

The Worm In the Rose

THE laws' delay, high cost of litigation and the corruption the legal system breeds,—the draft Bill introduced by the Home Minister for the reform of the criminal code aims at removing all these. That so important a measure is being taken on hand without the benefit of the expert guidance of a Law Commission is rather surprising. One would need to know a lot more about the reason for proceeding in this fashion to be convinced that the means proposed are also as good as the end is unexceptionable and that they will eventually secure the end.

The draft Bill covers the system of trial by jury, proposes to do away with the system of commitment to sessions and extend the scope of summons cases. It also intends to speed up the warrant procedure, restrict the High Court's powers of revisions to point of law or procedure, reduce adjournments, and enforce a six weeks' time limit for the trial of under-trial prisoners.

The other changes proposed are of a different nature, viz, stiffening the present law and forging new restraints. The proposals relating to perjury, appeal against acquittal and making defamation against public servants a criminal offence, come under the latter category. All of them need to be watched very carefully.

Trial by jury, however, is not to be extended to Part B States who do not have it now, because they do not want to have it. The system of committing to sessions accused against whom a *prima facie* case lies, it is contended, can be done away with, because past experience has shown that acquittals are too few to justify the elaborate procedure for what is after all a preliminary screening. After the initial enquiry the magistrate, it is proposed, should be left to decide whether the case should be tried by a sessions judge or he would try it himself.

There are important procedural changes with regard to witnesses so that trying courts may have greater benefits than they can have now because of the cumbersome and vexatious procedure which keeps away would-be witnesses, of important circumstantial evidence. The other important change is prevention of perjury by making it an offence for summary trial and punishment.

The provision for appeal against acquittal in a case in which a private complaint appears to be a retrograde measure while making

defamation against a public and a criminal offence, 'strikes the root of civil liberty. One would have thought that the latter would be a violation of constitutional rights, but for its sponsorship by high government authority.

Except the provisions intended to protect public servants from denatation by making it a criminal offence, the other changes proposed are all very good in themselves. Nevertheless, in non-legal minds, they do not encourage the hope that a return to the healthy and lush growth in the past is suddenly going to be rid of its canker and made whole.

Indian Banks Abroad Fare Fly

THE business of Indian banks abroad showed a marked downward trend during the year 1952, according to the data based in the Reserve Bank of India Bulletin for December. Ever since its inception, they have been losing ground everywhere except in Burma where though their number remain unchanged, the business done by Indian banks registered an increase.

The total number of Indian banks abroad (both scheduled and non-scheduled) declined from 38 in 1951 to 35 during the year and the number of banking offices from 129 to 108. The closing down of the branches of the Imperial Bank in Pakistan was mainly responsible for the reduction in numbers. Except in Pakistan, however, Indian banks did not have to close down any offices, though the trend in their business was generally downward.

The total liabilities of these banks declined from Rs 108 crores in December 1951 to Rs 92 crores in December 1952, the fall in demand deposits accounting for the whole of this decline. Deposits of Indian banks in Pakistan declined from about Rs 50 crores to Rs 35 crores. Indian banks faced heavy deficits in cash ratio from 28.4 per cent to 16.7 per cent in Pakistan, 64.7 per cent to 57.0 per cent in Ceylon and 56.9 per cent to 40.8 per cent in UK. Only in the case of Burma, the cash balances of Indian banks went up and pushed up the cash ratio from 23.4 per cent to 44.0 per cent.

The outstanding volumes of loans and discounts declined from Rs 40 crores in December 1951 to Rs 36 crores in 1952, while investment in foreign government securities remained steady around Rs 24 crores, half of which was in the securities of the Pakistan Government. In the case

of Burma, both loans and advances as well as investments in Government securities declined.

The picture is depressing enough, but probably it appears more depressing than is the case because Pakistan being a foreign country, the decline in the business of Indian banks operating there affects unduly the totals of business of the banks abroad. But even leaving aside Pakistan. Indian banks do not seem to have been doing as well as in the past and the enterprise of one or two of our more forward looking banks notwithstanding, not much overseas business seems to be developing.

Propensity to Consume only if cheap ?

"... a logical extension of one's ideas of a controlled economy to distribution of goods might react in a direction different from what we have in mind and operate adversely in regard to incentives to consumption and in a market with a notoriously high marginal rate of consumption propensity (sic) the price factor is the chief factor in making people purchase goods for consumption"

—Sir T T Krishnamachari at the All-India Economic Conference, Jaipur.

