

67. The creation of an agricultural bank and its administration on the lines of the present experiment are sure to make the irrigated tract under the Nira canal more prosperous. However, I think it my duty to utter a word of caution, *viz.*, to attempt to do banking without special recovery powers is certain to be a failure, and with it to lose the best chance of creating agricultural banks in these tracts of India where they can safely operate and where they are so urgently required for the development of the vast agricultural resources of the country.

68. In working the scheme in all its details many questions had to be discussed and settled as they cropped up. To have got such matters settled by correspondence would have caused undue delay. I therefore discussed them personally with the Collector and obtained his instructions. This was quite necessary when the shop was started. In the original scheme as approved by Government no definite rules on all points were laid down and so I had in several respects to use my discretion and to get my action sanctioned by the Collector. I was in fact working under the direct supervision of the Collector just as his Head Clerk or Chitnis. In all important matters, I did not act until the Collector had approved of the course proposed to be taken. I also obtained instructions on several points from the Assistant Collector.

69. During the period under report my office and shop were visited once by Sir John Muir Mackenzie, twice by G. Carmichael Esquire, while Collector, thrice by J. Brander, Esquire, Assistant Collector, and once by G. V. Joglekar, Esquire, District Deputy Collector.

70. I cannot conclude this report without expressing my gratitude to Sardar Shambhusing Jadhavrao of Malegaon Bk and his Karbhari Mr. Rangnath Keshav Chavre, without whose hearty co-operation it would have been very difficult to start the scheme. Not only did the Sardar consent to his ryots taking tagai but stood security for them all. Mr. Chavre opened the shop and lent the services of his relation Mr. Uplakar. The latter as manager of the shop worked very hard and spared no pains to make the shop a success. He is an educated and good business man. My Head Karkun Mr. R. K. Bhagwat was specially selected for the post. He has discharged his duties very creditably and justified his selection. The Circle Inspectors had very hard work to do and they did it very well.

I have the honour to be,

Sir,

Your most obedient servant,

B. B. SAHASRABUDHE,

Special Officer, Nira Canal

Tagai Scheme, Baramati.

No. 96.

FROM

B. B. SAHASRABUDHE,

SPECIAL OFFICER, NIRA CANAL

TAGAI SCHEME, BARAMATI,

TO

THE COLLECTOR OF POONA.

*Baramati, 24th August, 1909,*

SIR,

In obedience to your endorsement No. R-430, dated the 27th January, 1909, below Government memo No. 555, dated the 19th idem, Revenue Department, I have the honour respectfully to submit the following report from the period from January 1908 to June 30th, 1909, inclusive, on the first experiment of financing sugarcane growers with Government loans under the scheme sanctioned by Government and called the Nira Canal Tagai Scheme.

2. The sugarcane growers on the Nira canal though very good agriculturists were hitherto unable to make sufficient profit because the money-lenders charged very high rate of interest on the capital advanced and the same men as brokers and commission agents for the sale of jaggery (unrefined sugar) appropriated large profits. There were complaints also that capital was not available at proper times and that the oilcake manure supplied by the money-lenders was adulterated. Superior and inferior stuffs were mixed together and passed off as superior stuff, and short measure was not uncommon. The result of all this was that though the crop pays very well, cultivators were unable to free themselves from the grip of the money-lenders. To alleviate the lot of the cultivators it was arranged to finance them with Government money at moderate interest, to provide them with unadulterated and cheap oilcake and to sell their produce at a much reduced commission and to hand back the surplus after deducting from the sale proceeds capital, interest and brokerage charges.

3. It was at first intended to start the scheme in December, 1906, and a sum of Rs. 1,00,000 was placed at the disposal of the Mamlatdar of this taluka. But several objections were raised by the cultivators consulted and a good deal of time was taken up in clearing up doubtful points. The season thus far advanced and it was thought desirable to postpone operations till next year. I was appointed Special Officer in connection with this scheme and I took charge on the 9th December, 1907. I explained the object of Government to the cultivators in starting the scheme and found the people ready to take advantage of the facilities offered. Consequently the whole sum placed at my disposal, viz., Rs. 1,25,000, was advanced before the 31st March, 1908.

4. One of the most important parts of the scheme is that the cultivators financed by Government should understand that they have to bring their produce of sugarcane to the Government shop for sale, both in order to secure repayment of their loans and to save them the heavy brokerage and other charges made by the local merchant. In order to habituate the Government clients to do this, short term loans were advanced. These loans are advanced to cultivators generally in one instalment, when their sugarcane crops come up and they require money either to manure the crop with oilcake, to crush the cane and manufacture jaggery therefrom. A shop was therefore started to sell the jaggery of Government clients at a reduced rate of commission. I requested a local merchant to open such a shop and he did so, but gave up the job after a fortnight. I then asked another man to open a shop and he did so and has been doing business ever since. In this shop jaggery worth Rs. 47,000 was sold up to the end of financial year 1908.

5. At first it was the impression in the Baramati bazar that the scheme would be given up as unworkable. So there was till March, 1908, but little agitation against the scheme. In three months Rs. 1,25,000 were advanced as loans and about half a lakh rupees worth of jaggery was sold in the Government shop. When these facts become known, agitation over the matter began to show itself. Misrepresentations were then made to the cultivating classes but the advantages were so obvious that the agitation was very short-lived. The curious thing to note was that the actual agitators were wholly unconnected with agriculture or trade. Cheap capital found its way and the demand for it is steadily increasing.

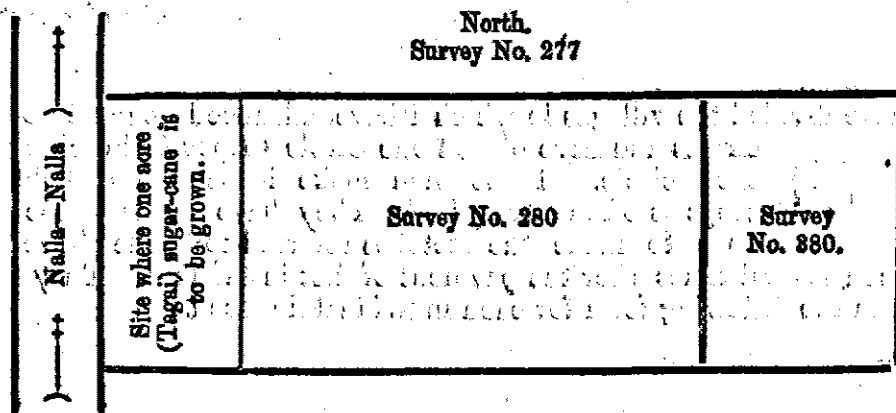
6. There are two kinds of loans made, viz., (1) long term, (2) short term. Long term loans are advanced before the sugarcane crop is sown. A long term loan is advanced in order to enable a cultivator to commence and complete his operations from ploughing to harvesting. These loans are advanced in two or three instalments and are made repayable at the end of 16 months or earlier if crushing and marketing of the sugarcane produce are completed before that period. I have referred above to the nature of the short term loans. These loans are advanced generally when the crops are standing on the ground and are some months old. They are required either to purchase oilcake manure or to conduct the crushing operations or for defraying previous expenses of manuring and sowing or for all the purposes named. These loans are repayable within a period of 12 months or earlier if the produce is disposed of before the date fixed. They are generally advanced in one instalment but sometimes in two.

7. No applications for these loans are invited. Applicants appear in person before me at Baramati, the head-quarters or in villages as I visit them. After verbal inquiry if I am satisfied that an applicant is a suitable person, he is required to state the security he wishes to offer for payment of the debt. The security in most cases is the land and the crop. After obtaining the necessary particulars of the land I write to the Sub-Registrar to ascertain previous encumbrances on the land and also obtain an extract of the Record of Rights from the village officers. If on perusal of the returns I see that the land is unencumbered or if encumbered, the encumbrance is light in consideration of the value of the land, I decide to select the applicant. There are several other considerations which weigh with me when making the selection such as these: If the applicant wishes to have a short term loan and his crop is a fine one (I cause inspection of the crops to be made in case of short term loans before advancing money), I advance the loan even with somewhat inadequate land security, because the security of the standing crop is enough. In this case if the debt is not wholly realised from the produce of the crop, the land is enough for

the part recovery to be made. Sometimes the person asking for the loan is a very successful cultivator, but has no land of his own to offer as security. In a few such cases I have taken personal security of some well-to-do person. In short, security of crops is taken in all cases. In addition to this, sufficient land security has been taken in most cases, i. e. 90 per cent. cases. Personal security in absence of land has been taken in half a dozen cases. After I have selected an applicant, I cause his written statement to be taken down as to the amount of loan required and the security offered. If there are other members of a joint Hindu family I take down their statements and pass an order in English sanctioning the loan and fixing the amount of the first instalment to be paid on the date of order. This done, a bond in Form A is prepared and the signature of the applicant if literate or thumb impression if he is illiterate is obtained, money is paid to him in my presence and his formal receipt taken on a receipt stamp which goes to the Accountant General as voucher and on two other receipt books maintained in this office. When subsequent instalments are paid receipts in Form D are taken. Forms A and D are sent to the Sub-Registrar of the taluka. Before making the first instalment I get prepared in case of long term loans a sketch of the site on which sugarcane is to be planted and in case of short term loans a sketch showing the ground on which the crop stands, its measurement and its condition as shown below.

**LONG TERM:**

Karanje village	Area	Assessment:
Survey No. 280	18-31	Rs. 12:
Tagai applicant : Aba Dhondi Mokashi		



Survey No. 281

(Sd.) A. B.,

Circle Inspector.

## SHORT TERM.

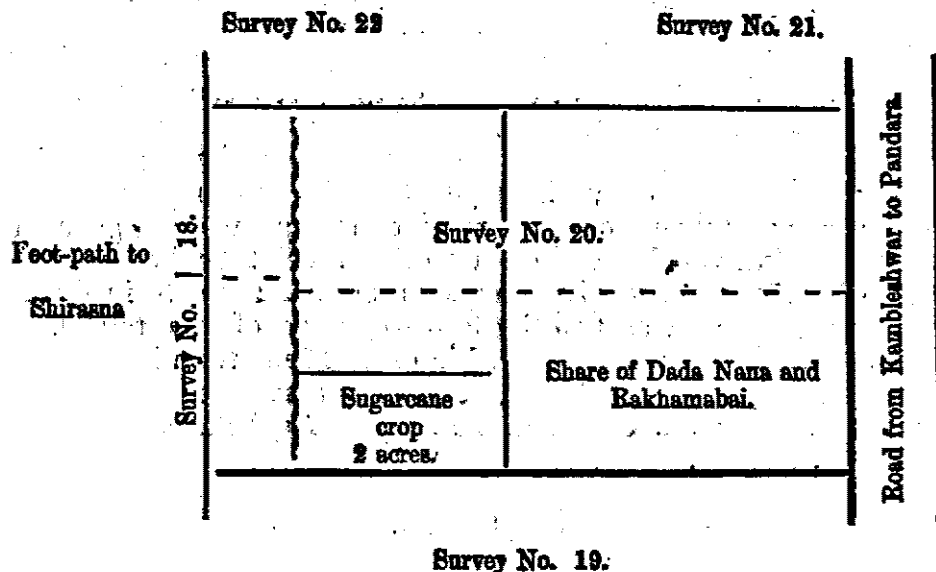
Kambleshwar  
Survey No. 20

Area  
25-17

Assessment  
Rs. 27

Tagai applicant :—Mansing Baburao

North



Survey No. 19:

\* The crop is in good condition. Requires being manured with oilcake."

(Sd.) A. B.

Circle Inspector.

8. I have divided the villages in which I have advanced loans into four circles and have placed one Circle Inspector in charge of each circle. These men make inspection of fields and crops as often as required. They have to visit the field once to make the sketches referred to in the above paragraph and then several times after the payment of first instalment. They keep a field book in the following form for each individual financed.

Name of village—Late. No. 3. Name of client:—Mugaji Amritrao Khalate.

Land in which sugarcane is grown.		Tagai advanced.			Inspections before plantation is made.		Remarks of inspecting officers after the crop is planted.				Remarks.
Survey No.	Area planted.	Total amount sanctioned.	Installments paid.	Date of payment.	First.	Second.	First.	Second.	Third.	Fourth.	
1	2	3	4	5	6	7	8	9	10	11	12
70	3 acres.	1,200	600 530	28-12-08 1-6-09	The land is ploughed four times. The work of ridging and making furrows for water course is in progress. Sufficient farm yard manure is also spread over the land. Dated 11-1-09.	Plantation completed on two acres, $\frac{1}{2}$ acre remains unplanted, seed having fallen short; will be sown when water comes next time. Dated 19-1-09.	Three acres plantation is completed, crop appearing on the surface of the ground. Water is plentiful. (Sd.) RAVJI HARI, 8-2-09.	The cane now wants being manured with oilcake. The crop is in excellent condition.	The young crop is thriving well. (Sd.) R.K. Bhagwat—Hd. Kar-kun. 23-5-09.		
Second Standing.	loan on crop.				(Sd.) RAVJI HARI Circle Inspector.	(Sd.) RAVJI HARI Circle Inspector.	First weeding completed. Crop is in excellent condition. (Sd.) RAVJI HARI, 18-3-09.	(Sd.) RAVJI HARI, 8-4-09.	Pay Rs. 530 (five hundred and thirty). $\frac{1}{09}$ (Sd.) B. B. Sahaarabude, Spl. Officer.		
Do.	2 acres.	600	800	11-6-09		The two acres new crop is being manured with oilcake. It is in excellent condition. (Sd.) RAVJI HARI, 22-6-09.	The crop is getting white having too much grass grown in it. First small quantity of oilcake must be given. (Sd.) RAVJI HARI, 29-4-09.	The tops of the crops have now been dressed. The crop is now manured with oilcake; the crop is in excellent condition. (Sd.) RAVJI HARI, 22-6-09.			

NOTE.—A sketch of the site where the crop stands is shown on the reverse of this form.

It will be seen from the above that this man was paid Rs. 600 on 28-12-1908 as first instalment for three acres of sugarcane. He appeared for the 2nd instalment on 1-6-1909. On referring to the field book I ordered the payment of Rs. 530, reserving Rs. 70 for payment further on. As to the second instalment of the short term loan it has not been paid yet. It will be paid when the man is in need of more money. If any shortcomings with regard to ploughing, manuring or weeding are brought to notice I refuse payment of the second instalment until the needful has been done. When crops arrive at maturity, the Circle Inspectors maintain a watch over the manufacturing process to see if all the produce is taken for sale to the Government shop. It is not possible to keep a close supervision over all clients, nor it is advisable to do so in respect of respectable men. But it is important to do so in regard to a few needy men. The Circle Inspector goes round his circle, notes down the details of jaggery lumps stated by the owner as sent to the shop, comes to Baramati, verifies his notes by reference to the shop-keeper's accounts and reports to me if any action is required to be taken in any particular case. Visits to respectable men's fields to ascertain the amount of jaggery sent to the shop are very few. As to the procedure adopted when jaggery of a client is brought to the shop for sale, I will state details when I come to the working of the shop.

9. It would have been much better if I had opportunity to finance cultivators in villages close to the canal. I have done so wherever it was possible. Cultivators living in villages close to Baramati and those living in Baramati itself were most indebted to money-lenders and my first care was to avoid complications and conflicts with money-lenders. So I had to go further afield to secure clients. Consequently the area of supervision is not a compact block as it should have been. Besides cultivators living in villages distant from the canal were more in need of money. Among the clients are men of the landlord class as well as ordinary agriculturists. When the operations were fairly advanced men of the money-lending class too availed themselves of the facilities offered by Government. There are only 3 or 4 men of this class as clients. They are sugarcane growers and they used to borrow capital from outside for growing cane. Probably they found the Government rate of interest easy and so they came to me. I request it to be distinctly understood that in case of these men I have not lent money for trading but for agriculture and have seen that these men grow sugarcane with the money.

10. I will now give details of work done from the start up to 30th June, 1909.

11. In all from January 1st, 1908, to 30th June, 1909, I advanced Rs. 4,74,315 as Tagai loans. The interest which accrued on that sum up to 30th June, 1909, amounts to Rs. 26,894. The total charges for establishment and office contingency up to 30th June amount to Rs. 10,500. Assuming that the capital advanced up to 30th June with interest thereon is all recovered in due course the following results will be obtained for the period ending 30th June, 1909.

Amount of interest due.	Deduct establishment and other charges.	Remainder.	Deduct Govt. of India's 3½ per cent. on loan capital.	Remainder.
26,894 at 9 per cent.	10,500 (about 3½ p. c.)	16,394	10,458	5,936 (about 2 p. c.)

Out of the total sum advanced (Rs. 4,74,315) Rs. 2,07,815 represent 249 loans advanced for crops which are due for crushing next season, *i. e.*, from October, 1909, to June, 1910. The balance therefore, a sum of Rs. 2,66,500 with interest thereon ought to have all been recovered before June 30th, 1909. This, however, could not be done owing to several reasons, chief among them being the outbreak of cholera just in the midst of crushing operations which caused a scare among the labourers who left work and made for their homes. Later on rains commenced earlier than usual with the result that crushing operations have been postponed till the end of the monsoon. Hence the final results of advances and recoveries of the first crop will not be fully known till about the end of December, 1909, when all the standing sugarcane will have been crushed and the jaggery sold.

12. The total recoveries made up to 30th June, 1909, are as follows:—

Capital	Interest
Rs. 2,25,689	Rs. 18,395-8-

13. I append a \*certificate from the sub-treasury officer, Bhimthadi, in verification of the above details.

14. The crops standing represent loans to the extent of Rs. 36,778. The crops are in good condition at present and the amount will be recovered from them after the end of the monsoon. If in a case or two, the crop fails to liquidate the full loan, recovery can easily be made.

15. Rs. 4,033 remained to be recovered on 30th June, 1909, from about 26 clients who had then no crops at all or no crops remaining to be crushed. Out of this, Rs. 868 were recovered after the 30th June, 1909, and up to 31st July, 1909. As to the balance of Rs. 3,165 due from 17 clients, 12 persons have arrears of Rs. 2,225. They have been financed for a fresh crop which is in good condition, and I fully expect that they will repay in full both the fresh loan and the arrears within the period from January to March, 1910. Five persons have not been financed for the current year as I have found that they are not good cultivators. The arrears, (*viz.*, Rs. 930) will be recovered from them within a period of 5 months. In the case of all the persons in arrear, the arrears are amply covered by land mortgage security. I have not yet exercised my recovery powers in a single instance, but I will have to do so in a few cases. As explained in para 17 most of the arrear is due to failure of the crops owing to late planting, *viz.*, in the hot weather. Owing to facilities having been given by the Irrigation Department for general early planting, this cause of crops failure will not occur in future.

16. As regards the profit of cultivation, I subjoin a statement showing the profits per acre made by several clients. Altogether the total recoveries represent 299 loans. In the case of 250 loans a net profit as shown below was made:—

\* Note:—This is not printed.



No.	Name of Village.	Total number of loans.	Net profit per acre in rupees and No. of loans under each class.												Number* of loans which were fully repaid in cash.	REMARKS.
			550 to 600	500 to 550	450 to 500	400 to 450	350 to 400	300 to 350	250 to 300	200 to 250	150 to 200	100 to 150	50 to 100	Below Ra. 50		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Malegaon Bk. ...	44	1	...	1	1	2	2	6	5	2	3	6	2	8	* The net profit in these cases cannot be given as repayment of loans was made in cash and no jaggery was brought to the shop. Some of these clients sold their jaggery privately to save the commission and the brokerage. Some sold the standing crops. In a few cases the tagai-recipients died and their heirs repaid the loans in cash.
2	Pandara ...	28	...	2	...	1	2	2	4	5	4	2	4	...	2	
3	Baramati ...	6	...	...	...	...	...	...	...	1	2	2	...	...	1	
4	Gunavadi ...	20	...	1	...	2	8	2	2	2	...	5	3	...	...	
5	Sangwi ...	14	...	...	...	...	...	2	...	5	1	1	1	3	1	
6	Pimpli ...	8	...	...	...	...	...	...	...	1	1	1	...	...	...	
7	Medad ...	2	...	...	...	...	...	...	...	...	...	...	...	...	...	
8	Mekhli ...	19	...	...	...	...	...	2	3	1	3	5	...	5	...	
9	Malad Baramati ...	6	...	...	...	...	...	1	1	1	1	1	...	...	...	
10	Shirawali ...	7	...	...	...	...	...	...	...	...	4	...	1	...	2	
11	Songaon ...	0	...	...	...	...	...	...	...	...	...	...	...	1	1	
12	Kamleshwar ...	9	...	...	...	...	...	...	...	1	2	3	...	3	...	
13	Korhale Bk. ...	18	...	...	...	...	...	...	...	3	2	4	2	6	1	
14	Hol ...	10	...	...	...	...	...	...	1	1	2	2	1	...	3	
15	Nira Wagaj ...	2	...	...	...	...	...	...	...	...	...	...	...	...	2	
16	Karanja ...	21	...	...	...	...	...	...	...	2	3	5	4	4	3	
17	Late ...	10	...	...	...	...	...	1	...	...	1	1	3	4	...	
18	Shirasne ...	4	...	...	...	...	...	...	...	1	...	...	1	2	...	
19	Wadgaon ...	2	...	...	...	...	...	...	...	...	...	...	...	1	1	
20	Udhat ...	15	...	...	...	...	...	...	...	2	5	2	2	4	...	
21	Khandaj ...	1	...	...	...	...	...	...	...	...	1	...	...	...	...	
22	Sansar ...	7	...	...	...	...	...	...	...	1	1	2	3	...	...	
23	Kanheri ...	0	...	...	...	...	...	...	...	...	...	...	...	...	...	
24	Jalochi ...	2	...	...	...	...	...	...	...	...	...	...	...	1	1	
	Total ...	250	1	3	1	4	7	12	17	32	35	43	31	33	26	

17. It will be seen that in 28 cases, the profit per acre was over Rs. 300. These I take to be exceptional cases and they are confined to well-to-do members of the cultivating class of Gunawdi, Malegaon Bk and Pandara, who have all the means of carrying on successful agriculture at their disposal and who spend large amounts on securing good and sufficient manure. In 84 cases the net profit per acre was from Rs. 150 to Rs. 300. In 74 cases the net profit was from Rs. 50 to Rs. 150. In 38 cases the profit was below Rs. 50 per acre. In many cases the sugarcane growers spent from Rs. 100 to Rs. 150 per acre over and above the loan of Rs. 400. This shows that owing to dearness of labour and manure, the amount of Rs. 400 is not enough to ensure successful cultivation; while on the other hand there are several cases in which the full sum of Rs. 400 was not spent on the cultivation of sugarcane crop. There are 16 cases in which the actual outturn of jaggery was not enough to liquidate the debt with interest thereon. In other 8 cases the crop was wholly lost owing to late sowing in the hot weather and insufficient water after sowing. In the 16 partial failure cases there are several cases in which the crop was sown very late in the hot weather and suffered on account of insufficiency of water. A bad start is difficult to make up and though crops were well cared for later on they were never in good condition. Some of these total and partial failure cases were brought to the notice of Sir John Muir Mackenzie at the time of his visit to Baramati and the result was that all irrigators have been allowed by the Irrigation Department to sow new cane from January, though their first crops still remain on the ground. As a consequence of this beneficial reform in the practice of the Irrigation Department, I do not find a single failure case among the fresh plantations of this year. In 8 out of 16 cases the partial failure was due to careless cultivation. I cannot, however, definitely ascertain whether in these partial failure cases all the sums advanced were spent on growing sugarcane. It is probable that part of the money was utilised for maintenance of men and animals. I call them cases of partial failure because the outturn of jaggery brought to the shop was insufficient to liquidate the full sums advanced with interest thereon. In such cases several persons gladly paid the sum due from them in cash saying that the tagai loans helped them to grow other crops in addition to sugarcane and they therefore were ready to make the deficit from other crops. It is difficult to detect such misappropriations as the buying of fodder for animals or grain for men out of the tagai money, or the feeding of the bullocks on oilcake issued as manure for sugarcane. Such cases, however, are comparatively few. I have warned the clients that fresh loans will not be made to men whose outturn of jaggery will not be enough to pay off the loans. Besides, some strictness at the beginning in recovering sums due will teach defaulters a proper lesson.

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## PART II.

18. I have referred briefly in para 4 of this report to the opening of a shop for the sale of Government clients' jaggery at Baramati. Conduct of shop. I have also said that this is one of the most important parts of the scheme inasmuch as it facilitates recovery and saves an amount of money to the cultivators which they used to pay as commission, etc., to the local banias.

19. A shop was accordingly started in January 1908. At first Mr. Rango Narayan Guzar, a local merchant, undertook to sell jaggery of Government clients at a reduced rate of commission. His own trade in this respect being heavy, he could not carry on both shops, so he gave up the business after a fortnight. Mr. Ranganath Keshav Chavre, the Karbhari of Sardar Shambhusing of Malegaon, then proposed to open a shop at Baramati for the sale of jaggery at reduced commission provided the jaggery of Government clients was brought to the shop. I insisted upon his engaging an adequate establishment, ample

accommodation for the storage of jaggery, the keeping of proper accounts and conduct of sale under my immediate supervision. To all this he agreed and set up a shop on the upper floor of which is my office. Three buildings situated in the business centre of Baramati were permanently hired and the necessary furniture and other articles required for the conduct of the shop were provided by the shopkeeper.

20. An adequate establishment was entertained with Mr. Manohar Ramchandra Uplekar at the head as manager. Additional temporary building accommodation had to be provided and additional temporary establishment had to be engaged when the jaggery season was in full swing. During the last hot weather for some time 40 to 45 cart loads of jaggery were brought to the shop for sale daily, and such was the strain that the shop manager and his men had their hands full from 7 a. m. to 11 p. m. Sometimes the closing of the day's accounts carried them far into the night.

21. I will now state in detail our *modus operandi* in regard to the scale of jaggery. As soon as a cart containing lumps of jaggery arrives in front of the shop the name of the owner sending the goods for sale and the number of jaggery lumps are ascertained from the cartman. The jaggery lumps are then counted and stored in the godown according to their quality. Different qualities of jaggery are stored in separate places. On the jaggery lumps a gummed slip of paper showing the name of the owner and the consecutive number of cart is stuck up. To the cartman a receipt is given in the following form called Shop Form.

No. I.  
No. 2658.

Name of owner of jaggery and his place of residence.	Number of Carta.	Number of jaggery lumps.	Date of receipt of jaggery in the shop.	Signature of shop-keeper.
Khashaba Dhondi Dhumal of Pandara.	1	27	18-6-09.	(Sd.) Karkun for Shop-keeper.

The lumps (27) received are then entered in Shop Form No. 2. A sample of this form is subjoined.

Shop-Form No. II.

18th June, 1909.

233	Previous days balance of lumps	0	sold
55	Received 18th	288	Balance for next day.
	27 Khashaba Dhumal		
	28 Mugutrao		
<hr/>		<hr/>	
288		288	

The lumps are also entered in the ledger shop Form No. III  
Khashaba Dhondiba Dhumal.

Receipts		Expenditure.	
Lumps		Lumps sold.	
28, 1st	June, 1909	28, 2nd	June, 1909.
84, 15th	June, 1909	84, 15th	June, 1909.
27, 18th	June, 1909	27, 20th	June, 1909.
<hr/>		<hr/>	
139		139	

Jaggery is sold daily during the busy season and at intervals of two or three days during the slack season. Sales are effected between 10 and 11 A.M., *i. e.* soon after the arrival of the post. A good many agents of outside buyers generally Cutchis, are resident in Baramati during the jaggery season. Local traders also buy jaggery from my shop and store it with themselves in view of realising better prices later on. At 10 A.M. buyers are invited to come to buy jaggery by sounding a gong for about 5 minutes. There is always a ready market for jaggery. 50 to 90 buyers are present. Sale is effected by auction and jaggery is sold to the highest bidder. I am present at the auction and the highest bid is accepted by me. Outside buyers not being known to me bid through local traders who are responsible to me. There is very keen competition. Different qualities of jaggery are sold in lots of 10 to 20 cart loads. The prices realised compare very favourably with those obtained in the godowns of local traders who do not sell their goods by auction. Their practice is to make bargains with individuals separately. After the sale is effected the fact is noted down in the sale book as follows :—

Consecutive No.	Name of owner.	Number of cart loads.	No. of lumps.	Rate per "Atki" 8 Maunds.		Name of local trader who bought the jaggery.
				Rs.	As.	
2655	Shambhaji Patlu of Nira Wagaj	1	26	14	12	Rattochand Maluckchand.
2656	Anandrao Madhavrao Dhumal of Pandara.	2	60	17	5	Gulabchand Borikar.

The buyers (local traders) take delivery of goods generally within 2 or 3 days from the date of sale. Jaggery is weighed by a skilled weigher entertained in the shop and the operation is done in the presence of the buyer or his servant who notes down the weight of each lump as he takes delivery of the jaggery. The weight of each lump is also noted down by a shop karkun in Shop Form No. IV while the weighing operations are proceeding. When, by comparison of both the buyer's and seller's notes of weighments, a tally is effected, the amount due from the buyer is arrived at and on his agreeing as to its correctness the sum due from him is shown in the general Day Book of jaggery transactions of the shop. The buyers (local traders) do not pay the money in cash as soon as they take delivery of goods but generally within 8 days from date of sale. This is a local practice and with considerable hesitation I was obliged to conform to it. I tried to introduce the system of payment in cash before delivery of goods and I had actually introduced it for a time, but the effect was the extreme unwillingness of the local traders to buy at the Government shop. This had a considerable prejudicial effect on the prices realised. If I had stood fast, the consequence would have been accumulation of jaggery to an enormous extent just when the hot season was at its height and I had not insured all my jaggery and had no accommodation to store it. The traders held a special meeting to boycott my shop if I insisted on payment of cash before delivery of goods. So I had to revert to my old system of granting 8 days of grace for payment. The principal objection on the part of the local trader to the introduction of cash payment system is lack of capital. The local trader gets his cash from Bombay.

22. During the busy jaggery season buyers of jaggery from several parts of the Bombay Presidency, Central Provinces, and the Berars are resident in Baramati. They buy through the local traders because the outsiders are not personally known to the sellers of jaggery here and it is somewhat risky to deal with them direct. For the same reason the local trader is also reluctant to pay

down cash for the outsider before he receives his money or money's equivalent, i. e., a Hundi. The local trader sends it for encashment to Bombay and on his receiving currency notes by post he generally delivers the goods to the outsider. In the case of well-known firms of Bombay the local trader is not so very strict and allows the goods to pass on before receiving cash. All arrangements for carting the goods to the Railway station are made for the outsiders by the local traders who often delay these operations till they receive the currency notes from Bombay. To effect all this the local traders want 8 days' grace. The local traders are respectable men and are personally known to me and so far no hitch has occurred. From the opening of the shop up to the 3rd June 1909, I sold Rs. 3,78,440 worth of jaggery but not a single rupee has remained outstanding. But here I beg leave to state for the information of Government that in dispensing with cash payment and in allowing 8 days of grace I am following local bunias' custom and I am exposed to the local bunias' risk. Again, an ordinary auction sale by a Government officer is safe guarded by precautions, such as the production of a solvency certificate of the person bidding, payment of  $\frac{1}{4}$  earnest money on the spot, the obtaining of the signature of the buyer on the auction sale paper. Besides, the legal provisions which exist in case of default by a person bidding at a Government auction are powerful deterrents against the commission of fraud. If I were to insist on all these conditions there would be no sale of jaggery in the Government shop unless all jaggery produced in the Nira valley finds its way in my shop. I have been thinking all the while how to ensure payment in cash at the time of delivery of goods, but I am unable to solve the question to my satisfaction. There is not to my knowledge such a large sugar-factory in the country as would consume all the quantity brought to my shop, nor am I aware of such a gigantic concern as Ralli Brothers who would buy all my jaggery. Instead of seeking custom outside Baramati on cash payment system I preferred to incur the risk attendant on deferred payment and sold my jaggery to traders whom I knew and who were on the spot. There is always as stated before a ready market for jaggery at Baramati. I sold as much as Rs. 19,392 worth of jaggery in a single hour. Now to revert to the shop procedure. Cart loads of jaggery are sold as they come in from the cultivators. I do not wait to sell a cultivator's jaggery till all his produce has been received. As soon as a quantity of a cultivator's jaggery is sold and the money for it is received in the shop from the local buyer a detailed account of it is made up in Shop Form No. V and Ledger Shop Form No. VI and the amount is remitted to me by the shopkeeper with a Chalan Shop Form No. VII (all these forms are exactly similar). I give a written acknowledgment of receipt of the money in my office on Form No. V. Sample form subjoined.

Detailed statement of remittances made to the Special Officer, Nira Canal Tagai Scheme, Baramati.

Serial No.	Date.	Name of client and his place of residence.	STUFF SOLD.		Deduct dryage @ one lb per maund of 24 lbs.	Net Weight.		Rate of Sale per Atki, viz. 8 maunds.	Value realized by sale.	DEDUCT.			Remainder to be paid to the owner.	REMARKS.											
			Lumps of Jaggery.	Weight.		Brokerage @ 2 annas per 10 maunds.	"Batta" one rupee per cent.			Total.															
1	2	3	4	5	6	7		8	9	10	11	12	13	14											
				M. S.	Maunds	M.	S.	Ra. A.	P.	Ra. A. P.	Ra. A. P.	Ra. A. P.	Ra. A. P.												
2,605	20-6-09.	Khashaba Dhondi Dhumal of Pandara.	27	48-7	2½	45	11	17	5	99	7	9	0	9	3	1	0	0	1	9	3	97	14	6	

Received Rs. 97-14-6 and credited to Day Book on page 6. Remitted Rs. 97-14-6 to the Special Officer on 28-6-09.

(Sd.) \_\_\_\_\_ (Sd.) \_\_\_\_\_ (Sd.) \_\_\_\_\_ (Sd.) \_\_\_\_\_ (Sd.) \_\_\_\_\_  
*Karkun. Hd. Karkun. Special Officer. Karkun. Shopkeeper.*

Intimation of sale of jaggery and particulars of sale, etc., are given to the cultivator on a card every time a sale of his jaggery is made, in the following form (Shop Form No. VIII).

No. 2605.

To

Khashiaba Dhondi Dhumal of Pandara.

Details of sale of 27 lumps of jaggery : Weight 48 M, 7 S. minus dryage 2½, net weight 45 M. 11 S. Rate of scale per atki, Rs. 17-5 ans. Value realised, Rs. 99-7-9. Commission, As. 9-3. Batta, Re. 1. Net amount payable, Rs. 97-14-3 to the owner.

(Sd.).....

Shopkeeper.

(Sd.).....

Special Officer.

When the money is received by me I enter it in Form No. IX.

Date.	Sums received from the shop on account of sale proceeds of jaggery.	Expenditure.		Balance.	Special Officer's signature.
		Paid to owner.	Remitted to the Sub-Treasury.		
1	2	3	4	5	6

and in Form No. X. (individual ledger account) which is exactly like Form No. IX. Whenever the sale proceeds of jaggery are disbursed to a cultivator after defraying therefrom the amount of capital (tagai) and interest, a stamped receipt is obtained from him (Form No. XI).

FORM No. XI.

No.	Date.	Name.	On what account amount paid.	Amount.		Signature of recipient.	Signature of the Special Officer.
				In words.	In figures.		
1	2	3	4	5	6	7	8

Whenever money is paid into the sub-treasury on account of tagai recovery it is entered in a Chalan in duplicate in the following form (Form No. XII.)

## Remittance of money to treasury on account of Tagai under Act XII of 1884.

No.	Date.	Client's name and place of residence.	Money sent to sub-treasury.			Remarks.
			Capital.	Interest.	Total.	

*To the Treasury Officer,  
(Sd.) Special Officer.*

There are altogether 12 shop forms but the work in connection with the last four forms is entirely done in my office.

23. If any cultivator particularly requested to keep his jaggery for some time in the hope of realising better prices his wishes were complied with; but such requests were few and far between. The accommodation, considering the extent of business done during the busy season was insufficient sometimes for current requirements. The idea of storing jaggery on a large scale was out of the question. The prevalent idea is that the sooner the jaggery is sold from date of its manufacture, the better for the owner because the rate of dryage during the first two months from the date of manufacture is great. Therefore the requests to keep jaggery for a considerable length of time were few.

24. Some clients preferred to sell their own jaggery after repayments of the loans taken. I made no objection to this, because I knew they were shrewd business men and their object was to save themselves the slight charges made on account of commission, etc. Some people sold their standing crop and repaid the loans in cash. The three godowns permanently engaged are big enough to hold only Rs. 20,000 worth of jaggery, but I had so arranged that not more than Rs. 9,000 worth of jaggery remained with me at a time. I had insured Rs. 9,000 worth of jaggery against fire during the last hot season. Other precautions were taken such as absolute prohibition of smoking "bidies" by buyers in the godown and keeping earthen pots always filled with water just as it is done in taluka record rooms.

25. Cultivators coming to Baramati on business used to attend at the time the auction sales were conducted and were pleased to observe the keen competition between traders. The promptitude with which accounts were made up and intimation and money given to clients had much to do with the popularity which the shop soon obtained.

The result of this was many clients, though not indebted to Government for tagai loans, brought their jaggery to this shop for sale. Mr. Chavre, the shopkeeper, who had foreseen this before opening the shop suggested to keep separate accounts of jaggery brought by persons other than Government clients and to sell their jaggery without my intervention; but I saw serious objection for exempting part of his business from my supervision. I only insisted that his manager, Mr. Uplekar, should not admit such produce in our shop for the growing of which local sowkars had financed the cultivators and taken a mortgage of the sugarcane crop as security for their loan and this part of his duty Mr. Uplekar discharged with commendable carefulness. Three or four such cases were brought to my notice by Mr. Uplekar in which he refused to admit jaggery. People knew about this and there was no further trouble.

26. I subjoin a statement showing the total business done in the shop from the commencement up to the 30th June, 1909.



Statement showing the total amount of Jaggery sold in the Government Shop and the amounts realized and remitted to the Special Officer by the shop-keeper.

Period.	Lumps of Jaggery.	Weight in maunds (one maund equal to 24 lbs.)	Dryage deducted.	Net weight in maunds after deducting dryage.	Price realized.	Brokerage at two as. per ten maunds.	"Batta" at Rupee one per Rs. 100 sale paid to buyer.	Total of columns 7 and 8.	Amount after deducting col. 9 from col. 6.	Refund of municipal Octroi.	Price remitted to the special officer.	REMARKS.
1	2	3	4	5	6	7	8.	9	10	11	12	13
		Mds. lbs.	Mds. lbs.	Mds. lbs.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
January 1908 to the end of October 1908	80,085	57,857-6½	2,688-14½	54,668-16½	90,740 6 0	685 14 9	907 6 9	1,593 5 6	89,147 0 6	447 2 0	89,594 2 6	
1st November 1908 to 30th June 1909	91,954	1,74,845-14½	8,194-14½	1,66,651-0	2,93,809 11 9	2,096 12 9	2,938 4 9	5,035 1 6	2,88,774 10 3	.....	2,88,774 10 3	
	1,22,039	2,32,202-20½	10,883-4½	2,21,819-16½	3,84,550 1 9	2,782 11 6	3,845 11 6	6,628 7 0	3,77,921 10 9	447 2 0	3,78,368 12 9	

\* The Octroi duty was abolished by the Municipality from 1st October, 1908.

Cash.	+ 78 0 0
	3,78,441 12 9

Column 4 of the statement :—

It will be seen from the above statement that a certain amount of dryagē is deducted from the gross weight of jaggery. The rate of deduction is nearly 1 lb. per 24 lbs. This is intended to cover the loss which the buyer is expected to suffer when selling by retail sale.

Column 7 of the statement :—

The charge on account of brokerage is at the rate of two annas per palla or 240 lbs. of jaggery. This sum is paid to the shopkeeper as his remuneration.

Column 8 of the statement :—

"Batta" at the rate of Re. 1 per Rs. 100 sale is paid to the buyer of jaggery. Half of this money goes to the Baramati commission agents who buy for outsiders. The outsiders receive half. The "Batta" was originally intended to go to the commission agents for their paying cash for outside buyers. I tried to abolish this item but could not succeed. The total amount realised as brokerage was Rs. 2,782-11-6, which is the income of my shopkeeper.

27. I append a statement of expenditure incurred by him from the beginning up to date.

Period,	Income received from brokerage at two annas per panna of jaggery sold.		Expenditure.									Net profit of the shop-keeper (column 2-column 11.)	Remarks.																				
			Pay of establishment.	Contingency.	Stationery.	Post and telegrams.	Coolie hire (Hamali.)	Rent.	Furniture.	Insurance.	Total of columns 2 to 10.																						
1	2	3	4	5	6	7	8	9	10	11	12	13																					
From January 1908 to the end of October 1908 ...	685	14	9	888	1	...	90	9	...	64	6	9	23	15	9	81	3	...	819	10	6	253	6	...	...	...	1,171	4	...	-485	5	3	
From 1st November 1908 to 30th June 1909 ...	2,096	12	9	639	...	...	50	6	9	74	1	9	9	10	9	274	3	3	586	...	...	51	12	...	57	...	...	1,739	2	6	+357	10	3
Total ...	2,782	11	6	974	1	...	140	15	9	138	8	6	33	10	6	355	6	3	905	10	6	805	2	...	57	...	...	2,910	6	6	-127	11	...

Column 2 of the statement :—

Income from brokerage. This is charged at the rate of 2 annas per 240 lbs. (Palla) of jaggery sold. Column 3 :—The shopkeeper has engaged permanently in the following establishment :—

Mr. Uplekar. He is a relative of the shopkeeper and has made no charge for his pay in the statement. It is a private matter between Mr. Chavre, the shopkeeper, and Mr. Uplekar.

28. The shopkeeper has employed 5 men permanently as "gumastas" and one weigher. Additional temporary "gumastas" are entertained when there is pressure of work. The "gumastas" are half accountants and half clerks. They make the necessary calculations and write up the books.

All weighing of jaggery is done by the weigher. The "gumastas" get from Rs. 8 to Rs. 15. The weigher is paid Rs. 12. One menial servant is engaged on Rs. 5 to sweep the shop. The shop manager looks after everything in connection with the shop. He is present at the auction sale of jaggery. For the punctual collection of money due from the traders on account of jaggery sold, its safekeeping and remittance to the Special Officer, the manager is responsible.

\* Column 4 :—Miscellaneous expenditure such as lighting the shop, etc., is entered in this column.

Column 5 :—Expenditure under this head includes printing charges. The shopkeeper has got all his forms printed.

Column 6 :—Requires no explanation.

Column 7 :—The "hamals" or coolies are not paid by the month but are paid at the rate of 1½ annas per cart load of jaggery unloaded and weighed.

Column 8 :—Three shops at the rate of Rs. 800 per annum were rented and temporary accommodation was also hired when there was need of it.

Column 9 :—As altogether a new shop was opened a lot of furniture had to be bought by the shopkeeper.

Column 10 :—Jaggery of the value of Rs. 9,000 was insured against fire for three months, March to May 1909.

Column 11 :—The shopkeeper made no profit for the period from January to end of October 1908. The shop year commences from 1st November every year. To make up his deficit, with the Collector's permission, Rs. 400 on account of rent were paid to him from the sum placed at the disposal of the Special Officer.

29. For the subsequent merchant's year ending October 31st 1909, his profits cannot be known yet. So far as the period from November 1908 to 30th June is concerned after defraying all charges the shopkeeper gets Rs. 375-10-3. Owing to early rains and the outbreak of cholera in the hot weather crushing operations stopped earlier than usual and so the expected quantity of jaggery was not received for sale before the end of June.

## PART III.

30. In the cultivation of sugarcane crop the heaviest item included in the cost of cultivation is manure. Farm-yard manure is brought by the cultivators themselves by payment in cash; and is applied to the land before sowing. When the crop is 5 months old, it is required to be manured with oil-cake. Safflower and castor-cake are used. Very few use fish manure. As laid down in the scheme oil-cake issued to clients was to be bought by me. The proper time for buying oil-cake is in the months of September to December when the prices are generally low.

31. For the first year therefore I could not make the purchase in these months. Having taken up my duties from December only, I could not buy oil-cake then, as I was not sure of the quantity which would be required as most of the loans were advanced from January to March.

32. Subsequently, however, I bought oil-cake and fish-manure as follows:—

Fish manure from Bombay ... ..	Rs. 4,915	12	1	} This was all stored in godowns till issued to clients.
Ahmedabad castor-cake bought direct from the mill.	Rs. 8,405	12	6	
Ahmedabad castor-cake purchased locally.	Rs. 6,914	4	0	
Sabarmati castor-cake purchased locally.	Rs. 9,895	1	3	
Safflower oil-cake purchased locally	Rs. 6,975	0	0	
	<hr/>			
	Rs. 37,105	13	10	
 Oil-cake bought locally ... ..	 Rs. 2,789	 5	 9	 } not-stored but issued at once.
	<hr/>			
	Rs. 39,895	3	7	

The business was managed thus. The rate at which oil-cake was bought was settled by me and then money was advanced to the shopkeeper to buy the stuff. He bought it and stored it in a godown which was hired for the purpose. When I advanced instalments in cash to tagai clients they bought the oil-cake from the shopman by payment of cash at a rate fixed by me, which was generally the market rate. From the money thus collected the shopkeeper recouped the advances. The rate was fixed by me in consideration of the cost of rent, wages of the men engaged to weigh out the cake and the loss likely to be incurred on account of dryage. The rate of dryage is a very difficult thing to ascertain. One can make only an approximate estimate. One karkun was engaged on Rs. 15 by the shopkeeper to weight out oil-cake to the clients.

33. The rate of oil-cake went down as the season advanced and as I could not allow oil-cake to be sold at a higher price than the market rate there was a deficit, in the cost realised by the sale of the oil-cake bought from the Ahmedabad mill and that bought locally. This deficit was met from surplus realised by the sale of fish manure and Ahmedabad cake purchased locally; the net saving in the whole transaction being Rs. 495-5-5. The shopkeeper was not charged interest for the money advanced to him to purchase oil-cake as he acted as an agent. For his troubles he was allowed to retain the whole sum of Rs. 495-5-5, as his profits in managing the jaggery-shop up to October 1908, were almost nil. It will thus be seen that no commission was charged to the clients on the oil-cake. They got unadulterated stuff and the proper weight. The accounts were closed in the middle of November, 1908, when the arrangements made for the sale of

oil-cake were confirmed by the Collector at the time of his visit to the shop. From November 1908 onwards other arrangements were sanctioned by the Collector as regards payment to the shopkeeper. It has been decided to pay him this year  $2\frac{1}{2}$  per cent. commission on the sale of imported oil-cake and one per cent. on oil-cake bought locally. The rent of godowns and establishment charges are to be borne by him out of the commission.

34. In the present season, up to June 30th, 1909, I bought Rs. 45,483 worth of Sabarmati castor-cake and Rs. 11,772 worth of safflower cake. Sabarmati castor-cake was bought direct from the B. B. & C. I. Railway mill contractor. The rate was fixed with the Collector's sanction. The safflower cake was all bought locally and the rate was settled by me. An advance of Rs. 52,999 7A. 2P. was drawn by me from the treasury to buy this cake. The procedure with regard to payment of instalments to clients is the same as last year, i. e. I pay them in cash with which they buy from the shopkeeper who sends the money to me to recoup the advance drawn. The rate at which he sells to the clients is fixed by me adding to the cost price, charges on account of insurance, railway fare and cart-hire and commission payable to the shopkeeper. Out of the advance of Rs. 52,999 7A. 2P., Rs. 37,000 were recouped up to 30th June. I append the sub-treasury officer's \*certificate. The issue of oil-cake is still in progress and I do not draw advance from the treasury now to pay money to the shop-keeper to buy safflower-cake. I allow him to retain in his hands a sufficient sum out of the money collected from the clients to buy such cake which is purchased as required. The rate of safflower cake was very unsettled and so I did not buy much of it beforehand. I am now buying it as required. The Sabarmati oil-cake bargain was made in September 1908, 13,000 gunny bags were bought to put in the Sabarmati and safflower cake. The clients are charged for the bags at the rate of As. 4-9 p. per bag. Option is given them to retain the bags or return them with 2 annas for use and for wear and tear per bag. I will either sell such returned bags or retain them for further use as seems best. I have yet a large quantity of Sabarmati stuff on hand. The dryage or excess can only be ascertained by the end of October when the accounts will be closed. One karkun on Rs. 15 has been engaged to weigh out the oil-cake and two watchmen are guarding the godowns night and day. Rs. 50,000 worth of stuff was insured against fire. All the oil-cake could not be accommodated in the godown and some of it was kept in the open. This was disposed of before the rains. The godown is a well-built structure and the rent charged is Rs. 650 per annum.

35. Some of my clients had bargained with traders for oil-cake when the prices were very low. Such cases were few and I paid them money in cash after satisfying that the stuff was really bought.

36. I had myself gone to Bombay, Poona and Ahmedabad to bargain for fish-manure and oil-cake. Some cultivators prefer the Sabarmati castor-cake and some use none but the safflower cake pressed by the country "ghanas" (oil-presses). Both are good as manure. Dr. Mann's analysis shows the Sabarmati castor-cake to contain 4.80 per cent. nitrogen and the local safflower oil cake to contain 6.54 per cent. nitrogen.

#### IV. GENERAL REMARKS.

37. The present experiment to quote the words of Sir John Muir-Mackenzie is intended to demonstrate the possibility of financing the cultivators on much easier terms and to secure them much better profits. It was proposed "to place the experience thus gained at the disposal of the public in the hopes that some banking agency may be induced to step in and compete with the sowkars." Mr. Brander has treated the subject of sugarcane cultivation, the

Budget speech made  
in June 1908.

\*Note—This is not printed.

trade in connection with that industry and the possibilities of development of both in his report advocating the establishment of an agricultural bank on the Egyptian model. He has said almost every thing that could be said in that connection. I therefore need only state a few facts which go to corroborate what he has said.

38. Doubt has been expressed whether the industry is safe enough to invest capital in it and whether it is likely to absorb a sufficiently large amount to induce a bank to undertake operations. I will therefore state some facts which may remove the doubt. The soil and climate are suitable. The average rainfall of this taluka is below 25 inches, but the rainfall of the Ghaut tracts where nature bestows so much as 150 inches every year is made available by the skill of the engineer. Thus, there is an ample and a never failing supply of flow irrigation for growing cane.

39. With the hot sun moisture and proper manuring the soil is capable of producing the highest outturn. In the current year several of my clients' out-turn of jaggery was over 400 maunds or over 9,600 lbs. or 4 tons and 5 cwts. of jaggery per acre. One of my clients named Vishawambhar Pandharinath Bhinji, of Malegaon Bk. who had three acres sugar-cane crop got 1773 maunds of jaggery, i. e. 14,114 lbs. or 6 tons and 6 cwts. per acre, or 591 maunds per acre. I will compare these figures with other parts of India producing cane.

	Weight of gur per acre.	
Karnatak.	3590 lbs.	} <i>Vide</i> proceedings of the Board of Agriculture, 1907, pages 107, 175, 207, 123, 229, respectively.
Central Provinces	5080 lbs.	
East Bengal and Assam.	2800 lbs.	
Bardwan.	10294 lbs.	
Baroda	7000 lbs.	

In other countries the ton and the acre vary and in addition the time to maturity and the number of crops from one planting are to be taken into account. In Hawaii cane does not come to maturity till two years. So our figures are not strictly comparable. The highest weight of stripped cane per acre here is forty tons or 19,600 lbs. The highest weight of stripped cane per acre in Egypt is 80,913 lbs. per acre. ("Sugarcane in Egypt" by Walter Tiemann). At any rate the capability of the soil is suitable enough to conduct financial operations on a large scale without risk.

40. The next consideration is whether the profits of cultivation are attractive enough for men to engage in the industry and thus to absorb the capital of the Bank. The margin of profit much depends upon the prices prevailing at harvest time. The individual details given in a previous chapter of this report show that 28 clients cleared of net profit over Rs. 300 per acre and 48 clients, net profit per acre was over Rs. 150. This compares very favourably with profits per acre in other provinces. I will take the United Provinces and Oudh first as this province contains the largest sugarcane area. Something like 12 or 13 lacs of acres are under that crop. Mr. Hadi in his book on the sugar industry of the United Provinces of Agra and Oudh says :—

Cultivators' profit. "The cost of cultivation in this tract (Meerut) amounts to Rs. 66. Adding to this Rs. 36 the cost of the manufacture of gur, the total Rs. 102 represents the aggregate cost of producing 35 maunds of gur, which is the average out-turn of the Meerut District. This leaves to

cultivators the nominal profit of Rs. 3 per acre." Later on he adds, "On the other hand the crop is the great resource of the skilful and industrious cultivator." In the neighbourhood of Cawnpur the total cost of cultivation per acre is estimated at Rs. 157 and it is added that a standing crop of this sort should sell for Rs. 180 to Rs. 200.

41. From the proceedings of the Board of Agriculture in India, 1907, I quote the following figures:—

Punjab (Lyallpur agricultural station) Rs. 18-8-0 per acre.

Burma..... " 85-0-0 profit per acre.

*Lower Bengal.*

Bardwan, profit, Rs. 118/- per acre.

*United Provinces of Agra and Oudh*

1. Upper Duab, Profit, Rs. 33/- per acre.
2. Middle Duab. Do. 19/- do.
3. Rohilkhand Do. 20/- do.

*Eastern Bengal.*

Highest Rs. 90/- per acre. This is said to be due to the extremely profitable character of cane cultivation in the virgin forest soil of the Dibrugarh Sub-Division.

42. Judged by these statistics I think the net average profit per acre in the Nira Valley which may be taken at Rs. 150/- per acre exceeds the profit in nearly all the above districts and it is no wonder that the demand for capital to grow sugarcane is ever on the increase. The cultivator as a rule sells his jaggery when it is ready and so does not benefit by the rise in price which takes place at least once within a period of 12 months. I have collected statistics showing the price of jaggery prevailing in the Baramati Market during the last 10 years on the 15th of each month.

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	REMARKS.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	
1900	12-8	12-8	14-5	12-8	12-3	18-13	14-5	14-5	20-0	16-11	20-0	13-1	
1901	18-3	20-0	16-11	15-6	14-13	16-11	18-3	17-6	18-3	18-3	16-11	16-11	
1902	14-5	14-5	11-12	11-2	10-3	15-6	12-8	12-8	12-8	12-8	12-3	12-3	
1903	12-8	12-8	12-8	11-2	10-0	10-0	10-0	10-8	11-2	14-5	16-11	13-13	
1904	18-13	12-8	12-8	14-5	14-5	18-8	18-3	18-3	18-3	18-3	18-3	16-11	
1905	16-11	16-11	16-11	16-11	15-6	15-6	16-0	16-0	16-11	16-11	16-11	16-11	
1906	16-0	16-11	16-11	16-11	16-11	15-6	15-6	15-6	15-6	16-11	15-6	15-6	
1907	15-6	15-6	15-6	15-6	15-6	15-6	15-6	15-6	16-11	16-11	15-6	18-3	
1908	16-11	16-11	16-11	15-6	15-6	15-6	16-0	16-0	16-0	16-11	16-11	16-11	
1909	16-11	16-11	12-8	13-5	14-5	16-13	17-6						

NOTE:—The rates quoted above are per *Atki*, i.e. 100 seers of Jaggery.



43. A careful study of the figures will show that if at the harvest time there is an abnormal fall in prices, it would not be very risky to keep the cultivators' jaggery for some months in view of securing better prices. But this means the construction of suitable godowns with proper arrangements for preservation of goods from fire and rain. This can be done by a bank with profit to itself and the cultivating classes. It is said that it is a surprising fact that the price of jaggery seems to be in no way ruled by the price of sugar. So long as the dietary of the Hindus and the Mahomedans remains unchanged, jaggery is an indispensable commodity and its place can never be taken by sugar. There is therefore no fear of the industry declining. But so far as this industry is concerned we have entered into relations with the outer world. I have read of raw sugar being occasionally imported from Java and Mauritius for the use of gur consuming power factories in Upper India. So, if intelligent productivity is to keep pace with competitors methods and practices hitherto suitable will not suffice. It would be necessary to encourage the use of labour saving machines, such as oil engine crushing mills which from actual experiment this year in the Nira Valley have been found to raise the outturn of raw sugar by 10 per cent., increasing the net profit by Rs. 100 per acre. Construction of power factories consuming cane would be of great convenience. To cheapen the cost of manure and to lessen the conveyance charges of gur, the construction of a light railway and the introduction of oil mills worked by oil engines are necessary and here there is unlimited scope for the employment of a bank's capital.

44. The details given above about sugarcane crop may lead one to believe that cultivation all along the canal is in an excellent state. Such, however, is by no means the case. There is a vast account of cultivation that may be termed bad and pauper cultivation, and large areas eminently suited to grow superior crop are allowed to be fallow simply for want of capital. Many of the ryots have no capital to buy bullocks. I have observed that land under continuous cultivation is less liable to water logging than land lying fallow. If the soil is adequately manured other crops such as groundnut, jowari, wheat, rice, etc., yield a net profit from Rs. 80 to 100 per acre. Without manure the yield is insignificant. Constant observations of the fields of many of my clients during the past 18 months have thoroughly impressed me with the belief that inability to manure the land on the part of the ryots is the greatest obstacle to more prosperity. I give below details of two clients of mine at Songaon who are unable to cultivate their other lands for want of capital. One has planted two acres of sugarcane and has been financed by me for that crop only. He has land of the extent noted below :—

	Acres.	Gunthas.
Survey Number 136	13 —	4
Do. 137	26 —	16
Do. 368	11 —	10
Do. 363	16 —	1
Do. 364	16 —	21
Total area	83 —	52

The land comprising survey numbers 136 and 137 which are close to the village remained uncultivated last year and the year before last for want of bullocks. He has this year bought four bullocks and has ploughed the land.

Another client has three survey numbers.

167	area	20 —	26
168	"	11 —	3
150	"	10 —	24

Total area 42 — 53

of which numbers 167 and 168 were unsown last year simply on account of

the inability of the owner. The land is situated on the banks of the river Karha where it joins the river Nira and is composed of rich alluvial deposits. Owing to neglect it is partly overgrown with babul shrubs and prickly pear and is being washed away by rain water. It has three "Bhudkis (wells) in it. He has no bullocks. The land can be brought under cultivation at a small cost, say Rs. 30 per acre.

45. It would not be dangerous to make small advances to such cultivators to improve their land or to buy bullocks along with sugarcane tagai. These are not specially selected examples. There are several such instances. If such men are helped to carry on their other than sugarcane cultivation, much distress that exists will disappear. (My remarks apply to irrigated lands of this valley). The Director of Agriculture so long ago as 1888-89 said, "Irrigated crops trench on the temporary fertility of the soil which must be restored either by manure or rest." Manure is the heaviest item of expenditure if intensive agriculture is practised and it is intensive agriculture which pays best. There is thus ample scope for the employment of banking capital in providing manure for other crops than sugarcane.

46. There are vast stores of subsoil water almost everywhere under this canal. At a trifling cost wells can be sunk. There are existing wells full of water and streams always running; but the cost of lifting that water is great. Large tracts of land can be supplied with water from these wells by electrically driven centrifugal pumps, the power being generated at a central station and distributed by a net work of overhead conductors (see "Agricultural problems" by A. Chatterton, Esquire). The demand for flow water for jowari and other rabi crops is so great that water thus raised from wells would all be availed of. The villages situated at the tail of the canal will be greatly benefited. There is here scope for laying out capital on the construction of power generating stations.

47. Government has decided to enlarge the Bhatgar tank and I expect that after a number of years 70 thousand acres of land in the adjoining Phaltan State territory will be under command of canal water. If the State, as is most probable, avails itself of the water supply there would be great scarcity of manure on the Nira canal. At present the greater portion of the manure required for sugarcane cultivation in the Nira valley is imported by villagers from Phaltan State. I hear that the extension of Lake Fife is also under contemplation, and when the project is completed many villages situated to the north of the Nira canal will cease to send manure to the Nira canal. The cost of manure will be almost prohibitive. But the country produces vast quantities of manure in the shape of night-soil. Elaborate calculations have been made by Sir F. A. Nicholson in his note on agriculture in Japan of the value of this kind of manure. The subject may appear repulsive but it is bound at no distant date to engage the attention of administrators. Dr. Voelckar, consulting chemist to the Royal Agriculture Society of England, who was sent out by the Secretary of State to make inquiries in India itself and to advise upon the course to be pursued, in his book on the improvement of Indian Agriculture says:—"Water and manure constitute the cultivator's chief wants and that the supply of manure must go hand in hand with water and must like the latter be taken up by Government; otherwise the soil will not be able to provide for the increasing millions of the people." It would be possible to farm out a city's outturn of night-soil to a company whose business it would be to carefully collect and store the excreta and to scientifically turn it into manurial earth by the use of absorbents and deodorisers, harmless to ~~the soil and the health of the people~~ calculations on the data supplied by Sir F. A. Nicholson, I estimate that 20 lakh rupees worth of manure can be manufactured every year in Bombay

alone. The sugarcane growers are fully aware of the manurial value of night-soil. A Brahmin client of mine this year bought the night-soil of Phaltan town for manuring his crops and a Gujar money-lender imported it from Poona. This I mention to show that there is no caste prejudice in regard to the use of this manure which gives the best results. If the bank undertakes this business or finances a company for the purpose much capital would be engaged.

Investor of capital is not  
the only person benefited.

48. I subjoin a statement showing the result of  
sugarcane cultivation by one of my clients :—

Name of client.	Area of sugarcane grown and loan taken for it.	Weight of produce brought to the shop for sale.	Amount realized by sale of jaggery.	Value of cane removed for seed for next year's plantation.	Value of gross produce of area sown.	Value of jaggery retained for home consumption.	Recoveries made.	Additional money spent out of pocket by the cultivator.	Total of cols. 8 & 9.	Net profit (deduct col. 10 from col. 7.)
1	2	3	4	5	6	7	8	9	10	11
Mahadev Narayan Devdhar	A. G. & 30 Rs. 1,890	Maunds. 1,586	Rs. 2,575	Rs. 200	NIL	Rs. 2,775	Capital Rs. 1,890 Interest 164 Total Rs. 2,054	Rs. 78	Rs. 2,182	Rs. 643

I had asked the man to keep a detailed account of his expenditure. I financed him to grow 4 acres and 30 gunthas of sugarcane. I lent him Rs. 1,800. His gross produce amounted to Rs. 2,775. From this he had to meet the following expenses:—

Rent of land ... ..	Rs. 42 3 0
Land Revenue ... ..	Rs. 5 0 0
Local Fund ... ..	Rs. 0 5 0
Irrigation charges ... ..	Rs. 118 12 0
Interest on tagai ... ..	Rs. 164 5 0
<b>Cost of Cultivation :</b>	
Labour ... ..	Rs. 714 8 0
Farm-yard manure... ..	Rs. 446 8 0
Oilcake manure ... ..	Rs. 544 0 0
Miscellaneous expenditure ... ..	Rs. 52 0 0
Marketing expenses, <i>viz.</i> , brokerage & commission	Rs. 45 0 0
<b>Total</b>	<b>Rs. 2132 0 0</b>
<b>Net profit to the cultivator...</b>	<b>Rs. 642 0 0</b>

He spent some money out of his pocket over and above the tagai loan.

49. Taking 100 as representing the value of the crop, we will see among whom and in what proportion it is divided:—

	Per cent.
Landlord ... ..	1.5
<i>Government.</i>	
Land Revenue ... ..	0.2
Irrigation ... ..	4.3
Interest on tagai ... ..	5.9
Local Fund cess ... ..	0.01
Labourers ... ..	25.7
Sellers of farm-yard manure	16.1
Oilcake merchant ... ..	19.6
Trader for marketing ... ..	1.6
Miscellaneous expenditure...	1.9
Net profit to cultivator ... ..	23.2
	100

50. There is yet another person who has profited by the jaggery produced by my client. Talakchand Kasturchand Gujar, a trader in Baramati, bought a quantity of jaggery from the Government shop which approximates with that produced by my client Mahadeo Narayan, in order to store and sell it later on when prices went high. I append a statement showing the profit made by him. He bought the jaggery in March when prices were low, and will keep it till prices go much higher. For my purpose I will assume that he has sold his stuff in the month of July 1909, (the rate was Rs. 18 per atki.)

Date of purchase.	Weight of jaggery bought.	Price paid.	Shortage.	Interest @ 9 per cent on sum shown in column 3.	Storage charges.	Total of columns 3 to 6.	Price assumed to have been realized @ Rs. 18 per Atki (100 seers.)	Net profit.
1	2	3	4	5	6	7	8	9
24-3-09	Maunds 1,529.	Rs. 2,681	40 Maunds price Rs. 70	Rs. 80	Rs. 18	Rs. 2,849	Rs. 3,440	Rs. 591

This man's profit represents 21.3 per cent. of the price at which he bought the gross produce and 20 per cent. on his total outlay. He is a wholesale dealer. The jaggery will be consumed hundreds of miles away. I leave out of account the profits of the retail seller, the cartman and the railway company.

51. All the jaggery brought to the Government shop was sold to 46 traders in all. Some of them bought the jaggery for outsiders and some to keep in order to secure better prices later on. I subjoin a statement in only 5 cases to show the profits made from "Batta" by those who traded with me for outsiders.

	Name of trader.	Maunds of jaggery bought.	Price paid.	Amount of half "Batta," the traders' income.	Remarks.
	1	2	3	4	5
1	Maruti Vithoba Walwa.	56,492	Rs. 88,427	Rs. 446½	
2	Shankar Ramshet Medda.	36,476	" 61,4 9	" 310	
3	Ramchand Malkuchand Gujar.	31,920	" 50,195	" 259½	
4	Gulschand Dawlatram.	14,618	" 20,180	" 101½	
5	Ramlal Bhikhal Marwadi.	9,308	" 13,200	" 67	

These men may have bought some of this jaggery for keeping.

51. I give below particulars of jaggery bought for realising better prices. I give only 5 instances out of many. It is also to be noted that mine is not the only shop in the town for sale of jaggery. I have made the calculation on the jaggery they actually bought from the Government shop.

Date of purchase.	Name of trader.	Weight of jaggery brought from Government Shop.	Price paid.	Add.			Total of columns 3 to 7.	Price assumed to have been realized @ Rs. 18 per Atki (100 Seers).	Net profit.	
				Shortage.	Interest @ 9 per cent on sum in col: 4	Storage charges.				
1	2	3	4	5	6	7	8	9	10	
22-3-09	Shankar Abaji Marwadi.	Mds. 1,688	Rs. 2,921	Mds. 45	Rs. 78	Rs. 82	Rs. 18	Rs. 3,099	Rs. 3,786	Rs. 687
25-3-09	Uppaji Jesaji Marwadi.	2,093	3,592	60	105	108	24	3,829	4,709	880
14-3-09	Khemchand Kastur Gujar.	1,216	1,945	80	52	57	12	2,066	2,796	670
24-3-09	Talakchand Kastur Gujar.	1,529	2,681	40	70	80	18	2,849	3,440	591
8-4-0	Kapurchand Abaji Marwadi	1,483	2,592	40	70	78	15	2,755	3,337	582
	Total ...	8,004	13,791	215	375	405	87	14,518	18,003	3,410

These men did not sell the jaggery before 30th June. They are holding out in hopes of realising better prices later on. For my purpose I have assumed that they sold the jaggery in July 1909. It is exceedingly satisfactory to make such profits within a space of 4 months. I estimate that about 2 lakhs worth of jaggery is thus stored. Much more would have been kept had funds been available. A suggestion was made to me to sel each trader two waggon loads of jaggery from the Government shop, not to demand cash payment but to keep the jaggery in my charge with Rs. 600 deposit to meet deficit in case of future fall in price and to deduct the price of jaggery with 9 per cent. interest from the sale proceeds when the goods are sold away later on. I did not agree to this, but I mention the fact to show that a bank can arrange facilities of this kind for its clients.

52. There are several other matters in which money could be usefully employed, such as dairy farms, stock breeding and poultry keeping, etc.

53. I will now contrast the practices followed by the sowkars with the system followed by me. I will give a few \*specimens in order to make matters clear.

*Specimen No. 1.*

I append a chopdi, i. e., account made up and handed by a sowkar to his client. When the scheme under report was started, this client came to me and since then I have been financing him. The accounts in question relate to the year Shake 1828 i. e. A.D. 1906-07, and a summary of it is as under :—

Cr.	Rs. a. p.	Recoveries.	Rs. a. p.	Payments.	Dr.
	1,179	8 0 In the ninth month.	8 0	Paid during 1st month.	
	1,145	8 0 In the tenth month.	0 6	" 2nd "	
	95	5 0 In the eleventh mont.	0 0	" 3rd "	
	180	14 9 In the twelfth month:	0 0	" 4th "	
	183		0 0	" 5th "	
	108		12 0	" 6th "	
	91	Total recoveries	0 0	" 7th "	
	56	by sale of 1287½	8 0	" 8th "	
	145	maunds of jaggery.	3 0	" 9th "	
	476		9 4	" 10th "	
	106		10 0	" 11th "	
	386		11 0	" 12th "	
	<u>4,153</u>		<u>13 6</u>		

Money lent is shown on the debit side and receipts from jaggery sale are on the credit side. In this account a sum of Rs. 1000 is shown on both sides of the account on account of a deed executed. This shows that the document related to a nominal transaction only. It is extremely difficult to follow the accountant where he has attempted to arrive at the total sum lent, the recoveries made and the balance outstanding. The total amount lent is shown in the summary as Rs. 3,322. Interest is calculated to amount to Rs. 360. I am unable to find out at what rate this amount is arrived at. Without troubling himself much to make the requisite calculations, a round sum is charged by the sowkar as interest. This sowkar bought in the market Rs. 757-7-0 worth of oilcake for the client and charged a commission of Rs. 76-12-0. Again he sold 1287 maunds of jaggery produced by the client and charged him by way of selling commission, etc., Rs. 51-2-0. I have

\* Note—These specimen accounts being in Marathi are not printed here.

brought out the main facts. I take it for granted that the jaggery was properly weighed and the proper price was realized. The sowkar thus made out of the client:—

Interest	...	...	...	...	...Rs. 360- 0-0
Oilcake	...	...	...	...	... " 76-12-0
Jaggery commission	...	...	...	...	... " 51- 2-0
					Total ... 487-14-0

54. If I had financed him to this extent (I have taken the sum of Rs. 3,322, as really advanced) I would have paid him the money in two or three instalments. My account with him would have been as shown below:—



Date of each transaction.	Amount advanced or debited.		Amount recovered or credited.		Balance after each transaction.		Calculation of interest at 9 per cent. per annum.			Remarks.
	Capital.	Interest.	Capital.	Interest.	Capital.	Interest outstanding.	Capital.	Period (months).	Amount.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
	Rs.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs.		Rs. a. p.	
1/1	1,500	0 0 0	0 0 0	0 0 0	1,500 0 0	0 0 0	1,500	8½	95 10 0	
1/6	1,500	0 0 0	0 0 0	0 0 0	3,000 0 0	0 0 0	1,500	8½	89 6 0	
1/9	822	0 0 0	0 0 0	0 0 0	3,822 0 0	0 0 0	822	½	1 8 4	
16/9	...	186 8 4	0 0 0	0 0 0	3,822 0 0	186 8 4	...	...	0 2 0	
...	...	0 0 0	52 4 8	186 8 4	3,269 11 4	0 0 0	3,269	1	24 8 8	
16/10	...	24 8 8	0 0 0	0 0 0	3,269 11 4	24 8 8	...	...	0 0 0	
...	...	0 0 0	777 10 9	24 8 8	2,492 0 7	0 0 0	2,492	1	18 11 1	
16/11	...	18 11 1	0 0 0	0 0 0	2,492 0 7	18 11 1	...	...	0 0 0	
...	...	0 0 0	600 9 11	18 11 1	1,891 6 8	0 0 0	1,891	1	14 2 11	
16/12	...	14 2 11	0 0 0	0 0 0	1,891 6 8	14 2 11	...	...	0 0 0	
...	...	0 0 0	425 11 10	14 2 11	1,465 10 10	0 0 0	1,465	½	5 7 10	
31/12	...	5 7 10	0 0 0	0 0 0	1,465 10 10	5 7 10	...	...	0 0 0	
Total for 12 months.	3,822	199 1 5	1,856 5 2	199 9 7	1,465 10 10	5 7 10	...	...	...	

The amount of interest comes to Rs. 199-1-5.

55. If my shopkeeper had issued him Rs. 757-7-0 worth of oilcake from his stock locally bought he would have charged him only 1 per cent. commission over and above the cost price, viz. Rs. 7-9-0 as against the sowkar's Rs. 76-12-0 and for selling jaggery he would have charged him Rs. 16-1-6 as against the sowkar's Rs. 51-12-0. The client's saving, if he had come to my shop, would have been as follows under the three heads.

Interest	...	...	...	...	...	Rs. 160 14 7
Oilcake commission	...	...	...	...	...	" 69 3 6
Jaggery commission	...	...	...	...	...	" 35 0 6
						Total Rs. 265 2 1

56. It will be seen that the sowkar lent the money in no less than 116 instalments. Sometimes the sum lent was  $\frac{1}{2}$  rupee. The client lives two miles from the shop. He had to visit the shop every alternate day. His constant absence from the farm was prejudicial. The reason of making money available in such small driblets is that the sowkar had very limited capital at his disposal. When a cultivator wants Rs. 10 to pay labourers on the bazar day he gets Rs. 5 only. The consequence is the labourers leave his service. When good manure comes for sale the struggle to get money from the sowkar is great. If the sowkar is short of money and he is generally so he advises to put no manure. The handicaps to good husbandry under this system are too many to detail. The sowkar as a rule is averse to part with cash as much as possible. If the client wants to buy any agricultural tools the sowkar buys for him, on credit and debits the client with the cost. The same is the case with oil, cloth and sundry things required for the current needs of the cultivators. Over these sale transactions the sowkar realises a small commission. In short, the exploitation is very considerable. Be it remembered, however, that all sowkars are not tarred with the same brush.

57. I may not be understood to deplore the existence of sowkar-traders. I more than any one else realise their usefulness. But for them it would be difficult to market and export so much jaggery as is produced under this canal.

#### SPECIMEN No. II.

58. There is a client of mine from Malegaon who was formerly financed by a Marwari broker. His account for the year 1908 was made up and handed over to him by his sowkar. The client is a literate man. He found out that he was charged Rs. 30 more interest than the proper amount arrived at by calculation. The balance from previous year was shown more by Rs. 5. The sale proceeds of three lumps of jaggery (Rs. 7-4-3) were not shown on the credit side. The client on discovering these mistakes got these sums entered to the credit side and saved his pocket to the extent of Rs. 42-4-3.

59. Illiterate clients are not expected to find out such mistakes and such mistakes are more likely to creep into their accounts.

#### SPECIMEN No. III.

60. In this account the total amount of jaggery sold is shown as 95 pallas on the credit side, whereas commission is charged on 100 pallas on the debit side. It may be a pure mistake.

#### SPECIMEN No. IV.

61. In this case the transaction is very extensive. jaggery worth Rs. 30,000 belonging to one individual was sold in three years. The final account of the transaction was made up and handed over by the sowkar to his client in April 1908. The client is a literate man and on his comparing the

figures given by the sowkar with his own accounts he found that 75 lumps of jaggery were not accounted for and several other items which ought to have appeared on the credit side were omitted. On representing the matter to the sowkar he after six months corrected the accounts and gave the client a credit of Rs. 252 (See entries at the end of the account made in November 1908). The client was apparently satisfied that the account after this correction was free from mistakes. I asked him to let me have a look at the account and I find that it is still susceptible of further improvements. Cursorily going over it I detected five mistakes committed in calculating the value of the jaggery according to the rate given in the account: (*Vide* places marked X in red ink.) These mistakes have caused a loss of Rs. 13-15-6 to the client as the value of jaggery sold is shown less by that sum.

62. When accounts of three years' transaction are made up and handed over to a client in this fashion it is possible that many items might slip through the memory of clients. In the case of illiterate clients the rendering of accounts after three years is almost useless. Compare this practice with the system followed in the Government shop where an account is made up and handed over to the client as each cart load of jaggery is sold.

63. A sowkar at Baramati is in the majority of cases not a money-lender only. He is a broker, a commission agent, a buyer and seller of grain and last but not least a sugarcane grower. I subjoin a statement showing the number of acres of sugarcane held by some of these men:

Name.	Area under sugarcane
1. Shankar Shambhuaya ... ..	25
2. Vishnu Maruti Chinke ... ..	12
3. Ramchand Malukchand... ..	91
4. Rango Narayan Gujar ... ..	69
5. Bhavaniram Kisan Marwadi ... ..	6
6. Musabhai Tayaballi Bohri ... ..	34
7. Ramlal Bhikulal Marwadi ... ..	7
8. Talakchand Kastur ... ..	10
9. Sawaimal Dhondiram ... ..	6
10. Balwant Vyanktesh Gargote ... ..	5
	Total ... 265

64. Much of the indebtedness of the irrigator is due to the ruinous extent to which his exploitation is practised. Year after year he grows sugarcane crop. Year after year he toils in the field and by the sweat of his brow creates wealth on which others fatten and he remains in debt. In the course of my observation some instances have come to my notice which go to show that the scheme under report will be helpful in freeing the irrigators from indebtedness.

65. One client from Gutavdi had a debt of Rs. 2,000 hanging over his head. The debt was secured by a mortgage of two survey numbers. I financed him on the security of his sugarcane crop and other land not mortgaged with sawkars. He is a successful cultivator. His net profit was great and as I financed him for the subsequent year's crop also, he was able to pay off the sowkar by amicable settlement and to redeem his mortgaged lands. Nothing is due from this man on account of tagai dues for last season. Every pie has been paid.

66. The second instance is from the same village. In this case the man paid Rs. 900 to his sowkar and redeemed his mortgaged land. He has a second debt which will be wiped off gradually. He has derived great profit from his cultivation and has paid up all tagai loans which became due.

67. The creation of an agricultural bank and its administration on the lines of the present experiment are sure to make the irrigated tract under the Nira canal more prosperous. However, I think it my duty to utter a word of caution, *viz.*, to attempt to do banking without special recovery powers is certain to be a failure, and with it to lose the best chance of creating agricultural banks in these tracts of India where they can safely operate and where they are so urgently required for the development of the vast agricultural resources of the country.

68. In working the scheme in all its details many questions had to be discussed and settled as they cropped up. To have got such matters settled by correspondence would have caused undue delay. I therefore discussed them personally with the Collector and obtained his instructions. This was quite necessary when the shop was started. In the original scheme as approved by Government no definite rules on all points were laid down and so I had in several respects to use my discretion and to get my action sanctioned by the Collector. I was in fact working under the direct supervision of the Collector just as his Head Clerk or Chitnis. In all important matters, I did not act until the Collector had approved of the course proposed to be taken. I also obtained instructions on several points from the Assistant Collector.

69. During the period under report my office and shop were visited once by Sir John Muir Mackenzie, twice by G. Carmichael Esquire, while Collector, thrice by J. Brander, Esquire, Assistant Collector, and once by G. V. Joglekar, Esquire, District Deputy Collector.

70. I cannot conclude this report without expressing my gratitude to Sardar Shambhusing Jadhavrao of Malegaon Bk and his Karbhari Mr. Rangnath Keshav Chavre, without whose hearty co-operation it would have been very difficult to start the scheme. Not only did the Sardar consent to his ryots taking tagai but stood security for them all. Mr. Chavre opened the shop and lent the services of his relation Mr. Uplakar. The latter as manager of the shop worked very hard and spared no pains to make the shop a success. He is an educated and good business man. My Head Karkun Mr. R. K. Bhagwat was specially selected for the post. He has discharged his duties very creditably and justified his selection. The Circle Inspectors had very hard work to do and they did it very well.

I have the honour to be,

Sir,

Your most obedient servant,

B. B. SAHASRABUDHE,

Special Officer, Nira Canal

Tagai Scheme, Baramati.