these fears are to a great extent imaginary. So far as the work of the Board is concerned, there is hardly any conflict between the small growers and the big growers. Evidence given before the Select Committee has shown that the Board as at present constituted had always taken care to give a fair deal to the small producer. It is also not necessary to give up election in order to give representation to small growers. This can be done by proper rules.

As has been pointed out by the representatives of growers in their evidence before the Select Committee the grower has to surrender his entire produce to the Coffee Board. He has, therefore, a right to demand that his chosen representative goes to the Board to voice his demands and protect his interests. The conflict of interests between the producer and consumer should not also be made an argument for denying elective representation to the growers. Representatives of the growers are only a minority on the Board and theirs cannot be the controlling voice in the deliberations of that body. Moreover, the primary purpose for which the Board was constituted was to protect the grower and to encourage him to expand the industry. There is hardly any necessity for a Board of this nature to safeguard the interests of the consumer. This can be done by price control measures for which the Government have already adequate powers. I, therefore, feel that coffee growers must be allowed to elect their own representative to the Board and the Bill must be amended accordingly.

K. A. DAMODARA MENON.

NEW DELHI;
The 26th August, 1954.

THE COFFEE MARKET EXPANSION (AMENDMENT)
BILL, 1954

(AS AMENDED BY THE SELECT COMMITTEE)

(Words side-lined or underlined indicate the amendments suggested
by the Committee; asterisks indicate omissions.)

A

BILL

further to amend the Coffee Market Expansion Act, 1942.

BE it enacted by Parliament in the Fifth Year of the Republic of
India as follows:—

1. Short title and commencement.—(1) This Act may be called the
Coffee Market Expansion (Amendment) Act, 1954.

(2) It shall come into force on such date as the Central Govern- 5
ment may, by notification in the Official Gazette, appoint.

2. Amendment of long title and preamble, Act VII of 1942.—In the
Coffee Market Expansion Act, 1942 (hereinafter referred to as the
principal Act),—

(a) in the long title, for the words and figures “to continue 10
the provision made under Ordinance No. XIII of 1940 for
assistance to the coffee industry by regulating the export and
sale of coffee and by other means,” the words “to provide for the
development under the control of the Union, of the coffee indus-
try” shall be substituted; and 15

(b) in the preamble, for the words “to continue the provision
made under the Coffee Market Expansion Ordinance, 1940, for
assistance to the coffee industry by regulating the export and
sale of coffee and by other means,” the words “to provide for the
development under the control of the Union, of the coffee indus- 20
try” shall be substituted.

3. Amendment of section 1, Act VII of 1942.—In sub-section (1) of section 1 of the principal Act, for the words “Coffee Market Expansion Act”, the words “Coffee Act” shall be substituted.

5 **4. Substitution of new section for section 2 in Act VII of 1942.**—For section 2 of the principal Act, the following section shall be substituted, namely:—

“2. *Declaration as to expediency of Union control.*—It is hereby declared that it is expedient in the public interest that the Union should take under its control the coffee industry.”

10 **5. Amendment of section 3, Act VII of 1942.**—In section 3 of the principal Act,—

(i) in clause (a), the word “Indian” shall be omitted;

(ii) after clause (a), the following clause shall be inserted, namely:—

15 “(aa) ‘Chairman’ means the Chairman of the Board;

(iii) for clause (n), the following clause shall be substituted, namely:—

20 “(n) ‘year’ means the period of twelve months beginning with the first day of August and ending with the thirty-first day of July next following.”

6. Amendment of section 4, Act VII of 1942.—In section 4 of the principal Act,—

(i) in sub-section (1), for the words ‘Indian Coffee Board’ the words ‘Coffee Board’ shall be substituted;

25 (ii) for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) The Board shall consist of -

(i) a Chairman to be appointed by the Central Government;

30 (ii) one person to represent the State of Coorg, to be nominated by the Chief Commissioner of that State;

(iii) one person to represent the Government of Mysore, to be nominated by that Government;

35 (iv) one person to represent the Government of Madras, to be nominated by that Government;

(v) one person to represent the Government of Travancore-Cochin, to be nominated by that Government;

40 (vi) four persons to represent the coffee growing industry in Coorg, to be nominated by the Chief Commissioner of Coorg;

(vii) four persons to represent the coffee growing industry in Mysore, to be nominated by the Government of Mysore;

(viii) four persons to represent the coffee growing industry in Madras, to be nominated by the Government of Madras;

(ix) three persons to represent coffee trade interests, to be nominated by the Central Government; 5

(x) one person to represent curing establishments, to be nominated by the Central Government;

(xi) four persons to represent labour, to be nominated by the Central Government;

(xii) three persons to represent the interests of consumers, to be nominated by the Central Government; 10

(xiii) three persons to represent such other interests as in the opinion of the Central Government ought to be represented, to be nominated by the Central Government.

(2A) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote." 15

(iii) after sub-section (4), the following sub-section shall be inserted, namely:— 20

"(5) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament."

7. Amendment of section 5, Act VII of 1942.—In section 5 of the principal Act, the word "Indian" shall be omitted. 25

8. Insertion of new section 6A in Act VII of 1942.—After section 6 of the principal Act, the following section shall be inserted, namely:—

"6A. *Consultation with the Board.*—Before taking any action touching the affairs of the Board under this Act, the Central Government shall ordinarily consult the Board: 30

Provided that no action taken by the Central Government shall be invalid or called in question merely on the ground that the action was taken without such consultation."

9. Amendment of section 7, Act VII of 1942.—In section 7 of the principal Act, sub-section (1) shall be omitted. 35

10. Substitution of new sections for sections 8 and 9 in Act VII of 1942.—For sections 8 and 9 of the principal Act, the following sections shall be substituted, namely:—

"8. *Salary and allowances of Chairman.*—The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government. 40

8A. *Vice-Chairman*.—The Board shall elect from amongst its members a Vice-Chairman who shall exercise such of the powers and perform such of the duties of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

5 9. *Chief Coffee Marketing Officer, Secretary and other staff*.—(1) The Central Government shall appoint an officer to be called the Chief Coffee Marketing Officer and a Secretary to the Board and may appoint a Deputy Secretary to the Board and
10 such number of Marketing Officers as may be necessary, to exercise such powers and to perform such duties under the direction of the Board as may be prescribed.

(2) The officers appointed under this section shall be entitled to such salaries and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.”
15

11. *Amendment of section 11, Act VII of 1942*.—In section 11 of the principal Act, for the words “at the rate of one rupee per hundred-weight or at such lower rate as the Central Government may, on the recommendation of the Board, by notification in the Official Gazette
20 provide” the words “at such rate not exceeding six rupees per hundred-weight as may be fixed by the Central Government by notification in the Official Gazette” shall be substituted.

12. *Amendment of section 12, Act VII of 1942*.—In section 12 of the principal Act,—

25 (i) for the words “one rupee” the words “six rupees” shall be substituted;

(ii) the words “on the recommendation of the Board” shall be omitted.

13. *Amendment of section 13, Act VII of 1942*.—In section 13 of
30 the principal Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

35 “(1) The proceeds of the duty of customs and of the duty of excise and of any fees levied under this Act, (all of which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be paid to the Board for being utilised for the purposes of this Act.”

40 (ii) sub-section (2) shall be omitted.

14. *Amendment of section 14, Act VII of 1942*.—In section 14 of the principal Act, in sub-section (4), for the words “Chief Coffee Marketing Officer”, the word “Chairman” shall be substituted.

45 15. *Amendment of section 16, Act VII of 1942*.—In sub-section (1) of section 16 of the principal Act, the words “after consultation with the Board” shall be omitted.

16. Amendment of section 20, Act VII of 1942.—In section 20 of the principal Act,—

(i) for the first proviso, the following proviso shall be substituted, namely:—

“Provided that nothing herein contained shall apply to coffee—

(i) shipped as stores on board any vessel or aircraft in such quantity as the Collector considers reasonable, having regard to the number of the crew and passengers and the length of the voyage or journey, as the case may be, on which the vessel or aircraft is about to proceed, or

(ii) carried as personal luggage of a passenger, not exceeding two pounds avoirdupois, or

(iii) exported by post or by air in packages containing not more than ten pounds avoirdupois, or

(iv) exported by sea as *bona fide* samples in packages containing not more than one pound avoirdupois;”;

(ii) after the first proviso as so amended, the following proviso shall be inserted, namely:—

“Provided further that the Central Government may, by order in writing, specify the quantity of coffee which shall be permitted for export during any year and where any such order is made, no coffee shall be exported from India in excess of the said quantity:”.

17. Amendment of section 25, Act VII of 1942.—In section 25 of the principal Act,—

(i) to sub-section (1), the following provisos shall be added, namely:—

“Provided that where no internal sale quotas have been allotted to estates, the Chairman may allow the owner of any estate to retain with himself for purposes of consumption by his family and for purposes of seed, such quantity of coffee as the Chairman may think reasonable:

Provided further that where the Central Government is satisfied that it is not practicable for any class of owners producing coffee in any specified area to comply with the provisions of this sub-section on account of the small quantity of coffee produced by them or on account of their estates being situated in a remote locality, the Central Government may, by notification in the Official Gazette, exempt such class of owners from the provisions of this sub-section.”:

(ii) in sub-section (4), the words ‘with the concurrence of the Chief Coffee Marketing Officer’ shall be omitted.

18. Substitution of new section for section 31 in Act VII of 1942.—For section 31 of the principal Act, the following section shall be substituted, namely:—

“31. *General fund.*—(1) To the general fund shall be credited—

(a) all amounts paid to the Board by the Central Government under sub-section (1) of section 13; and

(b) any sums transferred to the General fund under the proviso to sub-section (2) of section 32.

(2) The General fund shall be applied—

(a) to meet the expenses of the Board;

5 (b) to meet the cost of such measures as the Board may consider advisable to undertake for promoting agricultural and technological research in the interest of the coffee industry in India; and

10 (c) for making such grants to coffee estates or for meeting the cost of such other assistance to coffee estates as the Board may think necessary for the development of such estates.

15 (d) to meet the cost of such measures as the Board considers advisable to undertake for promoting the sale and increasing the consumption in India and elsewhere of coffee produced in India.”

* * * *

19. Insertion of new section 39A in Act VII of 1942.—After section 39 of the principal Act, the following section shall be inserted, 20 namely:—

25 ‘39A. *Offences by companies.*—(1) If the person committing any offence under this Act is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

30 Provided that nothing contained in this sub-section shall render any such person liable to punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

35 (2) Notwithstanding anything contained in sub-section (1) where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be 40 liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means anybody corporate and includes a firm or other association of individuals; and

45 (b) “director” in relation to a firm means a partner in the firm.’

20. Amendment of section 44, Act VII of 1942.—In section 44 of the principal Act, for the words from “Any member of the Board” to “may enter”, the words “Any person authorised in this behalf by the Central Government or by the Board or any member of the Board so authorised by the Chairman in writing or any officer of the Board, 50 may enter at all reasonable times” shall be substituted.

21. Amendment of section 48, Act VII of 1942.—In section 48 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) Without prejudice to the generality of the foregoing power, rules may be made providing for all or any of the following matters:— 5

(i) the principles regulating the nomination of members of the Board;

(ii) the term of office of members of the Board, the circumstances in which, and the authority by which, members may be removed and the filling of casual vacancies in the Board; 10

(iii) the procedure to be followed at meetings of the Board and at committees thereof for the conduct of business and the number of members which shall form a quorum at a meeting; 15

(iv) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government;

(v) the holding of a minimum number of meetings of the Board every year; 20

(vi) the powers of the Board, its Chairman and committees thereof with respect to the incurring of expenditure;

(vii) the conditions subject to which the Board may incur expenditure outside India; 25

(viii) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(ix) the maintenance of the accounts of income and expenditure of the Board and the audit of such accounts; 30

(x) the deposit of the funds of the Board in banks and the investment of such funds;

(xi) the re-appropriation of the estimated savings from any budget head to any other budget head;

(xii) the conditions subject to which the Board may borrow funds; 35

(xiii) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;

(xiv) the delegation to the committee or Chairman or Vice-Chairman or members or officers of the Board of any of the powers and duties of the Board under this Act; 40

(xv) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers (other than those appointed by the Central Government) and other employees of the Board; 45

(xvi) the travelling and other allowances of members of the Board and of committees thereof;

(xvii) the maintenance of the registers and other records of the Board and its various committees:

5 (xviii) the manner in which the internal sale quota of coffee estates shall be determined;

(xix) the manner in which the Board shall exercise its powers of buying and selling coffee in the Indian Market;

(xx) the appointment by the Board of agents;

10 (xxi) the conditions to be fulfilled by a curing establishment before a licence to operate as such can be issued;

(xxii) the form of, and the particulars to be contained in, any returns or reports to be made to the Board under this Act;

15 (xxiii) the form of, manner of application for, fees payable for, procedure in granting and conditions governing, the licences and permits to be issued by the Board;

(xxiv) the collection of any information or statistics in respect of coffee or any product of coffee;

20 (xxv) any other matter (other than any matter specified in section 15) which is to be or may be prescribed under this Act.

25 (3) All rules made by the Central Government under this Act shall, as soon as may be after they are made, be laid before both Houses of Parliament."

22. **Validation of certain acts and indemnity in respect thereof.**—
 All acts of executive authority, proceedings and sentences which have been done, taken or passed with respect to, or on account of, coffee during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act, by the
 30 Government or by any officer of the Government or by any other authority in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the principal Act shall be as valid and operative as if they had been done, taken
 35 or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any authority whatsoever on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

Report of the Select Committee on the Bill
further to amend the Coffee Market Expansion Act, 1942.



(As amended by the Select Committee)

APPENDIX

MINUTES OF THE MEETINGS OF THE SELECT COMMITTEE

I

First Meeting

The first meeting of the Select Committee on the Coffee Market Expansion (Amendment) Bill, 1954, was held on Friday, the 21st May, 1954, at 11 A.M. in the Lobby of the Central Hall, Parliament House.

2. The following were present:

MEMBERS

1. Shri R. Venkataraman—*Chairman*.
2. Shri T. T. Krishnamachari.
3. Shri C. R. Narasimhan.
4. Shri Laisram Jogeswar Singh.
5. Shri Vyankatrao Pirajirao Pawar.
6. Shri Chandra Shankar Bhatt.
7. Shri Goswamiraja Sahdeo Bharati.
8. Shri Wasudeo Shridhar Kirolikar.
9. Shri Raghavendraro Srinivasrao.
10. Shri H. Siddananjappa.
11. Shri N. Rachiah.
12. Shri K. Sakthivadivel Gounder.
13. Shri George Thomas Kottukapally.
14. Shri N. Somana.
15. Shri Hem Raj.
16. Shri P. C. Bose.
17. Shri Nayan Tara Das.
18. Shri Bhagwat Jha Azad.
19. Dr. Satyanarain Sinha.
20. Shri Baij Nath Kureel.
21. Shri Vishwanath Prasad.
22. Shrimati Ganga Devi.
23. Seth Achal Singh.
24. Shri Har Prasad Singh.
25. Shri Badshah Gupta.
26. Shri K. G. Wodeyar.
27. Shri R. N. Singh.

28. Shri K. A. Damodara Menon.
29. Shri K. Ananda Nambiar.
30. Shri M. D. Ramasami.
31. Dr. D. Ramchander.
32. Shri Y. Gadilingana Gowd.
33. Shri D. P. Karmarkar.

Shri S. K. Hiranandani, *Additional Draftsman*, Ministry of Law.

SECRETARIAT

Shri A. L. Rai, *Under Secretary*.

3. As the Chairman of the Committee had not been nominated by the Speaker, the Committee elected Shri R. Venkataraman, as Chairman for the meeting.

4. The Committee authorised the Chairman that in case any association or body expressed a desire to represent their views to the Committee he might obtain the necessary memoranda from them for circulation to the members and might also summon them at his discretion for a hearing during the next sittings of the Committee.

5. The Committee desired that the speeches of the Minister of Commerce and Industry delivered in the Lok Sabha on the 19th May, 1954, should be circulated to Members.

6. The Chairman suggested that notice of any amendments that the Government or the members intended to move to the Bill might be sent in advance to the Lok Sabha Secretariat for circulation to the Members.

7. The Committee then adjourned at 11-30 A.M. to meet next on Monday, the 26th July, 1954, at 2-30 P.M.

II

Second Meeting

The Second Meeting of the Select Committee on the Coffee Market Expansion (Amendment) Bill, 1954, was held at 2-30 P.M. on Wednesday, the 28th July, 1954, in Room No. 73, Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri R. Venkataraman—*Chairman*
2. Shri C. R. Narasimhan.
3. Shri Laisram Jogeswar Singh.
4. Shri Chandra Shankar Bhatt.
5. Shri Amar Singh Sabji Damar.
6. Shri Goswamiraja Sahdeo Bharati.

7. Shri Wasudeo Shridhar Kirolikar.
8. Shri Raghavendrarao Srinivasrao.
9. Shri H. Siddananjappa.
10. Shri N. Rachiah.
11. Shri K. Sakthivadivel Gounder.
12. Shri N. Somana.
13. Shri Hem Raj.
14. Shri Nayan Tara Das.
15. Shri Bhagwat Jha 'Azad'.
16. Shri Gajendra Prasad Sinha.
17. Shri Baij Nath Kureel.
18. Shri Vishwanath Prasad.
19. Shrimati Ganga Devi.
20. Seth Achal Singh.
21. Shri Har Prasad Singh.
22. Shri Badshah Gupta.
23. Shri K. G. Wodeyar.
24. Shri R. N. Singh.
25. Shri K. A. Damodara Menon.
26. Shri M. D. Ramasami.
27. Dr. D. Ramchander.
28. Shri Y. Gadilingana Gowd.
29. Shri D. P. Karmarkar.
30. Shri T. T. Krishnamachari.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

Shri S. Krishnaswamy, *Deputy Secretary, Ministry of Commerce and Industry.*

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri A. L. Rai, *Under Secretary.*

3. The Committee heard the evidence tendered by the representatives of the following Associations:—

- (1) The Indian Coffee Board, Bangalore.
- (2) The United Planters' Association of Southern India, Coonoor.

4. A verbatim record of the evidence tendered was taken down.

5. The Committee decided to take up clause by clause consideration of the Bill at their next meeting.

6. The Committee adjourned at 6-25 P.M. to meet again at 2-30 P.M. on Thursday, the 29th July, 1954, in Committee Room No. 63.

III

Third Meeting

The Third Meeting of the Select Committee on the Coffee Market Expansion (Amendment) Bill, 1954, was held on Thursday, the 29th July, 1954, at 2-30 P.M. in Committee Room No. 63. Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri R. Venkataraman—*Chairman*.
2. Shri C. R. Narasimhan.
3. Shri Laisram Jogeswar Singh.
4. Shri Chandra Shankar Bhatt.
5. Shri Amar Singh Sabji Damar.
6. Shri Goswamiraja Sahdeo Bharati.
7. Shri Wasudeo Shridhar Kirolikar.
8. Shri Raghavendrarao Srinivasrao.
9. Shri H. Siddananjappa.
10. Shri N. Rachiah.
11. Shri K. Sakthivadivel Gounder.
12. Shri N. Somana.
13. Shri Hem Raj.
14. Shri P. C. Bose.
15. Shri Nayan Tara Das.
16. Shri Bhagwat Jha 'Azad'.
17. Shri Gajendra Prasad Sinha.
18. Shri Baij Nath Kureel.
19. Shri Vishwanath Prasad.
20. Shrimati Ganga Devi.
21. Seth Achal Singh.
22. Shri Har Prasad Singh.
23. Shri Badshah Gupta.
24. Shri K. G. Wodeyar.
25. Shri R. N. Singh.
26. Shri K. A. Damodara Menon.
27. Shri M. D. Ramasami.
28. Dr. D. Ramchander.
29. Shri Y. Gadilingana Gowd.
30. Shri D. P. Karmarkar.
31. Shri T. T. Krishnamachari.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

Shri S. Krishnaswamy, *Deputy Secretary, Ministry of Commerce and Industry.*

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri A. L. Rai, *Under Secretary.*

3. The Committee commenced clause-by-clause consideration of the Bill.

4. *Clause 1:* Clause 1 was adopted without amendment.

5. *Clause 2:* The Committee felt that instead of the words 'Central control' the words 'Control of the Union' should be substituted in this clause to bring the wording in conformity with Entry 52 of List I of the Seventh Schedule of the Constitution of India. The Draftsman was directed to make the necessary changes.

6. *Clauses 3 and 4:* These clauses carried out the necessary amendments in the principal Act in compliance with the provisions of the Constitution. The clauses were adopted without amendment.

7. *Clause 5:* The Committee agreed to the clause which proposed the deletion of the word 'Indian' from the name of the Board, *viz.*, The Indian Coffee Board, and two other minor amendments in the 'Definitions'. The clause was adopted without amendment.

8. *Clause 6:* The Committee took up discussion of the principle whether the Chairman of the Board should be a whole-time Government servant or a person elected by the Board. After the Minister for Commerce and Industry had explained the reasons for the Government's decision to have a Chairman appointed by the Central Government, the following suggestions were advanced:

(1) The appointment of a paid Chairman will be retrograde.

(2) Since a Chairman cannot override the decision of the Board, while the Government can do so under Section 42 of the principal Act, the democratic method of elections should be preferred.

(3) The Government may have its instructions carried out through the Chief Coffee Marketing Officer instead of a paid Chairman appointed by the Government and if necessary it may enhance the powers of the former and decrease those of the latter.

(4) An elected Chairman from among the growers will understand their problems better.

(5) A full time paid Chairman will be able to look after the interests of the small growers and consumers.

(6) A nominated Chairman will be efficient.

The Minister for Commerce and Industry explained to the Committee that the Government could take up the responsibility for the proper management of the affairs of the Board only if the Chairman was responsible to them and could explain their point of view to the Board. An elected Chairman took his duties leisurely and was unable to keep the prices down.

The Government intended to safeguard the interests of the small growers by providing in the rules that half the nominees on the Board would be from among the small coffee growers possessing cultivable land under 50 acres.

The principle of having a paid Chairman, appointed by the Central Government, was put to the vote and carried by a majority.

Clause 6 was put to the vote and carried by a majority with the following remarks:

(a) Mention should be made in the Report to the House that the Government should show special consideration to the Robusta coffee growers.

(b) Proper representation on the Board may be given to the small coffee growers whose estates are less than 50 acres.

(c) In sub-clause (2) (ix) out of four persons representing coffee trade interests to be nominated by the Central Government one shall be a "curer".

(d) In sub-clause (2) (x) instead of the words "three persons" the words "four persons" shall be substituted.

(e) In sub-clause (2) (xi) instead of the words "two persons" the words "three persons" shall be substituted.

(f) In sub-clause (2) (xii) instead of the words "two persons" the words "three persons" shall be substituted so that the Central Government may have choice to appoint other competent persons on the Board like an Economist etc.

Clause 6 was adopted subject to the above mentioned amendments and reservations.

9. *Insertion of new sub-section (5) in Section 4 (Annexure):* The new clause proposed by the Government for insertion of sub-section (5) in section 4 of the principal Act was accepted without amendment.

10. *New Sec. 6A (Annexure):* The Committee considered the new sec. 6A as proposed by the Government for consultation with the Board before taking any action under the Act and felt that it was not well worded.

The Draftsman was directed to revise it.

11. *Clauses 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16:* Clauses 7 to 16 were accepted without amendment.

12. *Clause 17:* The Committee felt that clause (d) which was intended to be inserted in sec. 32 by clause 18 of this Bill conformed more to sec. 31 of the principal Act and should, therefore, be added to this clause.

The Draftsman was directed to do the needful.

13. *Clause 18*: This clause was deleted after its relevant portion had been added to clause 17.

14. *Clauses 19 and 20*: Clauses 19 and 20 were adopted without amendment.

15. *Clause 21*: As sec. 48 of the principal Act dealing with the rule making powers of the Government was being amended, the Committee directed the Draftsman to incorporate in this clause the relevant recommendations of the Committee on Subordinate Legislation contained in their First Report.

Clause 21 was adopted subject to the above remarks.

16. *Clause 22*: Clause 22 was adopted without amendment.

17. The Committee directed the Draftsman to incorporate the above suggestions of the Committee in the Draft Bill and place it before them at their next meeting.

18. The Committee adjourned at 5-40 P.M. to meet again on Friday, the 30th July, 1954 at 4 P.M.

IV

Fourth Meeting

The Fourth Meeting of the Select Committee on the Coffee Market Expansion (Amendment) Bill, 1954, was held on Friday, the 30th July, 1954 at 4 P.M. in Committee Room No. 63, Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri R. Venkataraman—*Chairman*.
2. Shri C. R. Narasimhan.
3. Shri Laisram Jogeswar Singh.
4. Shri Chandra Shankar Bhatt.
5. Shri Amar Singh Sabji Damar.
6. Shri Goswamiraja Sahdeo Bharati.
7. Shri Wasudeo Shridhar Kirolikar.
8. Shri Raghavendrarao Srinivasrao.
9. Shri H. Siddananjappa.
10. Shri N. Rachiah.
11. Shri K. Sakthivadivel Gounder.
12. Shri N. Somana.
13. Shri Hem Raj.
14. Shri Nayan Tara Das.
15. Shri Bhagwat Jha 'Azad'.

16. Shri Gajendra Prasad Sinha.
17. Shri Baij Nath Kureel.
18. Shri Vishwanath Prasad.
19. Shrimati Ganga Devi.
20. Seth Achal Singh.
21. Shri Har Prasad Singh.
22. Shri Badshah Gupta.
23. Shri K. G. Wodeyar.
24. Shri R. N. Singh.
25. Shri K. A. Damodara Menon.
26. Shri M. D. Ramasami.
27. Dr. D. Ramchander.
28. Shri Y. Gadilingana Gowd.
29. Shri D. P. Karmarkar.
30. Shri T. T. Krishnamachari.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

Shri S. Krishna Swamy, *Deputy Secretary, Ministry of Commerce and Industry.*

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri A. L. Rai, *Under Secretary.*

3. The draft Bill incorporating the Committee's decisions at their previous meetings was considered by the Committee. A statement showing the amendments as originally proposed and the amendments as accepted by the Committee is given in the Bill as amended.

4. It was noticed by the Committee that all their suggestions had been incorporated in the re-drafted Bill with the exception of the decisions in regard to clause 21 as contained in paragraph 15 of the Minutes of the Meeting held on the 29th July, 1954 regarding section 48 of the principal Act which deals with the rule making powers of the Government. The Committee had desired that this clause *viz.*, clause 21 of the Bill, should be redrafted so as to conform to the recommendations contained in para. 11 of the First Report of the Committee on Subordinate Legislation. While a sub-section (3) to section 48 of the principal Act had been introduced to conform to the requirements of item (i) of para. 11 of the Report of the Committee on Subordinate Legislation, the Minister of Commerce and Industry explained to the Committee the difficulties in making further amendments to conform to the requirements of items (ii) and (iii) of that Report. After some discussion the Committee agreed that no further amendment of the clause was necessary.

5. The re-drafted Bill was agreed to by the Committee except for clause 7A which, the Committee desired, should be re-drafted as follows:—

“Before taking any action touching the affairs of the Board under this Act, the Central Government shall ordinarily consult the Board;”

6. It was decided that the draft Report should be circulated to the Members as early as possible.

7. It was also decided that the evidence tendered before the Committee by the various associations should be reported *in extenso* to the House.

8. The Committee adjourned at 4-40 P.M. to meet again for consideration of the draft Report on Saturday, the 21st August, 1954 at 11 A.M.

V

Fifth Meeting

The Fifth Meeting of the Select Committee on the Coffee Market Expansion (Amendment) Bill, 1954, was held at 11 A.M. on Saturday, the 21st August, 1954, in the Central Hall of the Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri R. Venkataraman—*Chairman*.
2. Shri C. R. Narasimhan.
3. Shri Laisram Jageswar Singh.
4. Shri Chandra Shankar Bhatt.
5. Shri Wasudeo Shridhar Kirolikar.
6. Shri Raghavendrarao Srinivasrao.
7. Shri H. Siddananjappa.
8. Shri N. Rachiah.
9. Shri N. Somana.
10. Shri Hem Raj.
11. Shri P. C. Bose.
12. Shri Nayan Tara Das
13. Shri Gajendra Prasad Sinha
14. Shrimati Ganga Devi.
15. Seth Achal Singh.
16. Shri Har Prasad Singh.
17. Shri Badshah Gupta.
18. Shri K. G. Wodeyar.
19. Shri M. D. Ramasami.
20. Shri D. P. Karmarkar.
21. Shri T. T. Krishnamachari.

22. Shri Baij Nath Kureel.
23. Shri K. A. Damodara Menon.
24. Shri K. Sakthivadivel Gounder.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

Shri S. Krishnaswami, *Deputy Secretary, Ministry of Commerce and Industry.*

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary.*

Shri A. L. Rai, *Under Secretary.*

3. The Committee took up consideration of the draft Report. The Report was considered para. by para. and adopted by the Committee.

4. Minutes of Dissent were received from four Members.

5. It was decided that the Report of the Committee be presented to the House on the 26th August, 1954.

6. The Committee then adjourned at 11-30 A.M

ANNEXURE

Amendment to the Coffee Market Expansion (Amendment) Bill, 1954, to be moved by Shri T. T. Krishnamachari, in the meeting of the Select Committee.

1. New sub-section to be inserted in section 4:—

“(5) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.”

2. New section to be inserted after section 6:—

“6A. *Consultation with the Board.*—Before taking under this Act any action touching the affairs of the Board the Central Government shall ordinarily consult the Board;

Provided that no action taken by the Central Government shall be invalid or called in question merely on the ground that the action was taken without such consultation”.