

No. 1217-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.

Provincial Finance.

Simla, the 2nd June 1917.

RESOLUTION.

In paragraphs 108-110 of the speech of the Hon 'ble the Finance Member introducing the Financial Statement for 1917-18, it was announced that it had been decided, with the approval of the Secretary of State for India, to treat expenditure under the head "33—Famine Relief", with effect from the year 1917-18, as divisible between Imperial and Provincial revenues in the proportion of $\frac{3}{4}$ and $\frac{1}{4}$. The previous arrangements for the apportionment of the expenditure as well as the reasons which led to the change are stated at length in the Government of India, Finance Department, circular letter No. 2044-F., dated the 31st December 1914 and in their despatch to the Secretary of State for India No. 307, dated the 23rd December 1916, which, together with the replies from the Local Governments concerned and the Secretary of State, are published for general information.

2. The incidence of the expenditure on famine relief in provinces with which regular Provincial settlements are in force will be governed in future by the following rules :—

- (i) All expenditure on famine relief from the 1st April 1917 (including that incurred in the provinces of Burma and Assam to which the previous scheme for the adjustment of famine expenditure did not apply and in the non-jurisdictional estates in Bombay) will be divided between Imperial and Provincial revenues in the proportion of three-fourths and one-fourth, the credits which have accumulated in favour of Provincial Governments in the *pro forma* accounts of famine expenditure maintained under the previous arrangements being written off from that date.
- (ii) If the Provincial share of expenditure resulting from a widespread and prolonged famine should be so great as to reduce the Provincial balance below one-half the prescribed minimum, the treatment of further expenditure will be a subject for special arrangement at the time.
- (iii) Expenditure incurred during observation and test will in future be charged to the head "33—Famine Relief" instead of as entirely Provincial expenditure to "32—Miscellaneous" or "45—Civil Works".
- (iv) Under the special prophylactic scheme of relief which obtains in the Central Provinces, works specially undertaken for the relief of distress after scarcity has been declared should be classed as "scarcity works" if their cost cannot be met either from the budget provision for civil works or by reappropriation. The cost of these scarcity works will be charged to the head "33—Famine

Relief," subject to the proviso that, when the budget for any year has to be framed with reference to the existence of famine or *quasi*-famine conditions, the grant under the head "45—Civil Works" shall be placed at a figure not less than that for the last normal year.

ORDERED that this Resolution be communicated to all Local Governments and Administrations, the Revenue and Agriculture and the Public Works Departments, the Comptroller and Auditor General, the Controller of Currency, and all Civil Accountants General and Comptrollers.

Ordered also that this Resolution be published in the Gazette of India.

(Sd.) H. F. HOWARD,

Secretary to the Government of India.

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.
Provincial Finance.

No. 2044-F., dated 31st December 1914.

To— { All Local Governments (except Burma).
The Hon'ble the Chief Commissioner, Central Provinces.

SIR,

I am directed to refer to the Resolution* moved by the late Hon'ble Rai Sri Rám Bahádúr in the Imperial Legislative Council on the 7th March 1914, with reference to the scheme for the apportionment of famine relief expenditure introduced by the orders contained in the Government of India's Finance Department letter No. 1674-A., dated the 20th March 1907, and to the undertaking given by the Hon'ble Finance Member in the course of the ensuing debate to consider whether the provincial allotments under that scheme required revision. The existing arrangements have accordingly been carefully re-examined. The primary object of this scrutiny was to consider the possible rectification of minor inequalities as between different provinces, but their study of the question has led the Government of India to think that a more radical revision of the scheme may be desirable. Before framing their final conclusions and addressing the Secretary of State thereon, they would be glad to receive the opinions of Local Governments on the suggestions put forward in this letter.

2. The Provincial Famine Insurance scheme, as it may be conveniently termed, has now been in force for seven years, and has been tested in this interval by the frequent occurrence of famine expenditure, though not on the almost continuously high scale † experienced in the quinquennium 1896-97 to 1900-01. Its main object was to lay down definite rules on liberal lines as to the extent to which expenditure on famine relief should be treated as an Imperial obligation, and from this point of view it has, it is believed, in the absence of any extreme test, worked satisfactorily, and has proved acceptable to Local Governments.

3. This object, however, was associated with an elaborate and technical procedure which appears to the Government of India to be capable of simplification. Prior to the introduction of the existing arrangements, it was the practice for the Government of India to set aside annually, in non-famine years out of Imperial revenues, by debit to "Reduction or Avoidance of Debt", a sum of Rs. 75 lakhs, the expenditure being shown in the accounts as Imperial, and being actually devoted to productive capital expenditure. In famine years this allotment was reduced by the amount of expenditure actually incurred on famine relief, and was thus suspended altogether if that expenditure exceeded Rs. 75 lakhs. The underlying idea, to which the present scheme owes its peculiar form, was that there should not only be an Imperial allotment towards the reduction or avoidance of debt, but provincial allotments as well, *i.e.*, that each Local Government the territories of which are liable to visitations of famine should annually set aside a fixed amount under this head, the expenditure being treated as Provincial. This annual provincial allotment was to be regarded as a form of insurance payment, in return for which any famine

expenditure incurred by a province was to be wholly Imperial within certain prescribed limits. The extent to which any particular Local Government is thus entitled, at any given time, to have its future famine expenditure treated as Imperial is represented by its "famine credit" in the *pro formâ* account, which has to be maintained under the system described.

4. If under the scheme the provincial allotments towards the reduction or avoidance of debt had been found from revenues already assigned to the provinces, the arrangements introduced in 1907 would have involved an insurance of a genuine kind. Since, however, no allowance had been made for the liability of a province to famine in the calculation of the revenues to be assigned to it under its provincial settlement, the Government of India accepted the position that any sum required by a province under this scheme for expenditure under "Reduction or Avoidance of Debt" must be supplied by an assignment from Imperial revenues.

*The total Imperial and Provincial allotments respectively are liable to modification when any province or provinces have reached their maximum credit, but it will suffice to state the normal position.

The normal Imperial allotment to "Reduction or Avoidance of Debt" was accordingly reduced to Rs. 37½* lakhs, and the remaining Rs. 37½ lakhs are transferred annually to Provincial by an assignment through the Land Revenue head, the amount so transferred being then treated as provincial expenditure under "Reduction or Avoidance of Debt". Accordingly, subject to the incidental consequence referred to in paragraph 6 below, the whole transaction, so far as the regular accounts are concerned, is a paper adjustment only.

5. These technicalities of the present system present great difficulties to the increasing number of non-official Members of the Legislative Councils who take an intelligent interest in financial matters, as well as to the public generally, and complicate all explanations of figures and transactions in regard to famine insurance and famine relief expenditure. It appears to the Government of India that nothing essential would be sacrificed if this portion of the scheme were abandoned in favour of a reversion to the older practice of debiting the entire allotment for reduction or avoidance of debt under Imperial. The provincial allotments and the corresponding assignments through the Land Revenue head would then disappear; but the *pro formâ* account would be maintained as at present; and the substantial interests of the Local Governments would be in no way affected.

6. An indirect consequence of the existing system is that while the Imperial portion of the allotments to "Reduction or Avoidance of Debt" is wholly or partly suspended in years of famine, as explained in paragraph 3 above, the provincial portion continues in full, in order to secure to the Local Governments a continuance of their annual credits without abatement. From a financial standpoint, this practice is undesirable. In years of severe famine, the Government of India's resources are in any case strained to meet expenditure on famine relief, and, in addition, their revenues are likely to be severely depleted. It may be, indeed, that a deficit has to be faced. It is not suitable that at such times the Government of India should be setting current revenues aside for productive capital outlay in the guise of famine insurance. The proper course would be to conserve their resources for the exclusive purpose of meeting the famine itself. If the various adjustments connected with the present arrangements are abandoned, the former and more correct procedure in this respect will automatically be restored.

7. It has already been pointed out that there has been no experience since the introduction of the present scheme, of continuous famine outlay on the scale experienced in the years preceding, when, not infrequently, a province, already exhausted by one year's famine, was again confronted with heavy famine outlay in the following year, or a year or two later. In such a case, the present system, which relies upon the gradual building up of the so-called famine credits, would inevitably break down. The amount at credit might be exhausted in the first year of severe famine, and on the early recurrence of the calamity the province concerned would have only one or two years' allotments at its credit. It appears to the Government of India that in this respect the present scheme, to some extent, disregards the difficulties which it was

primarily designed to meet. It gives very liberal assistance to a province in which famine conditions happen to recur at relatively long intervals, while another province, which suffers from famine to the same aggregate extent in the same period, but whose misfortunes are compressed within a few almost consecutive years, would benefit to a relatively minor extent, though intrinsically even more deserving of assistance. In other words, the famine credit, or the sum assured if the analogy of insurance is to be used, should be a credit automatically reviving on the termination of each distinct period of famine, and not dependent on a long period of previous immunity.

8. Such a modification of the existing scheme will involve an important new benefit to the provinces, and though the Government of India are prepared to recommend a change on these lines to the Secretary of State, if the suggestion commends itself to the Local Governments, the concession ought to be accompanied by some curtailment or rectification of the scheme in other respects. In the first place, it would be reasonable to reduce to some extent the maximum credits at present allowed. This will be more clearly appreciated from the illustration of the actual operation of the suggested revised scheme which is given in paragraph 12 below. As will be seen later, however, the Government of India do not propose to reduce to any large extent the aggregate of the maximum credits at present allowed, but some material reduction seems called for in one or two cases with a view to the rectification of existing inequalities.

9. The existing annual credits were based on the average annual famine expenditure of each province during the 25 years ending 1903-05, and roughly represent about half these amounts; and the present maximum credits, though bearing no uniform relation to the corresponding annual credits, were influenced by them, and so far as this was the case they too are dependent on the past averages of famine expenditure above referred to. As famine expenditure is in most years of a long cycle either altogether absent or relatively insignificant in any given province, these averages were dominated almost entirely by the heavy famine outlay of the period 1896-97 to 1901-02, and the influence of that period is thus reflected also in the standards adopted for the maximum credits. Some provinces, in the period mentioned, incurred outlay on an exceedingly large scale, and in the present arrangements, the tacit assumption has thus been stereotyped that they will necessarily suffer to an equally exceptional extent in the future. It is no doubt true, and should be recognised, that, taking provinces as a whole, the liability of Bombay, the Central Provinces and the United Provinces to famine outlay is distinctly greater than in other parts of India. But it appears to be statistically incorrect to base the permanent arrangements exclusively on the experience of a single famine cycle. It is by no means certain that the provinces which then suffered most will, on a future occasion, have to incur an equally heavy outlay, especially in view of recent developments in the methods of famine administration. On the other hand, it is at least possible that the provinces the outlay of which in 1896-97 to 1901-02 was on a lower scale may occasionally be more severely assailed in future. If the principle of an annually reviving credit is adopted in future, the annual credits will naturally disappear entirely, and the maximum credit will be the only significant datum. It seems, therefore, to the Government of India to be important to take the present opportunity of rectifying any serious relative disproportion between these maxima; and the foregoing criticisms suggest that the right course, in applying the experience of 1896-97 to 1901-02, will be to reject extremely low or extremely high results, *i.e.*, to fix the maxima for such provinces as Bombay and the Central Provinces at somewhat lower figures than that experience would suggest, and in the case of some other provinces, to make fuller provision for the contingencies of the future. In any case it is clear that a higher proportion of the aggregate credit allowed should be assigned to the United Provinces whatever statistical hypothesis be adopted.

10. A second and minor defect of the existing arrangements, which might, as the Government of India think, be simultaneously remedied, is the fact that, within the prescribed maximum limits, they throw upon Imperial the entire liability for famine outlay however small. The expenditure may amount in a particular year to a few lakhs only, and it may be incurred by a province with an overflowing balance. It appears anomalous that in such a case the Imperial

Government, which may then or in the near future be bearing a heavy burden on account of areas more severely stricken, should also undertake the relatively insignificant outlay of provinces which, for the time being, are almost entirely exempt. It appears, therefore, to the Government of India that Local Governments might well be required to meet from provincial resources the first few lakhs of famine outlay in all cases. They suggest, as a convenient and uniform standard that the first portion of the total outlay which would thus be wholly provincial should be an amount represented by 10 per cent. of the maximum credit in each case.

11. The precise procedure to be adopted in connection with a system of reviving credits is a matter not free from difficulty. A severe famine originating in the failure of some particular monsoon will probably involve famine outlay in the remaining half of the same financial year and in the earlier months of the following year. The "famine year" may in fact be conveniently regarded as extending from 1st October to the 30th September. If the following monsoon is again unfavourable, so that famine relief outlay has to be continued beyond the 30th September, a new and distinct famine may be regarded as commencing from the 1st October of the second year.

12. The entire proposals for modifying, without altogether abrogating, the existing system, may perhaps be most clearly exhibited by a hypothetical example. It may be supposed that under the existing system the maximum credit of a particular province is Rs. 30 lakhs, towards which it normally contributes a sum of Rs. 5 lakhs-yearly. Under the scheme now proposed, this annual contribution will disappear. The maximum credit may reasonably be reduced to Rs. 25 lakhs, and the Local Government may be required to meet all famine expenditure up to Rs. 2½ lakhs. Accordingly, if the monsoon of a particular year (1915-16) fails and severe famine occurs, with the result that famine outlay to the extent of Rs. 50 lakhs is incurred between the 1st October 1915 and the 30th September 1916, the first Rs. 2½ lakhs of this outlay will be wholly provincial; the next Rs. 25 lakhs will be wholly Imperial; and the remaining Rs. 22½ lakhs will be shared equally between Imperial and Provincial. If the monsoon of 1916-17 also fails or is so unfavourable that, in consequence of the already impoverished state of the province, relief operations continue to be necessary beyond the 30th September 1916, the first Rs. 2½ lakhs of famine outlay incurred between the 1st October 1916 and 30th September 1917 will be wholly provincial; any further outlay in the same period up to Rs. 25 lakhs will be wholly Imperial; and any further outlay still, in excess of Rs. 27½ lakhs, will be equally divided. In like manner if famine had recurred after a somewhat longer interval, the Local Government, apart from its own liability to meet the early expenditure, would start each agricultural year with a full famine credit of Rs. 25 lakhs, whatever the history of previous years had been.

13. It appears to the Government of India that, if such a system be adopted, it would be reasonable to fix the future maximum credits at the following amounts:—

					[In thousands of rupees.]
Central Provinces	...	...	...	...	50.00
Bengal	...	...	...	...	5.00
Bihar and Orissa	...	...	...	...	20.00
United Provinces	...	...	...	...	50.00
Punjab	...	...	...	...	12.50
Madras	...	...	...	...	25.00
Bombay	...	...	...	...	62.50
					2,25.00

The relation between the latest famine statistics and the proposed credits will be found in Statement II appended to this letter, which also sets forth the existing standards. It will be seen that, taking the provinces as a whole, the total credits proposed fall short by only 10 per cent. of those at present conceded.

14. While, however, the proposed system will, it is thought, retain and extend all that is essential in the present methods, it too is not altogether free from the reproach of complexity. In particular, there is a certain inconvenience in the calculation of famine expenditure with reference to the agricultural year from the 1st October to the 30th September instead of to the financial year. This inconvenience, though in itself open to objection, can hardly be avoided if the system of reviving credits is to be applied. A credit which revived in full on the first April of a year in which famine was already established, and continuing would in effect be given twice over for the same famine, and the credit itself would accordingly have to be on a much reduced scale. The practical operation of such an arrangement would be extremely uncertain, and it is doubtful if the Local Governments and that portion of the public which is interested in such matters would feel the same confidence in a reduced allowance bearing only a very arbitrary relationship to the famine outlay occurring in the periods which the allowance covered.

15. The Government of India would accordingly ask the Local Governments to consider the much simpler alternative of abandoning the present system altogether, and treating the head "33, Famine Relief" as an ordinary divided head, the Imperial share of famine relief expenditure being taken uniformly at $\frac{3}{4}$ and the provincial share at $\frac{1}{4}$. This particular distribution is suggested as it represents roughly the assistance which Imperial actually gives, in the long run, towards famine expenditure under existing arrangements. This inference is based on a careful study of the available statistics, but the points involved are complex and do not admit of precise statistical treatment. The Government of India do not, therefore, propose to develop this conclusion in full. They think it will be readily recognized by the Local Governments that the acceptance of three-quarters of all future famine expenditure would involve very full recognition of the Government of India's responsibility for coming to the aid of the provinces in times of agricultural disaster, and that no Local Government can reasonably press for a smaller provincial share. Whatever system be adopted, it is essential that it should recognize the financial responsibility of Local Governments for the due control of the famine relief expenditure which they administer. The alternative of treating it as uniformly divisible, while enforcing this requirement more prominently, will relieve the Local Governments from contingencies such as that mentioned in paragraph 7, for which the existing system makes little provision; it will avoid the complication involved in reckoning the famine year from the 1st October; and it is free from the elaboration which even a modified form of the existing arrangements must perpetuate.

The adoption of this alternative would also, of course, involve its extension to those provinces (Burma and Assam) which, owing to their practical immunity from famine, are not included within the scope of the present scheme.

16. In short, the principal advantages of the scheme proposed in the preceding paragraph may be summed up as follows :—

(1) It does away with the complexities and disadvantages inherent in the present scheme, as also with those which would remain under the modifications of that scheme which have been suggested in the earlier part of this letter.

(2) It obviates the possibility of invidious comparisons between one province and another in respect of the amount of assistance obtained from Imperial revenues. Every one of them will be on the same footing, receiving aid to the extent of $\frac{3}{4}$ of its actual famine outlay.

(3) The system will be simple throughout. There will not be different and confusing stages, *viz.*, (a) as suggested in paragraph 10, full expenditure from Provincial, (b) full expenditure from Imperial, and (c) an equal division.

(4) The Provincial burden will bear a direct proportion to the amount of famine outlay necessary, and will run no risk of being heightened by the fact that there has been a previous famine not long before. The disturbance to Provincial finances, which a famine on any considerable scale must

inevitably produce, will therefore be kept within definite bounds, whereas under the existing system it might on occasions assume much larger proportions.

17. It will probably be found impracticable for the Government of India to submit proposals to the Secretary of State and obtain his orders in time for the introduction of a revised system as part of the budget of 1915-16. The Government of India would be glad, however, if possible, to receive the views of Local Governments at an early date, so that they may be in a position to make some pronouncement on the subject in connection with the forthcoming financial statement.

I have, etc.,

J. B. BRUNYATE,

Secretary to the Government of India.

STATEMENT I.

Total expenditure on Famine Relief from 1881-82 to 1913-14, excluding local transactions.

[In thousands of Rupees.]

	India.	entral Provinces.	Burma.	Assam (a).	Bengal.	United Provinces.	Punjab.	Madras.	Bombay.	Total.
1881-82 ...	...	...	...	...	1,23	2	4	4,64	...	3,47
1882-83 ...	...	...	...	...	63	11	...	1,35	12	2,21
1883-84 ...	...	...	...	2	13	...	...	32	44	91
1884-85 ...	...	...	...	...	15	...	...	57	1	73
1885-86 ...	...	...	...	...	1,24	...	...	2,78	5	4,07
1886-87 ...	...	...	...	...	...	...	...	5	...	5
1887-88 ...	...	...	...	...	...	...	...	1	...	1
1888-89 ...	...	...	...	...	54	...	...	3	...	57
1889-90 ...	...	...	...	...	1,34	...	...	4,41	...	5,75
1890-91 ...	...	...	...	...	13	17	...	24	...	54
1891-92 ...	61	...	1	...	...	2	...	1,57	2	2,23
1892-93 ...	1,72	...	1	...	1	...	...	2,44	4	4,22
1893-94 ...	...	...	...	...	...	...	...	2	...	2
1894-95 ...	...	64	...	...	...	2	...	...	...	66
1895-96 ...	...	...	...	...	...	1,79	...	2	...	1,81
1896-97 ...	10	29,53	5,50	...	21,55	99,33	5,54	4,71	32,41	1,98,67
1897-98 ...	75	1,34,50	6,27	...	85,08	1,07,07	9,21	89,27	94,26	5,26,41
1898-99 ...	14	82	1	...	26	—1	1	19	2,52	3,94
1899-1900 ...	15,04	1,54,10	...	...	11	70	21,63	33	1,15,43	3,07,34
1900-01 ...	19,89	2,86,25	1	...	2,26	40	22,26	1,13	2,84,02	6,16,22
1901-02 ...	25	58	...	...	4	...	27	49	77,66	79,29
1902-03 ...	5,80	2,25	...	...	...	1	17	...	40,07	48,30
1903-04 ...	...	3,05	...	...	...	...	—2	...	2	3,95
1904-05 ...	...	...	...	...	...	...	—3	...	34	31
1905-06 ...	6,77	...	2	...	...	9,11	5	97	3,60	20,52
1906-07 ...	4,20	...	...	81	10,23	19,29	94	...	12,15	47,62
1907-08 ...	70	1,45	...	3	6,74	83,95	32	...	15	93,34
1908-09 ...	24	11,18	...	33	9,40	1,25,82	1,36	15	33	1,43,81
1909-10 ...	44	24	...	27	7,93	2,97	9	...	2	11,96
1910-11 ...	...	...	...	...	...	35	...	...	...	35
1911-12 ...	15	...	...	...	...	16	1,52	15	15,17	17,15
1912-13 ...	57	...	...	...	...	6	21	...	27,49	28,33
1913-14 (Revised) ...	12	39	...	...	...	20,20	1,75	...	3,26	25,72
1914-15 (Budget) ...	1	77	...	...	...	40,00	1,00	...	3,00	44,78
Average of 25 years ending 1914-15.	2,30	25,03	47	6	5,75	20,45	2,65	4,07	28,48	89,26

(a) Includes the transactions of the Eastern Bengal districts from 1906-07

STATEMENT II.

[In thousands of Rupees.]

	$\frac{1}{2}$ average annual famine expenditures of 25 years ending 1914-15.	Column (1) adjusted with reference to the remarks in paragraph 9 of the letter.	Rectified maximum credit column (2) \times 6— assuming continuance of present system.	Present annual credit.	Present maximum credit.	Suggested reduced maximum credits in event of adoption of a system of credits revolving annually i.e., column (6) \times $\frac{1}{6}$.	Minimum expenditure below which no relief would be given under system referred to in column (6) \times $\frac{1}{10}$.
	1	2	3	4	5	6	7
Central Provinces ...	12,52	10,00	60,00	12,80	80,00	50,00	5,00
Bengal [i.e., Bengal as now constituted plus Bihar and Orissa].	2,88	5,00	30,00	Bihar and Orissa 2,00 Bengal 60	20,00 5,00	20,00 5,00	2,00 50
United Provinces ...	10,22	10,00	60,00	4,50	30,00	50,00	5,00
Punjab ...	1,33	2,50	15,00	1,40	10,00	12,50	1,25
Madras ...	2,03	5,00	30,00	2,50	25,00	25,00	2,50
Bombay ...	14,24	12,50	75,00	13,70	80,00	62,50	6,25
TOTAL ...	43,22	45,00	2,70,00	37,50	2,50,00	2,25,00	22,50

No. 118, dated Fort St. George, the 15th February 1915.

From—The HONOURABLE MR. A. BUTTERWORTH, I.C.S., Chief Secretary to the Government of Madras,

To—The Secretary to the Government of India, Finance Department.

In reply to your letter No. 2044-F., dated the 31st December 1914, on the subject of the apportionment of famine relief expenditure, I am directed to state that the Governor in Council agrees with the Government of India that the simplest and most satisfactory solution of this question is to treat the head 33—Famine Relief as a divided head in the ratio of $\frac{3}{4}$ ths Imperial and $\frac{1}{4}$ th Provincial.

2. I am to add that if this method is not to be adopted, the Government of Madras would prefer to retain the existing arrangements for the financing of famine expenditure rather than to accept the proposal to establish a system of annually reviving credits as described in paragraphs 10 to 12 of your letter. That method in addition to being even more complicated than the present system would be very unfavourable to Provincial finances,

No. 565-Fincl., dated Lahore, the 25th February 1915.

From—The HONOURABLE MR. R. A. MANT, I.C.S., Financial Secretary to the Government, Punjab,

To—The Secretary to the Government of India, Finance Department.

I am directed to refer to your letter No. 2044-F., dated the 31st December 1914, asking for the opinion of this Government on certain proposals put forward by the Government of India for revising the present system of apportioning expenditure on famine relief between Imperial and Provincial revenues. The first proposal of the Government of India is to abolish the practice of transferring Rupees 37½ lakhs annually from Imperial to Provincial revenues, and of debiting the amount so transferred as provincial expenditure under the head "Reduction or Avoidance of Debt." The Lieutenant-Governor, I am to say, has no objection to this proposal, provided that the *pro forma* account is maintained as at present and that no change is introduced in the final incidence of famine relief expenditure.

2. The second proposal is to modify the present distribution of the expenditure on the following lines. At present the Punjab receives an annual credit of Rupees 1,40,000 which may be accumulated up to Rs. 10 lakhs, and all actual disbursements on famine relief are debited to Imperial revenues up to the limit of the accumulated credit. Expenditure beyond that limit is divided in equal shares between Imperial and Provincial. It is now proposed that in lieu of accumulating credits the province should start each "famine year, beginning on the 1st October", with a lump credit of Rs. 12½ lakhs, and that all famine relief expenditure in the year should be distributed as follows:—

The first 1½ lakhs ...	...	...	Provincial.
The next 12½ lakhs ...	...	...	Imperial.
The remainder ...	...	...	$\frac{3}{4}$ Imperial and $\frac{1}{4}$ Provincial.

3. One of the effects of this proposal would be to transfer to Provincial a considerable amount of expenditure which under the present arrangements is met from the Imperial revenues. Statement I appended to your letter shows that in the last five years, though there has been no famine in the province, expenditure has been regularly incurred on famine relief. These disbursements which represent mainly the cost of carrying fodder by rail at concession rates, have all been treated as Imperial. The proposed system would only benefit Provincial revenues when two or more famines followed one another in rapid succession, and His Honour considers that in view of the extension of irrigation, the development of communications, the wider fields of employment, and the higher wages now commanded by labour in the Punjab, he is justified in regarding this as a remote contingency. He is therefore of opinion that the proposal would, in all probability, throw a much heavier burden on Provincial revenues than they have to bear under the present arrangements, and he is therefore strongly opposed to the change.

4. As a minor objection I am to point out that in paragraph 6 of the Finance Department letter No. 4064, dated the 20th July 1906, one of the advantages claimed for the present system was that it would give Local Governments a real inducement to stave off as long as possible the stage at which Imperial assistance becomes inevitable. If the Local Government were to be required to spend Rupees $1\frac{1}{4}$ lakhs before establishing a claim to Imperial assistance, it would have no inducement to economise this sum in any year when it is clear that the total expenditure will exceed the initial Provincial debit.

5. An alternative proposal which is suggested, and preferred, by the Government of India is to abandon the present system altogether, and to treat "33—Famine Relief" as an ordinary divided head, to be shared between Imperial and Provincial in the proportion of $\frac{3}{4}$ to $\frac{1}{4}$. This proposal has the merit of simplicity, and Sir Michael O'Dwyer is inclined to think that it would probably be less detrimental to provincial interests in the long run than the scheme referred to in paragraph 2 above. But it is also open to the objection that it would transfer to Provincial revenues a portion of the expenditure which in ordinary years is under the present system classed as Imperial and that its advantage from the provincial point of view would be dependent on the frequency and severity of future famines. As explained above, His Honour thinks it reasonable to hope that the province will be better secured in the future against these visitations than it has been in the past; he therefore considers that the treatment of one-fourth of the total famine relief expenditure as Provincial is likely to be considerably more costly to the province than the present system, and if required to make a choice between the two, he would prefer to adhere to the latter.

6. Sir Michael O'Dwyer is, however, in sympathy with the desire of the Government of India to simplify the system of accounting for expenditure on famine relief, and, what he regards as more important, to secure economy in its disbursement. He therefore puts forward, for the consideration of the Government of India, the following further alternative, which is designed to achieve both the above objects. His Honour understands from the remarks made in paragraph 9 of your letter and from the figures shown in Statement II that it is admitted that an annual credit of Rs. 2,50,000 would be more appropriate for the Punjab than the present assignment of Rs. 1,40,000. If the present credit is raised to the former figure, *i.e.*, Rs. $2\frac{1}{2}$ lakhs, and converted into a permanent assignment, the Lieutenant-Governor would be prepared to accept the responsibility for all future famine relief expenditure as a wholly Provincial charge. He is aware that, in offering to pledge the province to this obligation, he is involving it in a certain amount of risk; but, after full consideration of all the circumstances and probabilities of the case, he has come to the conclusion that the risk is fairly balanced by the prospect of gain in normal years from a fixed assignment. Such an arrangement would also appear to have some advantages for the Government of India. In return for a fixed annual payment they would be insured against the large and indefinite demands to which they are periodically liable under the present system.

No. 2439-F., dated Ranchi, the 22nd February 1915.

From—The HONOURABLE MR. E. L. L. HAMMOND, I.C.S., Secretary to the Government of Bihar and Orissa,

From—The Secretary to the Government of India, Finance Department.

I am directed to acknowledge the receipt of your letter No. 2044-F., dated the 31st December 1914, inviting the opinion of the Local Government on the proposed modification of the existing Provincial Famine Insurance Scheme.

2. The Local Government agree in the view that the procedure for the apportionment of famine relief expenditure introduced by Mr. Meston's letter No. 1674-A., dated the 20th March 1907, is complicated and technical. It seems to them, however, that this is due chiefly to the system of passing the credits and debits through the Provincial budgets, which does not appear to be a necessary part of the scheme; the *pro forma* account might very well be maintained without it, in which case the procedure would be comparatively simple and intelligible.

3. If, however, a change is to be made, the Lieutenant-Governor in Council would much prefer the alternative indicated in paragraph 15 of your letter, *i.e.*,

he would abandon the present system altogether, and treat the head "33—Famine Relief" as a divided head, the Imperial share being taken at three-quarters and the provincial share at one-quarter. In this case credit would have to be allowed in the Financial Settlement for the Provincial share of famine expenditure. In ordinary years, free from famine, this amount would be allowed to accumulate in the Provincial balances, while in a year of severe famine, the fund should be drawn upon, with the previous sanction of the Government of India, to the extent necessary for the famine expenditure which cannot be conveniently met by reappropriation from other heads in the Provincial budget. The other alternative described in paragraphs 8—14 of your letter is more complicated than the present system would be, if modified in the manner indicated above; and so far as can be judged from the figures quoted in Statement I, appended to your letter, it would involve a much heavier proportional expenditure from Provincial revenues.

No. 1437-F., dated Calcutta, the 5th March 1915.

From—The HONOURABLE MR. H. L. STEPHENSON, C.I.E., I.C.S., Secretary to the Government of Bengal, Financial Department.

To—The Secretary to the Government of India, Finance Department.

I am directed to acknowledge the receipt of your letter No. 2044-F., dated the 31st December 1914, in which the Government of India suggest two alternative schemes in modification of the existing Provincial Famine Insurance Scheme. Before framing their final conclusion and addressing the Secretary of State the Government of India enquire which of the two schemes will be more advantageous to this Presidency.

2. In reply, I am to state, for the information of the Government of India, that for this Presidency where famines are likely to be rare past experience shows that the existing system offers greater advantages than either of the alternatives now suggested, but His Excellency in Council admits that because famines are rare in Bengal, the consideration of the circumstances of this Presidency should not outweigh the objections urged against the present system in respect of provinces more unfortunately situated. Of the alternative schemes suggested His Excellency in Council greatly prefers the second as detailed in paragraph 15 of the letter under reply.

No. 958, dated Allahabad, the 17th March 1915.

From—The HONOURABLE MR. A. W. PIM, Secretary to the Government of the United Provinces, Financial Department.

To—The Secretary to the Government of India, Finance Department.

I am directed to refer to your letter No. 2044-F., of the 31st December 1914, requesting the opinion of the Local Government on certain suggestions put forward in connection with the scheme for the apportionment of famine relief expenditure introduced by the orders contained in the Government of India's Finance Department letter No. 1674-A., dated the 20th March 1907.

2. In the letter under reference the Government of India observe that the Provincial Famine Insurance Scheme has been tested by the experience of seven years and is believed, in the absence of any extreme trial, to have worked satisfactorily as regards its main object and to have proved acceptable to Local Governments.

This object, however,—the determination on liberal lines of the extent to which famine relief should be treated as an Imperial obligation—was associated with an elaborate and technical procedure which appears to the Government of India to be capable of simplification. It results, you remark, in the financially undesirable practice that, while the Imperial portion of the allotments to "Reduction or Avoidance of debt" is wholly or partly suspended in years of famine, the provincial portion continues in full in order to secure to the Local Governments a continuance of their annual credits without abatement. Finally by making no special provision for dealing with a succession of rapidly recurring famines, it disregards to some extent the difficulties which it was primarily designed to meet.

3. As one of two alternative methods of remedying these defects, a scheme is set out in your letter, of which a prominent feature is the automatic revival of the famine credit in a province where it has been depleted by actual expenditure on relief. Under the existing scheme the credit, after a famine which has exhausted it, has to be slowly built up again to the maximum by the accumulation of the annual credits allowed to the province. By the arrangement which you now describe, the maximum credit will be restored at once after a famine; and a second feature of importance is that this revival will operate at the beginning of the agricultural year and not of the financial year. In other words, the year will, for famine purposes, be considered as running from the 1st October to the 30th September, and the credit available on the 1st October will be valid against relief expenditure occurring during the succeeding twelve months irrespective of the fact that the expenditure in question will be shown in the accounts of two financial years. Should a second failure of the monsoon necessitate further heavy expenditure during the succeeding cold weather, the famine credit will automatically revive from the 1st October.

4. Your letter then goes on to point out that, inasmuch as the automatic revival of a liberal credit involves an important new benefit to the provinces, it may in fairness be accompanied by a modification and some redistribution of the existing maxima; in carrying out this change, the Government of India suggest the assigning of a higher proportion of the aggregate credit to the United Provinces. Finally they point out that second and minor defect may at the same time be remedied by providing that the first portion of the outlay on each individual famine should be wholly, provincial up to an amount equivalent to 10 per cent. of this maximum credit in each case.

5. The alterations in the existing system which have been thus outlined will, in the opinion of the Government of India, retain and extend all that is essential in the present system. They will not, however, leave it altogether free from the reproach of complexity, more especially owing to the introduction of the October to September year;—a procedure which could only be avoided (if the system of reviving credits is to be maintained) by a serious reduction in the amounts of maximum credits. The Government of India therefore recommend to the special consideration of Local Governments a second and much simpler alternative scheme by which the present system will be abandoned altogether and the head “33—Famine Relief” will be treated as an ordinary divided head, the Imperial share of famine relief expenditure being uniformly taken as $\frac{2}{3}$ th and the Provincial share at $\frac{1}{3}$ th. This system will avoid all the complexities and disadvantages attaching to the present scheme, and to the modified (or first alternative) scheme, while involving a very full recognition of the responsibility of the Government of India for coming to the relief of provinces in times of agricultural disaster.

6. I have been directed to summarize the proposals in your letter thus fully, in order that the Local Government may be corrected, if it has failed in any respect to understand a question of admitted complexity. Assuming that the case has been rightly epitomized above, the Lieutenant-Governor wishes, in the first place, to express his general agreement with the criticisms contained in your letter on the existing arrangements. Sir James Meston was never impressed by the special virtue of the account system which they involve, and he readily concurs in the desirability of simplifying it and making it more intelligible. In the second place this Government is particularly gratified that recognition is now given to the exiguous share which the United Provinces have received of the benefits of the scheme. Since the present system of the provincial credits was introduced, this Government has had to finance two famines, one in 1907-08 and the other in 1913-14. The famine of 1907-08 found the province with the credit of 22,50 and resulted in a total provincial expenditure of 93,64; that of 1913-14 commenced with a credit of 18,95 and cost the province 15,78. If, as it is now admitted, it would have been equitable, the annual credit had been 10 lakhs instead of 4½ lakhs, and the accumulated provincial credit 60 lakhs at the commencement of the first famine, then the provincial share of the total expenditure would have been 69,89. The famine of 1913-14 would have found the province with a credit of about 35 lakhs and would have resulted in provincial expenditure of only 5 lakhs.

7. The Lieutenant-Governor understands, however, that the mere enlargement of our provincial credit, coupled with the retention of all the other incidents of the present scheme, is not contemplated. The Government of India desire consideration only of the two alternative and virtually new schemes described respectively in paragraphs 3 and 4 and in paragraph 5 of this letter. Both these schemes would unquestionably benefit this province. Had the former or more elaborate system been in force during our last two famines, the provincial expenditure would have been 83.44 in 1907-08 and 7.25 in 1913-14. Had the simpler or 'shared head' procedure been in force, our outlay would have been 51.94 and 13.75 respectively. As between the two alternatives, it is calculated that with a famine costing about 85 lakhs the share of the province is equal for the two schemes. Above that limit the 'shared head' system favours the province, but below it the scheme based on the October—September year is advantageous to provincial revenues. This comparison does not, however, fully take into account the great advantages resulting from the revival of the provincial credit which forms the main feature of the first of the two alternative schemes. The importance of this consideration is accentuated by the fact that the history of recent famines shows a rightly increasing liberality in the scale of famine expenditure, more especially as regards measures taken for the preservation of cattle. During the recent famine in these provinces great pressure was put upon this Government to incur responsibilities for cattle preservation which it was unwilling to accept; and even with every desire to avoid extravagance it may be expected that in the future the occasions on which relief measures may be expected to be undertaken will recur with greater frequency than in the past. Although, therefore, the 'shared head' system is more advantageous to provincial revenues in the case of severe famines, these advantages are likely to be more than counterbalanced by the recurring revival of provincial credits which is the main feature of the former alternative. Another novel feature of that alternative, namely the debit of an initial moderate percentage of the cost of famine relief to provincial revenues, is open to no objection of principle. On the whole, therefore, the Lieutenant-Governor would welcome the former or more complicated alternative as more likely to assist the famine policy of this province.

8 His Honour is afraid, however, that the complexity of this scheme, both acknowledged and unforeseen, would be serious handicap; and in the case of a famine extending over more than one monsoon it would be practically impossible to separate the expenditure of the successive financial year. It will thus apparently be difficult to discover any system which will be at the same time fairer and more intelligible than the treatment of the head "33—Famine Relief" as a divided head on the lines now suggested by the Government of India. The arguments which formerly told against this system have lost much of their importance with the gradual codification of famine policy while its influence in making Local Governments economical in their famine expenditure from the outset is of great importance. The Lieutenant-Governor is therefore fully prepared, subject to two conditions, to support the proposed division of this head of expenditure in the ratio of $\frac{3}{4}$ th Imperial to $\frac{1}{4}$ th Provincial. The first condition is that this arrangement does not result in any other modification of the Provincial settlement. The second condition is one to which I am to invite the special consideration of the Government of India in the following paragraphs of this letter.

9. The debit from the outset of even one-fourth of direct famine relief charges to Provincial revenues will impose a new and at times a very heavy burden on provincial balances. It is in theory for such emergencies as famine that these balances have been built up, but in practice the general financial position makes it most unlikely in the case of this province that the Local Government will be able to replenish in any reasonable time the draft that would be made upon them by a heavy famine prolonged over two financial years. It is true that the Government of India insure the province against one of the most serious indirect consequences of famine by guaranteeing a minimum of land revenue collections; but the other indirect consequences on a variety of the revenue heads such as Stamps, Excise and Forests, hit us hard in a year when expenditure is abnormally heavy under many heads. Again, the sequels of famine

are a serious consideration. It is true that windfalls occur in the recovery of famine suspensions of revenue—windfalls, however, of which the bulk goes to the Imperial head. But against this must be set the risks of taqavi loans in which the Government of India have no share. Liberal taqavi advances are becoming a more prominent feature in each succeeding famine and it is impossible to hope for escape from heavy failures in repayment, more especially when bad seasons follow a widespread scarcity.

Moreover the definite policy of this Government is to reduce the recourse to direct relief works as far as possible by enlarging the ordinary programme of the Public Works Department. It is thus obvious that the provincial revenues have now to bear a large and, with the development of the modern famine policy, a growing proportion of the total financial consequences of famine, apart from the share which they will in future have to take of the expenditure under the head "33—Famine Relief". In estimating what that share will be, a calculation has been made which shows that, in the case of a famine costing less than 140 lakhs, the maintenance of the present allocation of charges between Imperial and Provincial would be more advantageous to the province than the 'shared head' system, provided always that the province is conceded an initial credit of 60 lakhs. For all famines, therefore, within this high margin of cost the province is—taking into account all the consequences of a famine dealt with on modern lines—likely to be considerably worse off than it would be if the present system were maintained with the single change of suitable maximum credit.

10. In view both of this disadvantage and of the general considerations urged above His Honour would suggest that the Provincial liability under the head "33—Famine Relief" be subject to a definite maximum; the charges becoming wholly Imperial after that maximum has been reached. What the figures should be, is for the Government or India to decide; but in view of the fact that the average annual expenditure of this province on famine has been $20\frac{1}{2}$ lakhs, the Lieutenant-Governor would urge, as the second condition of the new arrangement, that the maximum burden on Provincial revenues in any one year should not exceed 25 lakhs. Any substantial famine in this province lasts over two financial years, and would thus involve Provincial expenditure up to 50 lakhs a sum at least as large as Provincial balances are ever likely to be able to endure

No. 2114, dated Bombay Castle, the 31st May 1915.

From—The HONOURABLE MR. G. CARMICHAEL, C.S.I., I.C.S., Chief Secretary to the Government of Bombay, Financial Department,

To—The Secretary to the Government of India, Finance Department.

I am directed to acknowledge the receipt of your letter No. 2044-F., dated 31st December 1914, on the proposed modification of the existing Provincial Famine Insurance Scheme, and to offer the following remarks on the proposals made therein.

2. The Governor in Council accepts the statement made in the second sentence of paragraph 2 of the letter from the Government of India that the existing scheme has worked satisfactorily and proved acceptable to the Local Governments, *except* that it applied only to *direct* famine expenditure and excluded from its purview *indirect* famine expenditure—an exclusion against which

Letter to the Government of India, Finance Department, No. 3588, dated 12th September 1916 (paragraph 5), and letter to the Government of India, Department of Revenue and Agriculture (Famine), No. 5727, dated 14th June 1909 (paragraph 2). the Bombay Government twice protested in vain—and that it has, moreover, not been subjected to the strain of a really big famine. Since the introduction of

the present scheme, a further slight modification detrimental to Provincial finances has been made with effect from 1913-14, which requires that all expenditure (even on objects which fall under the head *direct* expenditure) shall be debited to Provincial heads, if it is incurred during the period of test and observation and famine is not subsequently declared (*vide* foot-note No. 167-A., Appendix P. to the Civil Account Code, Volume II). The Government of India now propose to remodel the Provincial Famine Insurance Scheme, the objects in view being stated to be a possible rectification of minor inequalities as between different provinces and a simplification of procedure. As both these objects appear to involve, in some respects at least, modifications still further detrimental to Provincial finances, the proposals are examined somewhat closely in the following paragraphs.

3. The four tabular statements noted below are appended to this letter:—

(a) Statement marked A, showing the direct and indirect famine expenditure for the period of eleven years (1896-97 to 1906-07) preceding the existing Provincial Famine Insurance Scheme, which includes the big famines of 1896-98 and 1899-1901 and two bad years 1901-02 and 1902-03;

(b) Statement marked B, showing the direct and indirect famine expenditure for the eight years during which the present Provincial Famine Insurance Scheme has been in force, which includes no big famine and two years only moderately bad, *viz.*, 1911-12 and 1912-13;

(c) Statement marked C, showing in thousands of rupees the amounts of direct and indirect famine expenditure incurred during the years 1896-97 to 1906-07, which would be debitable to Provincial and Local revenues under (i) the present Provincial Famine Insurance Scheme, (ii) the revised credit system described in paragraph 12 of the letter under reply, and (iii) the 3 to 1 division scheme mentioned in paragraph 15 of the same letter; and

(d) Statement marked D, showing in thousands of rupees the amounts of direct and indirect famine expenditure incurred during the years 1907-08 to 1914-15, which would be debitable to Provincial and Local revenues under (i) the revised credit system, and (ii) the 3 to 1 division scheme mentioned above. Prior to the year 1907-08, when the existing Provincial Famine Insurance Scheme came into force, no allowance was made for famine expenditure at the time of fixing the standards of Provincial revenue and expenditure for the purposes of Provincial Settlement. But it was ruled that when famine did occur the charges for famine relief should be debited to Provincial and it was only when Provincial resources were exhausted that the Government of India necessarily came to the assistance of the Local Government. Thus there was no regular method of division other than the ability or inability of Provincial finances to pay, and the figures of Provincial famine expenditure for the years prior to 1907-08 therefore afford no sound basis for comparison with the expenditure which would be debitable to Provincial revenues under the existing Provincial Famine Insurance

Scheme and the two alternative schemes proposed in the letter from the Government of India under reply. The figures as worked out from Statements A and C appended to this letter, however, stand as shown below in thousands of rupees. In these figures the "Local" expenditure is massed with "Provincial", because under the present Famine Relief Code local bodies are relieved of famine expenditure, except to an extremely small extent.

	PERIOD FROM 1896-97 TO 1905-07.		
	Direct.	Indirect.	Total.
	Rs.	Rs.	Rs.
(i) Expenditure actually debited to Provincial (Statement A).	18,77	1,20,64	1,39,41
(ii) Expenditure which would be debitable to Provincial under the existing Provincial Famine Insurance Scheme under the most favourable circumstances, <i>viz.</i> , starting with a maximum credit of 80,00.	2,42,75	1,20,54	3,63,39
(iii) Expenditure which would be debitable to Provincial under the revised credit system proposed by the Government of India.	1,99,02	1,20,64	3,19,66
(iv) Expenditure which would be debitable to Provincial under the 3 to 1 division scheme proposed by the Government of India.	1,65,96	1,20,64	2,86,60

These figures show that if, as is quite within the range of possibility, this Presidency were to be visited with a series of bad years comparable with the period from 1896-97 to 1906-07, and if the scale of expenditure were to be at all proportionate to that entailed in that period, the scheme most favourable to Provincial finances is the 3 to 1 division scheme mentioned in paragraph 15 of the letter from the Government of India.

4. During the period of eight years (1907-08 to 1914-15) for which the existing Provincial Famine Insurance Scheme has been in force there has been no big famine and two years only moderately bad, *viz.*, 1911-12 and 1912-13. It will be seen from Statement B that under the existing arrangement, famine expenditure debited to Provincial (including Local) revenues amounted to 26,50 (direct 8 *plus* indirect 26,82), while the amount to the credit of the Local Government in the *pro forma* account is estimated at 63,09 on 31st March 1915. The figures in Statement D show that the expenditure which would have been debitable to Provincial finances under the two schemes now proposed by the Government of India is as shown below:—

	Di-ect.	Indirect.	Total.
	Rs.	Rs.	Rs.
(i) Under the revised credit system	16,56	26,82	43,38
(ii) Under the 3 to 1 division scheme	11,67	26,82	38,49

These figures show that in a series of ordinary years both the schemes now proposed by the Government of India are less favourable to the Provincial finances than the present system, but the 3 to 1 division scheme is less unfavourable than the other.

5. The existing Provincial Famine Insurance Scheme provides that in the case of widespread and prolonged famine, if in any province the Provincial share of expenditure thus limited should be so great as to reduce the Provincial balance

below one-half of the prescribed minimum, the treatment of further expenditure will be a subject for special arrangement at the time. From the figures in column 10 of Statement C it is manifest that in 1900-01 and probably in the two following years this proviso of the system would have had to come into play, for Provincial balances could not have stood the total burdens (shown in the

* Year.	Rupees in thousands.	margin *) of direct and indirect famine expenditure in four successive years without being depleted. What the special arrangements would have been cannot be
1899-1900	55.09	stated, for experience since the present scheme has been in force does not
1900-01	1,59,01	supply any case approaching the catastrophe of 1900, and it seems futile to
1901-02	53.41	make any calculation based on a supposed special arrangement. It will be seen
1902-03	42.32	from column 12 of Statement C that if the 3 to 1 division scheme now proposed

by the Government of India were in force, Provincial finances would have been required to meet an average famine expenditure of 12 lakhs per annum during the three years ending 1898-99 and to provide for the amounts noted below in the following four years :—

Year.	Amount in thousands of rupees.
1899-1900	38,42
1900-01	95,45
1901-02	40,85
1902-03	39,17

In the absence of any special arrangement, such a strain would have seriously crippled Provincial finances, even with the present resources under the Provincial Settlement as recently revised. It is true that recent experience points in the direction of famine expenditure not being required in future famines on the scale which was necessary at the end of the last century and the beginning of this but it is equally true that in that recent experience there was nothing comparable to the calamity of 1899-1900 either in intensity or in the immensity of the area over which that intense famine extended. It would be at present unsafe to assume that this Presidency will not, at any future time, be visited by a calamity such as that of 1900 and be forced to an expenditure such as the 6½ crores of rupees which were spent in the years 1899 to 1903. If such a time came, it would be impossible to meet the situation without some special arrangement for the apportionment of famine expenditure between Imperial and Provincial revenues.

6. In connection with the proposals now made by the Government of India, the Governor in Council would lay stress on the following points:—

(a) in considering any scheme relating to the distribution of famine expenditure, it is essential to take account of the indirect expenditure as well as the direct. In a cycle of bad years, the indirect expenditure amounts to 19 per cent. of the whole, while in a series of years with only small famines it reaches a proportion of 38 per cent. of the total. It must be borne in mind that Provincial bears by far the greater share of this indirect expenditure, *viz.*, 78 per cent. of it in the bad cycle and 91 per cent. in the moderate series. The share which Provincial should take of direct expenditure must have regard to the fact of its resources being burdened far more heavily than Imperial by indirect charges;

(b) in famine years the loss of revenue by suspensions and remissions of land revenue tells more severely on Provincial than on Imperial finances. For the Provincial share of the land revenue bears a greater proportion to the Provincial income than the Imperial share of that revenue bears to Imperial receipt; and while it is improbable that Imperial would suffer at the same time from a famine-reduced land revenue in all the provinces at once, a famine-stricken single province receives no support to its revenues from the fact that other provinces are free from famine;

(c) in any scheme there must be provision for Imperial to come to the relief of Provincial finances in case of any overwhelming calamity such as would, under the ordinary conditions of the scheme, leave Provincial with balances reduced below the minimum prescribed as necessary to enable it to carry on its administration.

7. In the light of the remarks made in the foregoing paragraphs, the Governor in Council is unwilling to accept the revised credit system, the working of which is described in paragraph 12 of the letter under reply. While it would to some extent lighten the burden of direct famine expenditure on Provincial finances in the bad cycle, it would very materially increase it in the moderate series. It is complicated to calculate and does not pay sufficient regard to the three considerations mentioned in the preceding paragraph. The Governor in Council is willing to accept the 3 to 1 division scheme proposed in paragraph 15 of the letter from the Government of India, subject to the following two conditions, *vis:—*

- (1) that the existing rule under which all expenditure incurred during the period of observation and test, though direct, is to be debited to Provincial heads (and not to "33, Famine Relief") if famine is not subsequently declared shall be abolished, and all direct famine expenditure shall be debited to 33, Famine Relief whether incurred during the period of observation and test and whether famine is subsequently declared or not ; and
- (2) that where famine expenditure is, owing to the intensity and extent of the famine, so great that the Provincial balances are under the ordinary distribution of expenditure reduced below the working minimum, the proportion 3-4ths Imperial and 1-4th Provincial shall be for the time altered to such proportion (*e.g.*, 4-5ths and 1-5th, 6-7ths and 1-7th, 7-8ths and 1-8th) as shall suffice to enable Provincial finances, due regard being had to its indirect expenditure, to maintain a working balance.

Accompaniments to the letter from the Government of Bombay, Financial Department, to the Government of India, Finance Department, No. 2114, dated 31st May 1915.

Statement A showing direct and indirect famine expenditure for the years 1896-97 to 1906-07.

Year.	Direct Expenditure.				Indirect Expenditure.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1896-97 ...	30,01,528	2,39,704	15,361	32,56,593	1,36,613	3,07,873	79,345	5,23,831
1897-98 ...	94,26,083	...	23,800	94,49,883	5,23,461	9,08,798	1,44,340	16,66,599
1898-99 ...	...	2,51,689	—13	2,51,676	80,415	35,952	312	1,16,679
1899-1900 ...	1,15,43,159	...	97,913	1,16,41,072	5,64,714	8,83,318	47,524	14,97,056
1900-01 ...	2,54,02,105	...	—212	2,54,01,893	11,92,091	24,00,538	44,769	36,37,398
1901-02 ...	77,63,194	...	2,101	77,65,295	3,12,764	21,70,230	12,306	24,95,300
1902-03 ...	19,99,175	...	21	39,99,296	2,09,242	28,96,843	19,568	31,25,653
1903-04 ...	...	1,638	...	1,638	2,22,112	9,08,954	12,826	11,43,892
1904-05 ...	...	27,917	2,700	30,617	66,721	1,17,078	11,258	1,95,257
1905-06 ...	9,436	2,62,535	3,911	3,62,882	1,09,203	3,29,631	5,517	4,44,351
1906-07 ...	2,77,126	9,37,433	10,515	12,25,074	1,51,357	6,52,456	22,734	8,26,547
Total for 11 years ...	6,45,08,906	17,20,946	1,56,387	6,63,86,239	35,68,893	1,16,67,221	3,06,599	1,56,82,713
Annual average for 11 years.	58,64,446	1,56,450	14,217	60,35,113	32,44,445	10,60,656	36,054	14,21,155

Statement B showing direct and indirect famine expenditure for the years 1907-08 to 1914-15.

Year.	Direct Expenditure.				Indirect Expenditure.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1907-08 ...	14,761	...	53	14,814	28,518	1,71,791	1,510	2,02,819
1908-09 ...	32,000	...	...	32,800	62,534	6,41,860	...	7,04,394
1909-10 ...	1,949	...	...	1,949	...	...	...	...
1910-11 ...	...	...	...	...	...	...	...	...
1911-12 ...	15,16,096	...	...	15,16,096	42,622	4,85,087	...	5,27,719
1912-13 ...	27,49,019	...	7,703	27,56,722	1,17,102	11,70,223	...	12,87,325
1913-14 ...	2,78,331*	...	...	2,78,331	6,365	1,01,173†	...	1,07,538
1914-15 ...	57,210	...	...	57,210	244	4,696‡	...	4,940
Total for 8 years ...	46,51,069	...	7,756	46,58,825	2,57,395	26,91,020	1,510	27,49,925
Annual average for 8 years.	5,81,383	...	969	5,82,353	32,174	3,36,378	189	3,36,641

* Exclusive of Rs. 20,720 incurred during the period of observation and test (vide letter from the Bombay Government, No. 1485, dated 7th April 1915).

† Inclusive of Rs. 20,720 incurred during the period of observation and test (vide letter from the Bombay Government, No. 1485, dated 7th April 1915).

‡ Inclusive of Rs. 41,253 incurred during the period of observation and test.

under the proposals made by the Government of India.

(In thousands of rupees.)

Year.	Direct famine expenditure.							Indirect expenditure debitable to Provincial and Local.	Total Provincial and Local expenditure direct plus indirect according to		
	Under the present Provincial Famine Insurance Scheme.			Under the revised credit system.			Provincial one-fourth share under the scheme described in paragraph 15 of the letter from the Government of India.		the present Provincial Famine Insurance Scheme; i.e., columns 4 plus 9	the revised credit system, i.e., columns 7 plus 9.	the scheme described in paragraph 15 of the letter from the Government of India, i.e., columns 8 plus 9.
	Credit.	Imperial.	Provincial and Local.	Credit.	Imperial.	Provincial and Local.					
1	2	3	4	5	6	7	8	9	10	11	12
1895-97	8,000	32,57	...	6,150	26,32	6,25	8,14	3,87	3,87	10,12	12,01
1897-98	61,13	77,81	16,69	62,50	75,38	10,12	23,63	11,43	28,12	30,55	35,05
1898-99	11,70	2,53	...	62,50	...	2,52	63	36	30	2,58	69
1899-1900	24,88	70,64	45,77	62,50	86,33	30,08	29,10	9,32	55,09	39,10	38,17
1900-01	13,70	1,18,86	1,35,16	62,50	1,70,13	1,13,88	71,00	21,15	1,50,61	1,38,33	95,45
1901-02	13,70	45,68	31,08	62,50	66,95	10,71	19,42	21,43	53,11	37,14	40,55
1902-03	13,70	26,84	12,15	62,50	32,74	6,25	10,00	29,77	42,32	35,42	33,17
1903-04	13,70	2	...	62,50	...	2	...	9,23	9,23	9,25	9,25
1904-05	27,38	31	...	62,50	...	31	8	1,28	1,28	1,59	1,55
1905-06	40,77	3,63	...	62,50	...	3,63	90	3,35	3,35	6,98	4,25
1906-07	50,84	12,25	...	62,50	6,00	6,25	3,06	6,75	6,75	13,00	9,81
Total	...	4,21,13	2,12,17	...	4,64,85	1,90,02	1,65,06	1,70,64	3,63,39	3,19,66	2,86,60
Average	...	38,28	27,07	...	42,26	18,09	15,09	10,97	33,04	29,06	26,05

Statement D showing the famine expenditure during the years 1907-08 to 1914-15 which would be debited to Provincial revenues under the proposal made by the Government of India.

(In thousands of rupees.)

Year.	Direct Expenditure.				Indirect expenditure debitable to Provincial and Local.	Total Provincial and Local expenditure direct <i>plus</i> indirect according to	
	According to the revised credit system.			Provincial one fourth share according to the system described in paragraph 15 of the letter from the Government of India.		the revised credit system, <i>i.e.</i> , columns 4 <i>plus</i> 6.	the system described in paragraph 15 of the letter from the Government of India, <i>i.e.</i> , columns 5 <i>plus</i> 6.
	Credit.	Imperial.	Provincial and Local.				
1	2	3	4	5	6	7	8
1907-08 ...	62,50	...	15	4	1,73	1,88	1,77
1908-09 ...	62,50	...	33	8	6,42	6,75	6,50
1909-10 ...	62,50	...	2	...	...	2	...
1910-11 ...	62,50	...	...	...	...	...	...
1911-12 ...	62,50	8,92	6,25	3,79	4,86	11,11	8,65
1912-13 ...	62,50	21,32	6,25	6,87	11,79	18,04	18,66
1913-14 ...	62,50	...	2,99	75	1,50	4,59	2,35
1914-15 ...	62,50	...	57	14	42	99	56
Total ...	...	30,24	16,56	11,67	26,82	43,38	38,49
Average ...	...	3,78	2,07	1,46	3,35	5,42	4,81

No. 598-II-3-5-1915, dated Nagpur, the 16th March 1915.

From—The HON'BLE MR. J. T. MARTEN, I. C. S., Second Secretary to the Chief Commissioner, Central Provinces (Finance Department),

To—The Secretary to the Government of India, Finance Department.

I am directed to refer to the Hon'ble Mr. Brunyate's letter No. 2044-F., dated the 31st December 1914, dealing with the system of apportionment of famine relief expenditure between Imperial and Provincial Funds. The Government of India ask for the opinion of this Administration on certain proposals made in that letter with a view to modifying the existing Famine Insurance Scheme, or to replacing it by a simple financial adjustment which would have the effect of bringing what is considered to be the Provincial share of direct famine expenditure within the scope of the Provincial Settlement.

2. The Chief Commissioner concurs in the criticisms on the present scheme that it is not only complex and technical but also artificial in that the adjustment of the assignments between Provincial and Imperial Revenues is largely a paper adjustment. I am, however, to point out that the artificiality of the present scheme arises from the fact, admitted by the Government of India, that no allowance has been made for the liability of a province to famine in the calculation of the share of revenue to be assigned to it under its Provincial Settlement. Had such an allowance for direct famine expenditure been made at the revision of the Provincial Settlement, the necessary financial adjustment would presumably have taken the form either of a large Provincial share of some divided head of revenue or of an addition to the fixed assignment from Imperial to Provincial. It was the absence of any such provision in the Provincial Settlement for direct famine expenditure which justified the additional paper assignment from Imperial Funds which was necessary to render the Famine Insurance Scheme possible, and the formal nature of the scheme should not be allowed to obscure the fact that it was really intended to represent the extent to which Provincial finances could ordinarily be called upon to contribute towards the direct expenditure on famine relief.

3. As regards the alternative modifications proposed in your letter under reply I am to say that the scheme outlined in paragraphs 7 to 13 of your letter appears to the Chief Commissioner to possess in an even greater degree than the present scheme the disadvantages of complexity and artificiality. As, however, this proposal does not appear to be put forward with any great favour by the Government of India; it is unnecessary for the Chief Commissioner to discuss it any length. The other scheme which is explained in paragraphs 14 to 16 of your letter under reply is, in the Chief Commissioner's opinion, superior in every way to either of the two other schemes, and he is prepared to accept it, subject, however, to the limitations which will be set forth in the succeeding paragraphs of this letter.

4. The objection which the Chief Commissioner wishes to urge against any of these schemes for the adjustment of famine expenditure is that they do not fit in with the policy in regard to famine relief which has been adopted in these Provinces. The financial principles underlying the Famine Insurance Schemes have reference only to the policy of famine relief laid down in the Famine Code. That policy assumes that in all, except the slightest and most local scarcities, the rules of the Famine Code will be brought into force, and expenditure on relief will be carried out in accordance with them. In the Central Provinces, however, a most noteworthy departure has been made from this system of relief. The new policy has been fully explained to the Government of India in the Revenue and Agriculture Department (this Administration's letter No. 1342, dated the 21st September 1911), but it seems desirable that it should again be briefly described, as otherwise the arguments to be now set forth in regard to the financial arrangements for the adjustment of famine relief expenditure may be misunderstood. Briefly stated, the new policy has been to defer as long as possible the application of the rules of the Famine Code; the actual effect of it has been to apply those rules only in respect of gratuitous relief and to leave the relief of the able-bodied to be effected through an expansion of the ordinary programme of public works. The Chief Commissioner

does not disguise from himself the possibility that, in a severe and wide spread calamity, recourse might have to be had to the provisions of the regular Famine Code and that the new system of relief might have to be set aside. His belief is, however, that in such a case the new system would be worked for some time after the commencement of distress. And he is further of opinion that the new system, in the altered economic conditions of the Province—due to the extension of irrigation and of the mining industry—, will be found capable of meeting fairly severe and wide-spread failures of crops and that it may be counted on as the normal policy of famine relief in these Provinces.

5. Since the adoption of the new policy there have been two periods of scarcity in the Provinces, *viz.*, the period between 1907 and 1909, and the year 1913-14.

The total cost debited against the Provincial Famine Insurance allotment in the earlier of these two periods, in which distress was severe and extended to a considerable portion of the Province, was Rs. 12,87,000, but, as the Government of India are aware, this represents a comparatively small proportion of the actual expenditure due to famine. In this connection I am to invite a reference to this Administration's letter No. 614, dated the 11th March 1909, and to paragraph 5 of this Administration's Resolution No. 1242, dated the 2nd August 1911 (a copy of which was forwarded to the Government of India in the Finance Department), in which an estimate was given of the actual cost of the scarcity in the period now under consideration, in respect of loss of revenue and of increased expenditure directly due to famine. The actual excess expenditure directly due to famine was 22 lakhs in addition to the expenditure of funds in the budget diverted from ordinary works to works especially designed to relieve famine.

The scarcity of 1913-14 was in all respects a much less serious and less wide-spread calamity. It was dealt with on the same general lines as in 1907-08, with the result that the debit to Famine Relief (Imperial) between the 1st October 1913 and the 30th September 1914 was Rs. 1,27,000, while the actual additional charge on Provincial Funds due to famine amounted, apart from loss of revenue, to 6½ lakhs.

It will thus be seen that since the introduction of the Provincial Famine Insurance Scheme the economic circumstances of the Provinces have in no case placed such a strain upon the working of the scheme as to exhibit its operations under conditions of great stress, but at the same time sufficient experience has been gained to demonstrate the difficulties of applying this scheme to the special conditions under which famine relief is administered in these Provinces. Summing up the figures given above the following results may be stated for the two famine periods:—

Year.	(Rupees in lakhs.)		
	Famine Expenditure	Charged to—	
		Provincial.	Imperial.
1907—09 ...	35'00	22'00	13 00
1913—14 ...	7'75	6'50	1'25
Total	42'75	28'50	14'25

Thus the so-called insurance scheme devised expressly to protect Provincial finances in time of famine has actually operated in these Provinces in such a manner as to result in two-thirds of the direct famine expenditure, as well as the whole of the indirect expenditure, being thrown upon the Provincial exchequer.

6. In Mr. King's letter No. 1342, dated the 21st September 1911, to the Revenue and Agriculture Department, Sir Reginald Craddock showed clearly that while the system of famine relief which was therein described had the merits of economy and of the avoidance of the general demoralization of the

people incidental to famine relief under the Famine Code Rules, it resulted, under the present financial arrangements, in throwing a disproportionately heavy burden upon Provincial Funds, and he claimed that so much of the additional expenditure *outside the ordinary provisions of the budget* as was directly due to famine relief was a fair charge against the head of "33, Famine Relief", under which head alone the benefits of the Famine Insurance could be utilized. In this connection the Chief Commissioner desires to emphasize the fact that under Sir Reginald Craddock's scheme, the special "Scarcity" works, which were to be charged to "33, Famine Relief", were only those which could not be financed from the budget. Although the execution of a particular work might not have been provided for in the budget, yet if funds could be found for it by diversion of money provided for some other work or works, it would not be regarded as a special "Scarcity" work, and would not be charged to "Famine Relief". The arguments put forward by this Administration were not accepted by the Government of India, who, in their (Revenue and Agriculture Department) letter No. 970, dated the 29th July 1913, indicated that they were not prepared to trust to the decision of the Local Administration as to whether an extension of works was justified by the agricultural and economic conditions, and that the only modification of the previous financial arrangements which they were prepared to admit was the offer, as a matter of grace, of some assistance from the Famine Insurance Grant, should Provincial funds and balances be absolutely unable to meet the enhanced expenditure.

7. The Chief Commissioner thinks that the Government of India must admit that this failure to adjust the financial relations between the Imperial and Provincial Governments to suit the more modern economic method of famine administration is unsatisfactory. Provincial Funds certainly cannot continue to bear the burden of famine expenditure of which the Provincial Famine Insurance Scheme was expressly designed to relieve them, and it will be a matter for serious consideration, on the outbreak of another famine, whether the admitted advantages of the Central Provinces system of famine administration must not be sacrificed. It is indeed quite clear that, under any one of the systems of famine insurance dealt with in the Government of India's letter under consideration, it is strongly in the interests of the Provinces from the strictly financial point of view to throw over all thought of economic methods of famine administration and to begin to operate on "33, Famine Relief" by the declaration of famine at an early stage. Sir Benjamin Robertson thinks, however, that the Government of India have perhaps under-rated the means which they will always have of satisfying themselves that the expansion of ordinary works has not been premature or extravagant. The Government of India's own orders require that as soon as agricultural prospects become serious, a special report on the state of affairs shall be submitted to them. They are themselves in a position to observe the course of prices. And, if certain proposals, which the Chief Commissioner is submitting to the Government of India in the Revenue and Agriculture Department as to the formal declaration of "Scarcity" and which will presently be alluded to, are accepted, the Government of India, on such declaration, will receive a special weekly famine telegram and detailed monthly reports and statements. The Government of India will thus always be kept fully informed of the actual conditions, and there can be no apprehension that the Local Administration may undertake an expensive and extravagant programme of public works without the knowledge of the Government of India, or in circumstances which they might deem insufficient to justify such measures.

8. The proposals mentioned in the last paragraph as to the declaration of scarcity are contained in this Administration's letter No. 548—X-10-1, dated the 16th March 1916, to the Government of India in the Department of Revenue and Agriculture. The suggestion is made that when the stage has been reached at which the helpless and incapable can no longer depend on private charity, and at which the provision of employment on works has to be supplemented by the general distribution of gratuitous relief in a particular area, "Scarcity" should be declared in such area. And it is pointed out that this step—tending as it does to a certain amount of demoralization—will not be undertaken by the Local Administration without the fullest justification. When scarcity has been declared, it is proposed that works specially undertaken for

the relief of distress—although they will still be conducted on ordinary contract methods—should be classed as Scarcity works, if they cannot be met, either under the provision for works, or by re-appropriation, from the budget of the year then current.

9. The Chief Commissioner trusts that the Government of India will accept the arrangement proposed. If this is done, it will, he considers, enable the Government of India so far to modify the orders passed in 1913 as to agree to expenditure on scarcity works as thus defined being debited against the head "33, Famine Relief". Up to the declaration of scarcity, all works undertaken, whether financed from funds in the budget or from Provincial balances will be a charge against the Provincial revenues. The former will, after the declaration of scarcity, still continue a Provincial charge: only the latter will come under the head "Famine Relief". The proposal differs from that put forward by Sir Reginald Craddock in that it postpones the debiting of expenditure on this second class of works to "Famine Relief" until scarcity has been declared. And as already remarked in paragraph 7 of this letter, the Government of India will have the fullest information as to the conditions which have led to the declaration of scarcity and to the circumstances of the distress in the reports with which they will be furnished.

10. Should the Government of India be prepared to agree to the modification on these lines of their orders of 1913 and to the admission under a proper system of intelligence of the right of the Local Administration to debit the cost of the extension as a measure of famine relief, of ordinary works to "33, Famine Relief", the Chief Commissioner as stated above is prepared to accept the system proposed in paragraph 15 of the Government of India's letter under reply in place of the present somewhat complicated and obscure arrangement. This system has the effect of introducing a divided head on the expenditure side without any compensation by way of assignment or larger increased share of revenue on the receipt side, notwithstanding that expenditure on famine relief was admittedly not provided for in the Provincial Settlement. But the advantage of having a definite and settled financial arrangement of a fairly simple nature, such as will ensure the possibility of gauging, with some approach to accuracy, the extent of the burden which Provincial resources are likely to be called upon to bear in any particular scarcity or famine, has considerable compensating value.

11. In asking the Government of India to accept the suggestion above put forward as to the debit of Scarcity works as now proposed to be defined in the Code to the head "33, Famine Relief", the Chief Commissioner would again emphasise the fact that relief of distress in the manner adopted in the Central Provinces is both economical and practical; its advantages have been tested in two recent famines, and it has been acknowledged by the Government of India as fulfilling the claims that have been made in its favour. But it throws a severe burden on Provincial finances unless this acknowledgment be accompanied by more favourable treatment in the matter of debiting its cost to the head "Famine Relief". And the proposals now put forward are intended to be a fair means of enabling such treatment to be introduced, and of relieving Provincial finances of the disproportionate share which they have recently borne in meeting famine conditions in these Provinces.

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No 307 OF 1916.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS FINANCE.Provincial Finance.

To

THE RIGHT HONOURABLE AUSTEN CHAMBERLAIN,

*His Majesty's Secretary of State for India.**Delhi, the 23rd December 1916.*

SIR,

We have been considering the desirability of modifying the arrangements sanctioned in Lord Morley's despatch No. 5-Financial, dated the 11th January 1907, for the apportionment of expenditure on famine relief between the Imperial and Provincial Governments.

2. In 1914, in response to a Resolution moved by the late Rai Sri Ram Bahadur in the Imperial Legislative Council on the 7th March of that year, we undertook to consider whether the provincial allotments under the existing scheme required revision. Our examination of the question was primarily directed to the possibility of a rectification of minor inequalities as between different provinces in the light of the experience obtained since the present scheme was introduced. We were, however, led on to the conclusion that the existing arrangements are unduly complicated and that it would be possible to place the question of incidence on a much simpler basis without prejudice to the essential objects in view, *viz.*, that the provinces should depend on Imperial assistance for the greater portion of the special expenditure entailed by relief measures, but that they should at the same time retain a substantial measure of responsibility in the interests of the economical administration of relief.

3. After careful consideration of the question, we placed two alternative proposals before the Local Governments concerned in our Finance Department letter No. 2044-F., dated the 31st December 1914, a copy of which we enclose. Briefly, the object of the first proposal there elaborated was to safeguard the interests of a province suffering from more than one famine within a short interval. The present system relies upon the gradual building up of famine credits and therefore does not provide adequately for the case of a province the amount at whose credit has been exhausted by famine expenditure and which is attacked by another famine before there has been time to build up a substantial credit. It was suggested that this difficulty might be met by providing that the credits up to which expenditure will be borne by Imperial revenues should revive after each famine. This solution, however, would introduce a fresh complication owing to the necessity for calculating the expenditure with reference to the "famine year" (from October to September) as distinguished from the official year. On the whole, therefore, it seemed to us that it would be preferable to abandon the present system altogether and to treat the head "33—Famine Relief" as an ordinary divided head, the Imperial share being taken uniformly at $\frac{3}{4}$ and the Provincial at $\frac{1}{4}$. This particular distribution was suggested as it represents approximately the assistance which Imperial revenues actually give in the long run towards famine expenditure under existing arrangements. This alternative proposal was accordingly commended to the consideration of Local Governments, and its advantages were indicated in paragraph 16 of the Finance Department letter.

4. It will be seen from the replies received, copies of which are enclosed, that the Local Governments are generally in favour of this simpler method of dividing famine expenditure in the fixed proportion of three-fourths Imperial and one-fourth Provincial. Some provinces have, however, attached certain qualifications to their acceptance of our proposal and these we examine below :—

The Government of the United Provinces asks that the provincial liability in any one financial year should be limited to a maximum of ₹ 25 lakhs, while the Government of Bombay suggest that, when provincial balances are, under the proposed distribution of famine expenditure, reduced below a working minimum, the shares of the expenditure to be borne by Imperial and Provincial revenues should, for the time being, be altered to such a proportion as will suffice to enable Provincial Governments to maintain a working balance. These reservations are doubtless made with a view to safeguarding the provincial finances from a complete collapse. The present system, however, contemplates that the incidence of famine expenditure will be the subject of special arrangements when the provincial balance has been reduced below half the prescribed minimum. It is our intention under the scheme now proposed to maintain the same safeguard and we do not think that we should go further in accelerating the stage at which special Imperial assistance will commence, or in defining the form which it should take. The object of our proposals is not to do away with the underlying principles of the 1906-07 scheme as regards the distribution of famine expenditure between Imperial and Provincial, but merely to substitute a more convenient working method. Thus, as already explained, the proportion of three-fourths and one-fourth was suggested as representing roughly the assistance actually given under existing arrangements. The suggestion made by the Government of Bombay would go beyond the amendment of method we have in view by introducing a fresh principle to the advantage of the provinces. There would, moreover, be considerable practical difficulties in working a sliding scale of the character suggested by the Local Government in paragraph 7 (2. of their letter No. 2144, dated the 31st May 1915. Again, the imposition of a maximum annual limit for provincial liability, such as that proposed by the Government of the United Provinces, has the disadvantage that a larger share of the expenditure would fall on Imperial revenues in the case of a severe famine confined in its effects mainly to a single financial year than in the case of one which extends more or less equally over two financial years. This suggestion also involves a reversion to the unsatisfactory arrangement of fixing comparative provincial standards of expenditure which are liable to require revision with reference to changing conditions and also to be made the subject of invidious criticism.

We are not prepared therefore to accept these suggestions.

The other stipulation made by the United Provinces Government, *vis.* that the proposed arrangements should not involve any other modification of the provincial settlement does not call for comment, as no such modification is entailed.

5. A further reservation made by the Government of Bombay relates to the treatment of expenditure incurred during the period of observation and test when famine is not actually declared. Such expenditure is at present charged as provincial, under the head "45—Civil Works" or "32—Miscellaneous", and we are ready to concede that this should in future be charged to "33—Famine Relief." The present arrangement is not altogether logical since the nature of the expenditure is the same whether famine is declared or not, and moreover it offers an inducement to the premature declaration of scarcity or famine. We recognise also that it is desirable to encourage Local Governments to take prophylactic measures, which they might be led to delay too long if they were uncertain whether they would have to bear the whole cost or not. We may also observe that owing to the recent recognition of "scarcity" as a distinct stage of distress between "observation and test" and "famine", and the debit to the head "33—Famine Relief" of

expenditure incurred during the period of scarcity, the concession is probably of less importance than was formerly the case.

6. Very similar considerations apply to a recommendation made by the Chief Commissioner, Central Provinces. In the despatch from Lord Hardinge's Government, No. 23 (Revenue and Agriculture), dated the 7th August 1913, reference was made to a special system of relief in force in the Central Provinces, the essence of which is that, before famine is declared, the programme of ordinary works is expanded so as to provide employment freely and thus to obviate as far as possible the necessity for resorting to ordinary famine relief works. As just stated, it has recently been decided to recognise "scarcity" for the purpose of the famine codes as a definite stage of distress intermediate between "observation and test" and "famine", and in the Central Provinces scarcity will ordinarily be declared in a district or area as soon as the general distribution of gratuitous relief in such district or area becomes necessary. The Chief Commissioner proposes that, when this has been done, works specially undertaken for the relief of distress should be classed as "scarcity works" if their cost cannot be met either from the budget provision for works or by reappropriation, the cost of these scarcity works being charged to the head "33—Famine Relief".

We are of opinion that the Central Provinces system has considerable advantages from the point of view of economy in famine finance. There is also much force in the contention of the Chief Commissioner that this special scheme of relief at present throws on provincial revenues expenditure which is really incurred on famine relief and which would be classed as such elsewhere. The recognition of scarcity as a definite stage of distress has the effect of postponing the stage at which the expenditure on the special works will be charged as famine expenditure and we recognise that the reports which the local Administration is required to send to the Government of India under the famine code, put them in a position to satisfy themselves that "scarcity works" have not been undertaken either too early or on an extravagant scale. We therefore, endorse the Chief Commissioner's recommendation that expenditure on scarcity works should be debited to the head "famine relief" in so far as it cannot be met directly or by reappropriation from the civil works budget provision for the year. And when the budget for any year has to be framed with reference to the existence of famine or *quasi*-famine conditions, the Local Administration will be required, in view of the special system of relief obtaining in the province, to place the grant under the head "45—Civil Works" at a figure not less than that for the last normal year.

7. It was decided in 1910 (*vide* the correspondence noted in the margin)

Despatch from Lord Minto's Government, No. 47, dated 24th February 1910, and Lord Morley's despatch No. 40-Pol., dated 13th May 1910.

that all direct famine relief outlay incurred in the non-jurisdictional estates in Bombay should be borne by Government and the Local Government were instructed to consider the question of levying a famine cess in the areas referred to in order to defray the expenditure. For the reasons stated in their letter No. 2939, dated 17th May 1915 (a copy of which is enclosed), the Government of Bombay came to the conclusion that it is not feasible to levy a famine cess, and asked that the expenditure on relief in the estates in question may be accepted as an entirely Imperial liability. We accept the opinion of the Local Government that the question of a cess should be dropped, but consider that the expenditure on relief in the areas referred to should, like other famine expenditure, be divided between Imperial and Provincial revenues in the proportion of $\frac{3}{4}$ and $\frac{1}{4}$.

8. The Government of the Punjab was not at first inclined to favour the change proposed. The question has, however, subsequently been discussed informally with His Honour the Lieutenant-Governor, and he has now agreed to fall in with the other provinces in accepting a uniform division of famine expenditure on the lines suggested.

9. It is not usual to make provision for famine expenditure in provincial settlements and the Government of Bihar and Orissa are not correct in assuming that allowance will be made for the provincial liability involved by our

proposals when the present temporary settlement with that province is made permanent. Such a course would obviously result in making the whole expenditure on famine in that province practically Imperial.

10. For the reasons summarised in paragraph 16 of our letter of the 31st December 1914, we consider that the scheme now proposed has substantial advantages over the arrangements at present in force, and we now request your sanction to its introduction with effect from the 1st of April 1917. The balances at the credit of Provincial Governments in the *pro forma* account now maintained will of course be written off with effect from that date. The change will apply to all provinces, including Burma and Assam which owing to their practical immunity from famine were excluded from the existing scheme. If you find it possible to communicate your approval by telegraph by the middle of January next, we will introduce the change in the budget estimates for 1917-18: otherwise we propose to give effect to it in the revised estimates and actuals of that year.

We have the honour to be,

SIR,

Your most obedient, humble Servants,

(Signed) C. C. MONRO.

„ R. H. CRADDOCK.

„ W. S. MEYER.

„ C. H. A. HILL.

„ C. SANKARAN NAIR.

„ G. R. LOWNDES.

INDIA OFFICE, LONDON,

23rd February 1917.

Financial.

No. 9.

To His Excellency the Right Honourable the Governor
General of India in Council.

MY LORD,

I have considered in Council Your Financial Letter No. 307, dated 23rd December 1916, in which you submit proposals for the apportionment of expenditure on famine relief between the Imperial and Provincial Governments.

2. The scheme now in force is that approved in Lord Morley's Despatch No. 5 of the 11th January 1907. The ruling principle of that scheme was to enable each local Government of a Province liable to famine to build up gradually a reserve of credit with the Imperial Government on which it would be at liberty to draw when it was necessary to incur expenditure on famine relief; but, if the expenditure incurred exceeded the maximum credit, the excess was to be shared equally between the Imperial and the local Governments. If the balances of the local Government were so depleted as to fall below one-half of the prescribed minimum, further assistance was to be given from Imperial revenues according to the circumstances of the occasion.

3. You have now come to the conclusion that this scheme is unduly complicated and that it would be possible to place the question of incidence on a much simpler basis without prejudice to the essential objects in view. You therefore propose to treat the expenditure, head "33, Famine relief", as an ordinary divided head, the Imperial share being three-fourths, and the provincial share one-fourth. The local Governments have accepted the proposal subject to certain provisos. The first proviso is that provincial balances shall be safeguarded from a complete collapse; and, to meet this you have expressed to me, and will no doubt express to local Governments and Administrations, your intention to maintain the same safeguard as under the present system, *viz.*, that when a provincial balance has been so depleted as to fall below half the prescribed minimum, assistance shall be given from Imperial revenues. The second proviso is that the definition of famine expenditure shall be widened. In paragraphs 5 and 6 of your Letter you agree that expenditure incurred both under "Scarcity" and during the period of observation and test shall be debited to the head "33, Famine Relief."

4. I agree that the adoption of your proposals will simplify the accounts and at the same time ensure an equitable distribution of the expenditure. I therefore sanction your proposals.

I have the honour to be,

MY LORD,

Your Lordship's most obedient, humble Servant,

(Signed) AUSTEN CHAMBERLAIN.

Letter from M.R.Ry. K. E. CHIDAMBARA AYYAR Avargal, B.A., Secretary, Madras Famine Code Revision Committee, to the Secretary to Government, Revenue Department, dated 1st April 1922.

ABSTRACT.—Famine—Code—Revision—Committee's report submitted.

I am directed to submit the accompanying report of the Committee appointed in G.O. No. 1962, Revenue, dated 31st August 1921, for the revision of the Madras Famine Code.

I have the honour to be

Sir,

Your most obedient servant,

K. E. CHIDAMBARA AYYAR,
Secretary, Famine Code Revision Committee.

ENCLOSURE.

REPORT OF THE MADRAS FAMINE CODE REVISION COMMITTEE.

INTRODUCTORY REMARKS.

Our Committee was appointed by the Government of Madras in pursuance of a resolution of the Legislative Council to the effect that a Committee consisting of officials and non-officials should be appointed to revise the provisions of the Famine Code of 1914 after prompt and necessary inquiry regarding wages and allowances in general with particular reference to the affected areas, the basis of the conversion of the grain into cash, the conditions enforced on the test-works, the case of the dependents of labourers during the test period, the circumstances required to convert the test into relief works, the classification of labour and other cognate matters with a view to make Government relief timely and effective.

2. A preliminary meeting of the Committee was held at Madras on the 18th and 19th October 1921. Captain Parker, one of the members, having in the meantime been transferred to the Central Provinces could not be present at this meeting; Mr. Walsh who was appointed to take his place has taken part in our subsequent deliberations.

3. At this meeting it was decided to send out interrogatories to selected witnesses and tour in the affected areas with a view to examine the witnesses orally and to inspect some of the relief camps. Mr. Arndt, Secretary to the Board of Revenue (Land Revenue), who had been in charge of the relief operations in the Chokkapad khandam of the Ganjām district, was also examined at this meeting. The Committee was on tour from the 1st to the 14th November and visited seven test and relief works and examined 28 witnesses. Re-assembling at Madras on the 18th November, the Committee proceeded to consider the evidence collected. At this stage M.R.Ry. Diwan Bahadur P. Kesava Pillai Avargal, M.L.C., an enthusiastic and experienced Member of the Committee, left India on his mission to British Guiana. We take this opportunity of recording our high appreciation of Mr. Kesava Pillai's services on the Committee and our deep regret that he was unable to assist us throughout with his advice and experience. The Committee has since held five meetings at two of which Mr. C. B. Cotterell, C.I.E., I.C.S., Agency Commissioner, and Major Malcomson, I.M.S., Medical officer in charge of the Penitentiary, were examined and the rest of the time was devoted to the consideration of the recommendations to be made. The Committee examined 31 witnesses in all, including officers of the Revenue, Public Works, Jail and Medical Departments and non-officials of different classes such as Members of Local Bodies and private relief committees, land owners, District Board and Railway Engineers who have had intimate acquaintance with the actual conduct of relief operations and the conditions of labour in ordinary as well as famine times.

4. The basic principles of the Famine policy of the Indian Government were formulated by the Famine Commission of 1880 on whom devolved also the task of systematising for the first time the diverse methods of famine relief which had previously been in vogue and of devising a scheme of relief in the light of the experience gained in the administration of the famine of 1876-77. The recommendations of this Commission were incorporated in the provincial Famine Code of 1883 which, with the additions and alterations suggested by the experience gained during the distress in parts of Bellary and Anantapur in 1884-85, the Ganjām famine of 1888-89 and the distress of 1891-92 in parts of the Presidency developed into the draft code of 1896. The policy of famine relief administration thus codified was brought to a crucial test during the famine campaign of 1896-97, and the degree of success then achieved in the several provinces of India, including Madras, was the subject of an exhaustive inquiry by the Famine Commission of 1898. This Commission, "while confirming the principles enunciated by the Famine Commission of 1880, departed from them in recommending a more liberal wage and a freer extension of gratuitous relief." Before the recommendations of this Commission had been fully considered and incorporated in the provincial draft codes, the drought of 1899 occurred which, though it happily did not pass beyond the stage of test in this Presidency, developed into widespread famine in several other provinces of India and the local Governments concerned "were compelled to face another great famine without a settled policy and in nearly all cases with their Famine Codes still unrevised." This led to uncertainty and oscillation in the application and guidance of measures of relief; and into the results of this uncertainty as well as into the whole question of famine administration the Famine Commission of 1901 was instructed to enquire. The conclusions arrived at by this Commission pointed *inter alia* to the need for the revision of the scale of wages and allowances recommended by its predecessor as well as for the adoption of stricter conditions of relief during the period of test. On the basis of these conclusions which were accepted in the main by the Government of India the final code of 1905 was framed. The code in its present form issued in 1914 is a reprint of the one issued in 1905 embodying some subsequent amendments of minor importance.

5. Such in brief outline is the history of the evolution of the Madras Famine Code the adequacy of the provisions of which we have been required to examine. As may naturally be expected of a document which is the outcome of the labours of three Famine Commissions and embodies the results of the experience of famine administration at different periods of widespread agricultural distress in various provinces of India, the Famine Code sets forth the measures to be undertaken at each stage of the campaign with a thoroughness and attention to detail which the importance of the subject deserves. The broad fact however remains, and indeed we have already indicated it in the foregoing resume, that while the Famine Commission of 1898 was in favour of a more liberal wage, the commission of 1901 recommended its reduction in the case of able-bodied adults and imposed more stringent conditions of test—recommendations which were based mainly on observations and enquiries under the necessarily varying conditions in other provinces and which have not been tested by experience in this province until quite recently in Ganjām and the Ceded districts of Kurnool, Bellary and Anantapur. We have considered it necessary to draw special attention to this point as the terms of reference require that the provisions of the Famine Code in regard to these and cognate matters should be examined with particular reference to the affected areas in this Presidency. It will be our endeavour to state in the following sections the results of our enquiry and their bearing on the recommendations we have deemed it necessary to make with reference to the various sections and chapters in the existing Famine Code.

CHAPTER I.

6. *Section 3.*—We are of opinion that the register of cattle mortality referred to in section 3 (c) of this chapter should be amplified so as to show deaths of cattle from starvation as such information will furnish evidence of the dearth of fodder in the affected locality and draw the attention of Collectors to the imperative need for initiating the measures contemplated by sections 182 and 183 of the Code.

7. *Section 10.*—We also consider that the suitability of spinning as a form of village work should be investigated by a small expert committee which could frame suitable task tables for incorporation in the Code. As a means of relief to women and weakly people it has much to commend it and it is already recognized in the Code (section 145) as a form of gratuitous relief for gosha women fit for work.

CHAPTER II.

8. *Sections 33, 40 and 41.*—The part which cattle play in rural economy is often not adequately realized and it is of the utmost importance, with a view to putting heart into the people, that the active preparations contemplated in this chapter should include those necessary for the preservation of their cattle. Section 33 of the Code should be amended so as to draw pointed attention to this matter. Much can also be done to keep up the spirits of the people by the grant of loans for subsistence where necessary even in the initial stages of distress. Section 41 of the Code may be amended by adding the "grant of loans for subsistence" as one of the means for securing the objects detailed in that section. This will involve the amendment of Rule I-B (iii) of the General Rules framed under section 4 of the Agricultural Loans Act XII of 1884 which restricts the grant of such loans to tracts where famine has been declared by the Local Government. Lastly, the value of the preparations prescribed in this chapter will be greatly enhanced should the assistance of non-officials be utilized oftener and much earlier than has been the case during the present distress. To this end we would lay it down as a definite rule that the organization of the non-official relief agency (section 40 of the Code) should commence as soon as the alarm signals indicated in section 34 (a) make their appearance.

CHAPTER III.

PERIOD OF OBSERVATION AND TEST.

9. *Section 48.*—Provision of employment for those who are able to work and distribution of gratuitous relief for the infirm and the indigent constitute the two main divisions of famine relief and with a view to enable the Collector to determine whether the degree of distress in any tract indicated by the premonitory symptoms of distress is serious enough to call for State intervention by undertaking relief of either kind, the period of observation has been prescribed. Some of the witnesses examined by us have expressed the view that test-works were not opened sufficiently early, while some others have urged that test works are not necessary at all. The former would have the Code so modified as to make it obligatory on the Collector to start test-works as soon as the rains hold off, the prices rise high, unusual migration of men or herds is noticed or, in short, any of the alarm signals make their appearance; and to avoid the risk of delay in setting the machinery in motion, they urge the desirability of Collectors consulting non-officials from the very outset. The latter urge that people do not as a rule seek relief on famine works except as a last resort and that the mere fact of attending a relief work is in itself a proof of the existence of distress. These views seem to us to indicate an inadequate appreciation of the complex factors which lead to a general want of agricultural employment in this country and of the principles underlying its famine policy. Unlike England India has been fortunate in being able to do without a 'Poor law'. Nearly every village in this country has its own destitute and infirm people to provide for and in almost every year there are slack seasons of agricultural unemployment; and if the obligation of the State extends to the relief of every phase of distress, however light, famine relief will be a normal feature of Indian Administration. As stated in the introduction to the Famine Code, however, the loss of crops over a restricted area in a single season, after a year of normal plenty, will not of necessity produce famine or even such a degree of scarcity as to call for State intervention though failure of crops over a large extent of country for two or more seasons in succession leading to an exhaustion of the private resources of the smaller ryots and landless labourers may produce such a necessity. Again, the object of State intervention is to protect people from starvation and its interference has to be so timed and adjusted as to impair as little as possible the traditional and family obligations of the social system

of the country, such, for instance, as those involved in the relationship of the members of a family, of landholder and farm labourer, of master and servant, of almsgiver and alms receiver. Such, then, being the principles of famine relief, the determination of the necessity for such relief is pre-eminently a matter for careful investigation. Despite the large volume of statistical information which the system of intelligence prescribed in the Code provides, its value as a means of gauging distress is so largely discounted by want of reliable data regarding the resources and capacity for self-help of the people in general and the extent to which private charity and private works can afford relief especially in times of distress, that it is unsafe in the interests of the general tax-payer to act on *a priori* assumptions of distress. In illustration of this statement we may cite the scarcity of 1909-01 when test works were started in several districts but had to be closed after observation. This experience was repeated recently in 1921 in the Aska taluk of the Ganjam district and the Nandikotkūr taluk of the Kurnool district where the opening of test works failed to disclose distress of which the agricultural situation had given indications. While therefore we are unable to recommend that the stage of observation should be dispensed with, we realize the necessity for prompt action and we believe that a closer association of non-officials from the outset is necessary to this end. Section 48 of the Code may be amended by the insertion of the words 'in consultation with non-officials' after the word 'determine' in the second sentence of that section.

10. *Section 49.*—Turning next to the conditions of relief on test works we agree on general grounds that they should not be attractive but are of opinion that the conditions laid down in the Code are stricter than are necessary to secure this result. In the first place, the Code requires that the task should be somewhat above the standard task in the case of departmental works and that it should be the full ordinary task in the case of village works. The Famine Commission of 1898 was of opinion that the tasks on test works should be "not less than by the Code scale"; the Commission of 1901 imposed the present condition on the ground that test works should be opened at a very early date before the labouring classes who generally are the first to come on relief have reached that stage of physical and mental depression which, among other reasons, influenced the Commission of 1880 to fix the standard task at 75 per cent of the ordinary task. They however made it clear that, in the case of metal breaking, for which special practice is required the standard task would ordinarily be sufficient. In the tracts visited by us all the test works had been road works of the departmental class and the enhancement of the task ranged from one-eighth to one-sixth of the standard task even in regard to metal breaking. On the evidence before us we are not prepared to say that the enhancement caused any general hardship but we were able to gather that it led to reduction of outturn in several cases and pressed hard on those who had to come from a distance. We are of opinion that the enhanced task should not exceed 85 per cent of the ordinary task in the case of departmental works. We recommend no change as regards village works which being difficult to supervise may, as a rule, be considered unsuitable for the test stage when the need for proper supervision and strict enforcement of discipline is so essential.

11. As regards the other restrictions, we note that the Famine Commission of 1898 recommended that though allowances for rest days and dependents should, as a rule, be withheld, commissioners of divisions should be given power to grant such allowances with reference to local conditions. The Famine Commission of 1901 went a step further and forbade their grant altogether. The wages given to workers being only sufficient for their subsistence we cannot see any other justification for these restrictions than the presumption that the workers have at least in the initial stages of distress some small resources of their own which, with their wages, suffice for the maintenance of themselves and of their dependents. Having regard however to the agrarian history of the tracts under enquiry which lie in the famine zone of this Presidency and to the low economic condition of the people usually affected, it is open to question whether the presumption is correct. It is perhaps tracts of this description which the Famine Commission of 1898 had in view when they said that the test work conditions might prove too severe in some tracts and recommended the delegation of powers to commissioners of divisions to relax the conditions in special

cases. After careful consideration we are of opinion that conditions which tend to diminish the amount available for the subsistence of the workers are calculated to falsify the test by making it repellent. We accordingly recommend that allowances should be granted to dependents. We are aware that in reviewing the report of the Board on the Ganjam famine of 1919, the Government in paragraph 12 (ii) of G.O. No. 1271, Revenue, dated 9th June 1921, accepted the Collector's proposal that children "whose parents are more than ordinarily incapable of supporting them with the test work wages" should receive gratuitous relief; but we feel that the practical application of this principle would be exceedingly difficult. There need however be no rest-day nor any allowances therefor but workers should be permitted to work on all the days in the week. The existing section 49 (b) may be amended so as to read 'there shall be no rest-day'. We further recommend that the provisions of sections 101 and 102 as regards the treatment of new comers and weakly persons be applied to the test stage also and that section 49 (c) of the Code be suitably amended.

12. *Section 50.*—Passing on to section 50 of the Code, the only modification that we find necessary is as regards the system of gratuitous relief to be adopted during the test stage. In a later section of this report we deal at length with the relative merits of the different systems of gratuitous relief, namely, cooked food, cash doles and grain doles, and propose that, after famine is declared, relief of dependents should normally be by cooked food in kitchens and that relief in villages should take the form of cash doles. During the test stage, however, when the extent and duration of distress is not definitely known the objection to kitchens on the score of expense in our opinion outweighs the advantage they undoubtedly possess as a means of testing distress. For, if the test does not prove the necessity for relief, all the expense incurred in the erection of sheds, purchase of utensils, etc. is wasted. It must also be remembered that a test work is usually put in charge of a Junior Overseer who has had no previous experience of famine administration and that there is no Charge Officer to superintend the organization of the works. To open kitchens simultaneously with test works would, in our opinion, inevitably lead to great confusion. We therefore recommend that cash doles should be distributed both to dependents and recipients of relief in villages during the period of test. If, however, the period of test should extend beyond a few weeks we think a kitchen should be opened on the work for the relief of the workers' dependents.

13. *Section 53.*—We are aware that some of the foregoing recommendations are calculated to throw more work on the officers in charge of test works, but if test works are properly managed as they ought to be, it should not take long to learn the lessons of the test and this brings us to the question of the conversion of test works into relief works. Section 53 of the Code, which bears on this point, lays down that the existence of distress may be considered proved when test works begin to attract large numbers or when it is found necessary to distribute gratuitous relief to over 1,000 persons for more than two months. In the tracts visited, we have noticed a mistaken impression on the part of some officials that the period of two months above referred to applies not only to the distribution of gratuitous relief but also to the continuous attendance of a large number of workers. To avoid the undesirable results of this misconception, we suggest the insertion of an explanatory note at the foot of the section. The section further requires that the proposals of the Collector for the conversion of test works into relief works should be submitted to the Board in the first instance and by the latter to the Government, whose approval should be awaited before any action is taken. This procedure prescribing as it does, the approval of the Collector's proposals by two sets of authorities as a condition precedent to the recognition of distress involves unnecessary delay. As the officer on the spot and one in close touch with the progress of operations, the Collector is in the best position to observe the results of the test, and on his reading of the situation the final decision in the matter will usually depend; and we note that the Famine Commission of 1901 were inclined to give him the power to order conversion reporting his action to the Commissioner. If any safeguard is necessary against hasty action on the part of inexperienced or overzealous officers, the approval by the Board, whose members are drawn from the ranks of experienced Collectors, should be more than sufficient. To go further is in our opinion to court delay in a matter which brooks none and possibly to impose needless suffering at a stage when it has to be

avoided most. We have been led to this conclusion on a review of the conditions which obtained in the affected tracts and especially in the Ronabha mutta of the Ganjam district. We are therefore of opinion that the Famine Commissioner should be empowered to order the conversion of test works into relief works on the receipt of Collector's proposals to that effect immediately communicating a copy of his orders to Government. We further wish to emphasize the fact that there should be no avoidable delay in converting test works into relief works.

CHAPTER IV.

14. Section 54 contemplates the recognition of two different degrees of distress—Scarcity and Famine. But it has not been laid down anywhere in the Code at what stage of distress scarcity not amounting to famine should be deemed to exist and at what stage it should be deemed to develop into famine. The Code prescribes merely certain differences in the conditions of relief in the two stages which are as follow:—

(1) In a 'scarcity' area, admission is limited to those applicants who have received admission orders under section 81 of the Famine Code to both public and non-departmental works while in a famine area this condition is restricted to non-departmental works.

(2) In a 'scarcity' area, dependents other than children in arms are not relieved, whether on public or on village works. In a famine area, on the other hand, relief is given to dependents of all classes on public works though on village works similar relief is given only to children in arms.

(3) In a 'scarcity' area, off-day allowances are granted to workers alone and not to dependents whereas in a famine area such allowances are paid to both workers and dependents.

(4) In a 'scarcity' area, the grant of rest day allowances is restricted to weakly gangs or weakly persons individually tasked under section 102 of the Code whilst in a 'famine' area all workers and dependents are given these allowances.

As pointed out by the Famine Commission of 1901 it is impossible to fix in formal language exactly the point where conditions of scarcity cease and those of famine begin. The restrictions detailed above are evidently based on the apprehension that even after test works reveal the existence of distress there may be workers and dependents who will avail themselves of State relief before they or their natural protectors respectively come to the end of their resources. In the recent famine in Ganjam and the Ceded districts it was not found necessary to recognize the intermediate stage of scarcity. The witnesses examined by us are practically unanimous that this distinction is unnecessary. We share this view. In the first place, Collectors will have great difficulty in exercising control in regard to selection of workers. For reasons already stated we have recommended that dependents should be given allowances even during the test stage and we have also expressed a doubt whether in view of the generally low economic condition of the classes usually affected it would be safe to presume that workers would have sufficient resources to support themselves and their dependents even in the initial stages of distress. We accordingly recommend that the distinction between 'scarcity' and 'famine' should be done away with and that sections 79, 114, 134 and 135 be amended suitably.

CHAPTER V.

15. Section 68.—It may be laid down as a definite duty of the Circle officer that he should encourage the taking of loans by land-owners during his village inspections. Section 68 (2) may be amended accordingly, and it may also be laid down that the Circle officer should note in his weekly report (part III General remarks—see page 95 of the Code) the amount of the demand for State loans so far as it comes to his notice.

CHAPTER VI.

16. Section 75.—We are of opinion that the grant of State loans to weavers would prove of great advantage as people of this class are likely to be hit hard by the contraction of credit which is one of the common ill-effects of agricultural distress. Section 75 (b) of the Code should be amended suitably and necessary steps be taken to amend the Agricultural and Land Improvements Loans Acts so as to include the disbursement of State loans under these Acts to weavers in times of distress.

CHAPTER VII.

17. *Section 78.*—We recommend that the non-official committees should be consulted in regard to the selection of relief works as in the case of test works. Section 78 of the Code may be amended by the insertion of the words ‘unofficial body’ after the word ‘Collector’ in the first sentence of that section.

Further we are of opinion that works should be selected with an eye to the convenience of workers and not alone of administration. For reasons stated in paragraph 62 of their report the Famine Commission of 1901 were not prepared to fix precisely the area which a work might be expected to serve, and it was expected that the provision made for hutting accommodation would mitigate the hardships involved in the workers having to travel long distances to and from the work spots. Though residence on works was not particularly unpopular in the tracts visited by us, we may point out that the cost of providing huts on a large scale will be considerably more than the remarks in paragraph 23 of Appendix D suggest; the huts there described will not accommodate more than three persons. We also have evidence to show that a considerable number of workers, who could not for domestic reasons conveniently remove themselves from their homes, had to travel five miles or more before they could reach the work spots. The loss of time and energy and the hardships caused in consequence must have been considerable, and we think that provision should be made to obviate them as far as possible. Relief in these cases can be given either by the grant of distance allowances or by the provision of a sufficiently large number of works at convenient centres. Distance allowances are liable to abuse and difficult to work in practice. But the other alternative is not open to any serious objection especially if a judicious selection of works is made. We are of opinion that ordinarily works should not be expected to serve people living beyond a radius of five miles from the work spot and that section 78 of the Code should be amplified by the addition of a sentence to this effect at the end. In exceptional cases, however, where this arrangement is not practicable village works may be opened.

18. *Section 93.*—We consider that provision should be made for the supply not only of food-grains but also of other articles of diet such as pulses, salt, oil and condiments and suggest that the section be amended suitably.

19. *Section 97—Working children.*—The lower age-limit of working children was fixed at eight years by the Famine Commission of 1898 and was raised to ten by that of 1901. The necessity for raising this limit to twelve years has been strongly urged on us by several witnesses. The arguments advanced in support of this view are that the exaction of work from young children impairs their health and development, that they should not be made to feel the burden of life at so early an age as ten, that most of the children classed as workers only play about on the works to the detriment of discipline, that the tendency in England has been to exempt all children below fourteen years from work and that even in India it is proposed to prohibit all children below twelve years from the category of workers in factories. On the other hand, it has to be remembered that parents in India desire their children to become wage-earners at the earliest possible moment, and that as children of the labouring classes are accustomed to do agricultural work, though of a lighter character, such as tending cattle, sowing etc, they will usually prefer to work than to draw reduced allowances as dependents. On the whole, we consider it desirable to bring the policy of famine-relief as nearly as possible into line with the trend of modern thought and recommend the raising of the minimum age-limit of working children from ten to twelve years. As pointed out by the Famine Commission of 1901, the classification of children is of course made on their physical appearance, their ages not being known, and the limit we recommend is merely a guide to classifying officers.

20. *Section 104.*—We consider that the non-official committees should be consulted if possible in regard to the enhancement of tasks by Collectors and that Executive Engineers should have the same power as Collectors in regard to the reduction of tasks. Section 104 may be amended by the addition of the words “in consultation with the non-official committees if possible” at the end of the first sentence and by the insertion of the words “and the Executive Engineer” after the word “Collector” in the second sub-paragraph of that section.

21. *Section 116—Class V—Children dependents.*—The raising of the age-limit of working children necessitates the addition of a new class of children dependents of the age of working children and the reclassification of non-working children below twelve years for the purpose of the dole. There are now three classes of non-working children besides children in arms:—

Class V (a).—Children between the ages of ten and fourteen.

Class V (b).—Children under ten years and over seven years of age.

Class V (c).—Children under seven years but not in arms.

The Famine Commission of 1898 took eight years as the dividing line while that of 1901 put it at seven years, but neither of them fixed the age limit of infants in arms. The presumption underlying the existing classification that the dietary requirements of a child out of arms will remain unchanged until it reaches the age of seven years and that a child of ten years will not require more food than a child of seven is not in accord with experience.

We therefore suggest the following classification:—

Class V (a).—Children between the ages of twelve and fourteen.

Class V (b).—Children of over eight years and under twelve years.

Class V (c).—Children between the ages of five and eight years.

Class V (d).—Children of over one year and under five years.

Class V (e).—Children up to one year.

22. *Visitors.*—Under section 158, Chapter IX and paragraph 25 of Appendix G of the Code, certain classes of visitors are permitted to inspect poor houses and village kitchens alone. We are of opinion that facilities should be given to recognized visitors to acquaint themselves with the other branches of relief administration also, namely, works and kitchens attached thereto; and that the list of persons eligible for recognition as visitors should be amplified by the inclusion of members of the Legislative bodies. We suggest that the following comprehensive rule may be added as section 124-A in Chapter VII in lieu of the rules quoted above which may be deleted:—

Members of Legislative bodies, local boards or local relief committees, municipal councillors and Government officials of all classes shall be eligible as visitors of relief works, poor houses and kitchens and may enter any remarks that they wish to make with regard to their control and management in a book to be maintained for the purpose. Any action on the part of visitors which is likely to interfere with discipline such as enquiry into the grievances of workers or other recipients of relief is of course objectionable and should not be permitted.

CHAPTER VIII.

23. *Section 128—Wages and allowances—Special class.*—Headmen of gangs are now grouped in the special class and paid daily wages. Their duties involve some degree of responsibility and we recommend that they should be treated as monthly wage-earners and paid rates of pay not exceeding Rs. 12 a month.

Adult workers.—On this point the Committee has not been able to arrive at a unanimous conclusion. The non-official members consider that the grain equivalent of the ration of a first-class worker should be raised from 90 tolas to at least 105 tolas, i.e., by 15 tolas or 16 $\frac{2}{3}$ per cent and that the scale should be raised suitably in respect of the other classes. Their reasons are given in full in their own words in the following paragraphs.

24. The question of the sufficiency or otherwise of the famine wages and allowances may be tested from four different standards, viz.—

- (1) of the persons concerned,
- (2) of independent witnesses,
- (3) of administrative experience gained in departments where fairly accurate records of dietary are maintained, and
- (4) of the latest scientific researches in the matter of diet.

As regards the persons immediately affected by the famine wages and allowances, there is no denying the fact that there is a loud and strong complaint that what is given them by the Code is insufficient for their minimum needs. While conceding that this, by itself, can be no ground for increase of wages, the non-official members

consider it important as showing that the famine ration does not satisfy the worker's normal appetite. Says Graham Lusk in his book on "Food in War Time" that the proper nutrition of an individual depends not only upon a sufficient supply of food from a mechanist standpoint of view but also upon the reasonable satisfaction of the sense of appetite. So, apart altogether from its nutritive value, it has to be conceded that the quantity of famine ration leaves the appetite of the people concerned unsatisfied which, according to Graham Lusk (with whose views Major Malcomson, Superintendent of the Madras Penitentiary, agrees), is likely to prejudicially affect the proper nutrition and consequently the health of the persons. This feeling of unsatisfied hunger will not be considered unreasonable when it is borne in mind that, as remarked in paragraph 447 of the Famine Commission's report of 1898, "in some of the Madras and Bombay districts the proportion of petty landholders and tenants who came on relief in severe scarcities is large and that the average dietary to which the relief workers are habituated will be on a more liberal scale than where the classes which come on relief are almost entirely confined to the poorer labourers and artisans of the towns and villages."

Coming to (2)—independent witnesses, their evidence, taken altogether, leaves no room to doubt that the present grain wage is insufficient. The official witnesses range from high district officers like Collectors and District Surgeons to subordinate officials like work agents and charge officers. Almost all of them appeared to speak with a feeling of restraint but a dispassionate consideration of even their evidence, and the implications involved therein would be found to support the statement that the famine wages and allowances are really insufficient.

The position of the official members of the committee from the beginning was that, unless evidence was forthcoming that the coolies and others admitted to relief showed visible signs of deterioration and emaciation, there could be no justification for the increase of their wage or allowance. The oral evidence recorded on the point taken as a whole discloses appreciable material in support of the view that signs of deterioration among the famine coolies at work were not wanting.

Mr. H. Ramaswami Ayyar, the Tahsildar of Gooty with an approved service of 25 years behind him, stated, in reply to the question of the President of the Committee whether he noted any signs of deterioration, "There is slight deterioration." Then came the question whether the average condition of the people in the hot-weather had been better than it was then, to which the answer was "I think it is certainly better."

Mr. A. K. Rangaswami Mudaliyar, another official witness (Loans Deputy Tahsildar), admits having noticed signs of deterioration at the only time he visited the famine camps.

Charge officer, Balagurunatham, who endeavoured not to err in favour of the famine coolie, saw signs of depression in the early period and found their physical condition unsatisfactory. The same witness conceded further that, in view of the distance they had to walk daily, the nature of the work they were doing and other circumstances, 30 per cent of the coolies could not have more than five or six hours a day for their sleep.

Dr. M. K. Verghese, asked by the President if he saw any deterioration in the condition of the coolie, answered by saying "at the beginning, particularly in summer, I found a great deal." What is more, he said, he noticed in the children a condition of xerosis which is a sign of malnutrition. He was asked then if the condition of the famine workers had at his next visit become better or worse. "It was not worse" was the answer.

Rao Sahib J. Venkatanarayana Nayudu, who was at the time of his examination Acting Collector of Bellary and before that was the Special Settlement Officer of the same district, does not deny the existence of signs of deterioration. He started by saying in reply to the President's question that he did not see "much" or "appreciable difference" in the physical condition of the people, including working classes, of "this year or the previous year," yet he stated later on that an adult would need "one seer to keep him in normal health" and that if less is given him "it will tell on his fitness." This seer, he stated, represented the grain item only and was exclusive of the margin for the usual dhall and condiments. In other words, the witness's considered opinion was that the 55 tolas of uncleaned grain provided in

the Code being considerably less than the required quantity, the shortage in the long run was sure "to tell on his fitness." The men had admittedly no other resources to fall back upon because they came to the famine work "only as a last resort" and the presumption therefore is that there was deterioration in the condition of the coolies though it was, according to the witness, not "much" or "appreciable."

Mr. Mathews, Assistant Engineer, Public Works Department, is yet another official witness who appeared to have felt scared away by the word deterioration though he was sure that there was "no improvement." He would have the committee believe that the condition of children at Harivanam was "satisfactory", while the personal observation of members of the committee on tour revealed quite a contrary state of things.

If positive direct evidence in support of the existence of deterioration is desired, we have it in the statement of Mr. S. Srinivasa Ayyar, Public Works Department Assistant Engineer in charge of Nagalapuram work. Here are his own words. "The Nagalapuram work is the largest work under me for the last eight months. The coolies have now deteriorated more than what they were before eight months. I take it for want of food."

So much for evidence of deterioration. In respect to the question of sufficiency of rations in bulk, a point dwelt with some emphasis by Graham Lusk, almost all the witnesses, official and non-official, are unanimous that it is insufficient. They base their opinion both on the volume of complaint from the coolies and personal experiments and observation. Even Major Malcomson concedes the importance of bulk in food.

The official members would get over this argument by the theory that a famine coolie was accustomed to eat more than what was necessary in normal time, with which their non-official colleagues are unable to agree. They do not feel called upon to adduce any reason beyond the acknowledged fact that the average ryot answering to the famine coolie type is never known to have enough to keep him in comfort.

25. Now for standard III enumerated on page 8, army, hospital and jails are three institutions where records of dietary are maintained. Leaving alone the costlier scales of the hospitals and the army, it may be safely assumed that the jail ration is the one that is supposed to provide no more than the irreducible minimum to keep the convicts fit. The official members claim that the famine wage does not compare unfavourably with jail ration with which view the non-official members do not agree. If the famine wage is only brought into line with the jail ration in all respects the non-official members will not have much to complain. It only stands to reason that the famine coolie who is of the general tax-payer and the mainstay of the Government ought to be treated with at least as much consideration as the convict who offends society and makes himself a burden to the State. The non-official members are supported in this view by the President himself as a witness in 1898 Famine Commission.

The jail diet is based on more recent investigations of competent people and has met with the approval of such distinguished men as Surgeon-General Benson, Sanitary Commissioner Major Clemesha, and Inspector-General of Prisons Lieut.-Col. Macnamara, as well as of a distinguished body like the last "All-India Jail Committee". The jail scale and the famine scale are placed below side by side for purposes of comparison:—

Jail diet—Males.

	Cleansed quantity.	Value in terms of	
		Nitrogen.	Carbon.
	oz.		
Cholera	20	119.40	3,400.00
Dhall	5	89.30	850.00
Oil	1/2	..	172.80
Salt	3/4	..	..
Vegetables	6	4.20	201.00
Chillies, etc.	1/4	..	..
Tamarind	1/2	4.87	8.75
Onions	1/2	.50	6.75
Bulk ..	83 1/2	217.77	4,639.30

Famine—I class workers (mostly men).

	Code scale.	Quantity after cleaning.	Nitrogen.	Carbon.
	oz.	oz.		
Cholam	22	19 4/5	118.20	3,366.00
Dhali	4	3 7/8	69.20	658.75
Oil	1	1	..	345.60
Salt	1/2	1/2	..	..
Chillies, etc.	1/2	33/40	4.00	8.00
Tamarind	1/2			
Total .. .. .	..	26	191.40	4,378.35
Difference .. .. .	..	7 1/2	26.37	260.95
Less .. .. .	..	22.4 per cent.	12 per cent.	6 per cent.

Jail diet—Females.

	Cleaned quantity.	Value in terms of	
		Nitrogen.	Carbon.
	oz.		
Cholam	18	107.46	3,060.00
Dhali	4	71.44	680.00
Oil	1/2	..	172.80
Salt	3/4	..	..
Vegetables	6	4.20	201.00
Chillies, etc.	1/4	..	..
Tamarind	1/2	4.37	8.75
Onions	1/2	.50	6.75
Total	30 1/2	187.97	4,129.30

Famine diet—II class workers (mostly women).

	Code scale.	Quantity after cleaning.	Nitrogen.	Carbon.
	oz.	oz.		
Cholam	18	16 1/5	96.71	2,754.00
Dhali	3	2 9/10	51.79	493.00
Oil	3/5	3/5	..	207.36
Salt	1/2	1/2	..	..
Condiments including tamarind 1/2 oz.	1	9/10	4.00	8.00
Total	23 1/10	21 1/10	152.50	3,462.36
Difference .. .. .	..	9 2/5	35.47	666.94
Less .. .. .	..	30.8 per cent.	18.8 per cent.	16 per cent.

To have a correct idea of the difference between the two scales, one should remember that the cereal given to convicts consists of flour, i.e., of grain thoroughly cleaned and fit for consumption. The same is true of dhali. In chillies and tamarind, etc., the weight represents that of the net quantity after the removal of stalks, sand and other rubbish. Similarly in the case of vegetables, the allowance represents the weight after the stalks, rind and refuse have been separated. Cereals lose 10 per cent and dhali 3 per cent of their respective weights in the process of cleaning—vide Dr. King's evidence on pages 108-111 of Appendix II of Evidence of Witnesses, 1898. After making allowance for this waste, it will be noticed that the provision made in the present Code for a famine I class coolie is less in bulk than what is given to a male convict in jails by 22.4 per cent and, in the case of women whose work invariably is held to bring them under class II of workers, their rations are less in bulk than the corresponding jail diet by 30.8 per cent. It has been already shown that bulk is by no means an unimportant element in laying down a suitable diet scale. Jameson and Marchant in their book on Hygiene (1920) say "bulk is an important factor in diets." Calculating their nutritive values according to the scale adopted by the Salaries Committee in their report, it is found that when compared with the jail diet, the famine diet of a male I class worker is deficient in nitrogen and carbon grains by 12 and 6 per cent and that of a female carrier by 18.8 and 16 per cent respectively. Major Russell when examining the District Medical and Sanitary

Officer of Bellary suggested that there was not much difference in the food value of the jail and famine diets. But the figures furnished above show that the deficiency is appreciable and markedly so in the case of women, who after all form a large majority of workers on relief works. It cannot be contended that a man's quantity of food may be considerably reduced and that he could still continue in unimpaired health, even assuming that what is actually given him is mathematically of the same nutritive value. The following observations of Jameson and Marchant in their book on "Hygiene" already referred to are pertinent to the point. They say "It is possible to administer in almost a tablet form a diet of the requisite calorific value but for the proper functioning of the intestines, undigested residues are required." This is to some extent available in dhall and vegetables provided in the Jail scale. As agreed by Major Malcomson, the "cellulose in the fresh vegetables help in keeping the bowels free." But the present famine wage scale does not appear to admit of this element.

As remarked by Lieut.-Col. R. J. Macnamara, "scientific calculations cannot always be relied upon for rigid application to the human body. Scientific dieting requires to be supplemented by practical experiments to ensure its safety and sufficiency." The scale laid down in the provisional Code was one of 105 tolas for class I worker. It was determined "after consultation with medical experts, and after careful comparison with standards adopted in jails and elsewhere and to have been found by subsequent experience to be sufficient." This scale, which also accords with the evidence recorded in the present inquiry, was suggested to be modified by the commission of 1898 to 100 tolas and by that of 1901 to 90 tolas. These variations are based on no experiments showing that the revised scales are enough to maintain a Deccan coolie in normal health. Another observation made by Major Russell while examining Dr. Verghese was that proteids may be partly replaced by fats. Specialists in dietaries say the proportion of proteids to fats and carbo-hydrates should be as 1 : 1 : 5. This proportion is not present in the jail diet and much less so in the famine diet for the reason that oil that furnishes a high calorific value is fat. Robert Hutchinson in his "Applied Physiology" (1909) says that "Proteids are the most rapid developers of heat probably owing to its speedy cleavage and the partial oxidation of the nitrogenous part of its molecules." Next to it in potency is carbo-hydrate, whilst fat comes lowest in heating power. The potency is as 20 : 10 : 7. Further, experiments during the European war have shown that for sustained effort under trying conditions, proteid is not replaceable by any other food principle. Lastly famine diseases like dropsy are said to be due to inadequate nitrogenous rather than non-nitrogenous food. This was the view held by Dr. Cornish, a late Sanitary Commissioner in Madras, and it is gratifying to note (at page 157 of the 1921 Medical Annual) that though this conscientious officer's "views attracted little attention at the time and secured for him marked disapproval from the Indian Government, his pioneer work is now fully appreciated." Also the observations of Dr. King at page 115 of Appendix II (Evidence of Witnesses, 1898) are as true now as they were when he gave expression to them. The rations, as adjusted by the famine worker (the reasons are explained in full by Dr. King), are by no means so nutritious as that laid down by the Code, which scientifically adjusts the dhall and oil so as to secure the best proportions.

26. Lastly applying the test of standard No. 4, the most serious defect in the present famine wage scale is that it makes practically no provision whatsoever for vegetables. The provision, the so-called allowance of 1 oz. for "condiments and vegetables" savours more of an apology to cover the defect in the scale. A reference to the jail diet scale shows that 1.25 tolas of cleaned tamarind is needed for one man. He requires in addition chillies, mustard and other ingredients. These articles as sold in bazaar always contain a lot of refuse not to mention the seeds in tamarind, stalks in chillies, etc. So, it is impossible that any thing could be found out of the nominal allowance of 2.5 tolas for both condiments and vegetables, for the purchase of the latter, after meeting the cost of the required quantities of the former. The latest scientific researches conclusively prove the absolute need for a due quantity of vegetables which in an Indian diet, mostly furnish the accessory food substances known as "Vitamines" or "Hormones." Ghee contains something of these, but the famine allowances as will be shown in due course do not provide for the purchase of several

of the articles and in the quantities mentioned in the diet scale, even when oil is made to take the place of ghee. Ghee always costs twice as much as oil and it is out of the question that within the limits of the famine allowance, ghee could be substituted for oil. And oil, which is a vegetable product is lacking in vitamins according to Jameson and Marchant and Hewlett and Nankivell, but "Vitamins" are necessary for the normal growth and nutrition.

Vitamins are said to be of two and possibly of three varieties: "Fat soluble A", "water soluble B", and "anti scorbutic vitamin". Fat "Soluble A" is present among others in whole milk, butter, egg yolk, and the leaves of plants. "Water soluble B" is present in rice and wheat germ, in yeast, in egg yolks and to a less extent in milk, fresh peas, and carrots and wheat bran. The anti scorbutic factor is present in considerable amount in cabbage and runner leaves but not in cereal grain and pulses. Peas and other seeds, however, soaked in water and allowed to germinate for two or three days are said to acquire anti-scorbutic properties.

It will be observed from the above that the cheapest and the most accessible sources of these vitamins are vegetables. As already remarked, they provide the important salts, the requisite bulk and the necessary cellulose for keeping the bowels free and open. The recent Jail Commission have recognized the importance of vegetables in any diet to the extent that they have at pages 161 and 162 of their report, Volume II, noted their appreciation of the good results following the increase of the provision of the vegetables from 6 to 8 oz. in Bombay and recommended that a similar increase should be given effect to in the jails of other provinces. And yet, there is practically no provision in the Madras famine wage scale for vegetables. What is worse, the scale is not enough even to purchase the grain and other items in the quantities which are supposed to be provided for.

27. The non-official members went into the question both at Nagalapuram with the Secretary to the Famine Committee amidst them and also at Kurnool. Cholam (uncleaned) was selling in retail at As. 3-9 and As. 3-8 for 124 tolas in the two places respectively, and the sufficiency of the wages was examined on that basis. It was found in both the places that the results fell short of the minimum supposed to be provided for by the scale in section 128 of the Famine Code exclusive of any margin for fuel, vegetables and the wastage in cleaning:—

Nagalapuram workers.

Shortage—

	RS.	A.	P.
First class	0	0	5
Second class	0	0	3
Third class	0	0	2

Dependents.

Shortage—

Fourth (a) class	0	0	2
(b) ,,	0	0	2
Fifth (a) class	0	0	1
(b) ,,	0	0	2
(c) ,,	0	0	1
(d) ,,	0	0	0 $\frac{1}{18}$

Kurnool workers.

First class	0	0	2 $\frac{1}{2}$
Second class	0	0	2
Third class	0	0	1 $\frac{1}{2}$
Fourth (a) class	0	0	1
(b) ,,	0	0	1 $\frac{1}{3}$
Fifth (a) class	0	0	1
(b) ,,	0	0	0 $\frac{1}{5}$
(c) ,,	0	0	0 $\frac{1}{10}$
(d) ,,	0	0	0 $\frac{1}{21}$

This is further supported by the fact that, owing to the relatively high increase in the cost of "other items", it was found necessary to issue only about a quarter of the quantity of dhall prescribed in the Famine Code in the Malepalle kitchen as otherwise the total cost would have exceeded the Code scale. Rural bazaar rates are as a

rule less favourable than those of headquarter stations and even the Gooty Tahsildar's figures are said to have worked unfavourably in 4 out of the 9 classes of workers and dependents specified in the Famine Code.

28. Thus, it will be seen that the present famine wage scale is inadequate to provide for maintaining the normal health of workers and it is indispensable that it should be raised at any rate in the Madras Presidency. It is bad logic to assume that because the scale has worked satisfactorily elsewhere (it is by no means certain it has done so anywhere) it should be found satisfactory in the Madras Presidency as well. So much depends on the grain chosen for the price basis. Wheat for example, has a higher nutritive value than say cholam or ragi. Again the superior build and weight of the Deccan ryot seem to be an additional disadvantage to him in view of the meagre wage scale. It is notorious that the famine zone is restricted mainly to the Telugu area.

The jail statistics show that the average weight of a Telugu prisoner is 111 lb. as against 106 of his Tamil brother. Further the classes of people resorting to famine works in the Presidency are drawn "from the class of small landholders and tenants and as they are accustomed to a comparatively more liberal diet than artizans and labourers" they naturally need greater consideration in times of scarcity.

29. The official members of the committee assume that the present famine scale is enough because they believe it worked satisfactorily in Ganjam during the recent famine. Granting that the coolies and dependents there did not fare worse during the last famine, the non-official members have reason to suspect that it must be due to those in charge of famine administration having been more generous in spite of the code, as could be seen from what follows.

Taking first the number of persons admitted to gratuitous relief in Ganjam, it is seen from Statement C appended to G.O. No. 1271, Revenue, dated 9th June 1921, that their total number from the time of commencement of test works came to 2,775,470, as against the total number of 1,497,280 workers or 185 per cent of the workers or 65 per cent of the total number relieved.

The Famine Commission of 1901 regarded the proportion of 44 per cent of persons gratuitously relieved to the whole volume of relief to be unwarrantably high and they gave it as their opinion that in the dry months of the year, the numbers gratuitously relieved should not exceed one-third of the whole, and that, taking the whole period of a famine, "in no province ought gratuitous relief to exceed the average proportion (42 per cent) to which it attained during the famine of 1896-97." But what appears to have actually happened in Ganjam was that between the time famine was declared and the time the rains set in, the number gratuitously relieved came up to so high as 65 per cent of the total, whereas the proportion of the gratuitously relieved to the total number relieved in the Ceded districts is as a rule not more than 27 per cent. One explanation that is offered for this is that in Ganjam, the earning male members of the families emigrated to Burma in search of livelihood. But a similar thing happened in the famine affected taluks of the Ceded districts also. The male folk went in search of employment to Mysore and other non-affected neighbouring taluks in the districts.

From July to November 1919, the total average of monthly numbers on relief in Ganjam was found to be 1,34,328 and out of this the number admitted to gratuitous relief was 86,977 or 65 per cent. The total emigration from the district from July to December 1919 was 19,513. The impossible may be assumed, viz., that all these men went only between July and November, that all of them went from the famine-affected areas and belonged to the families of those who sought relief in one form or another in famine relief works and that finally every one of them, if he had not emigrated would have joined the relief works as "a worker." Even then, the number of people relieved altogether and of those gratuitously relieved would have been 153,841 and 86,977, the latter constituting 57 per cent of the number relieved altogether as against the maximum percentage of 42 contemplated by the Famine Commission of 1901 and the Ceded districts average of not more than 27 per cent. In other words the number of persons gratuitously relieved when compared with the total number relieved was in Ganjam more than twice as much as in the Deccan districts. When such was the case, it is not unreasonable to infer that there were many

among those admitted to gratuitous relief in Ganjām who were able to add appreciably to their famine allowances by their own independent earnings.

The famine coolies appear to have had another advantage in Ganjām in the selection of grain on which the price basis was fixed and the wage calculated. The code says that where ragi is the cheapest grain in use, cholam or other grain shall be provided, the proportion of ragi not being more than two-thirds or less than one-third. The full benefit of this basis appears to have been given to the famine coolies. In Ronabha, Chokkapad and Ghumsur the price basis was fixed altogether on rice the reason being that ragi was not available at all or available with difficulty. Where a comparatively costly grain like rice is taken as a price basis, it cannot but be more advantageous to coolies than if a mixed grain is adopted for calculation. Five seers of rice per rupee was the average price basis for the three areas referred to. In Kallikota, Atagada, Biridi, Humma and Palur estates where rice and ragi were taken as the basis, ragi was on the average always cheaper by 2 seers in the rupee. In similar circumstances the wage of class I worker in Ronabha, Chokkapad and Ghumsur would have been two pice less and that of a class II worker one pice less than what it was.

In other words, the wages were actually 10 to 15 per cent higher than they would have been under conditions that usually obtained elsewhere and in earlier famines. This is important because the authors of the code based their scales on the assumption that the variations in the cost of "Other items" during famine followed more or less closely those of the staple grain ordinarily in use in the famine areas and it can be safely assumed that the prices of other items in areas where rice alone was taken as the price basis did not rise more largely than in other areas, because of the scarcity of ragi and the substitution of rice on that score.

Further the grain taken for price basis being entirely or mainly rice, the wastage due to cleaning was nil in the first case and limited only to the ragi item in the second case. Mr. Arndt has stated that the rice sold to coolies needed simply to be cooked and eaten straight away. This means therefore practically an additional gain of 10 per cent where rice was the sole basis and 7 per cent where mixed grain was the price basis. If cheaper grain had been taken for price basis, this advantage would not have been present.

Again a perusal of the report indicates that the cost of relieving a unit on works was so high as As. 2-83 as against As. 1-67 in 1897, while in the case of gratuitous relief the respective costs were only As. 1-87 and As. 1-11 and one may reasonably infer that the coolies were either paid more liberal wages or tasked less in 1919 than in 1897.

In Anantapur district the coolies had not these advantages from the Government, but they got some help from private agency. In this district, cheap grain shops were opened by private agency at Gooty and grain was sold there at rates somewhat cheaper than those fixed by the Government for calculation of wages and allowances. The local officials, it appears, offered to pay these private agencies their cartage and other expenses, if they would sell grains at the rate fixed by the Collector but they appear to have refused the aid with a view to conserve the entire benefit to the coolie.

This naturally had the effect of increasing the purchasing power of the wage, while infants in arms were helped with milk and oil. So that, if the coolies in that particular area did not appear to have deteriorated in their condition more than they did, the reason for it should be sought in some little private relief having been available. In Bellary and Kurnool districts no such agencies seem to have been at work and the result is that the evidence of deterioration there appears to have been more pronounced as testified to by the District Medical and Sanitary Officer, the Tahsildar of Bellary and the Assistant Engineer in Kurnool.

30. If still the official members think that there were no indications of deterioration, it may be pointed out that the signs of deterioration do not become patent within a few days or even weeks, as may be noticed from the following extract from Digby. "Diseased conditions dependent on insufficient food follow many months

after the cause has passed away" (Dr. Cornish). This view is further supported by modern scientists. For example Scurvy is said to develop "in about four months" if anti scorbutic vitamine is absent from the diet.

31. In view of what is set forth above, the non-official members of the committee think that the wage of class I worker should be raised to at least 105 tolas and that of the others on the lines indicated hereafter. Out of the increase of 15 tolas, 10 tolas go to meet the loss due to wastage alone and the non-official members are of opinion that even the Famine Commission of 1901 meant to give as wage the equivalent value of grain cleaned not merely for sale but for consumption.

The Code says that "the grain taken as the basis for conversion into cash equivalent should be the grain cleaned for sale." In the Code itself, it is nowhere defined what is really meant by "Cleaned for sale." The reasons for it appear to the non-official members to be obvious. That was not a new phrase coined for the first time by the framers of the present Code. The expression finds place in the report of the Famine Commission of 1901, which again adopted it merely from its predecessor of 1898; from paragraph 454 of the last report, it is clear that what was meant by grain 'cleaned for sale' was "grain fit to be ground or cooked unground." In other words, the grain taken for "price basis" was grain fit for consumption, which required no cleaning. All the evidence, however, before the committee is to the effect that the grain ordinarily sold in bazaars required cleaning before it could be used and none of the committee members have any doubt in the matter. The official members admit that the famine report of 1898 meant by "grain cleaned for sale" grain which was "fit to be ground or cooked unground," but consider that, as the report of the Commission of 1901 does not contain the words quoted above, the words were deliberately omitted with a view that the grain taken for price basis should be grain ordinarily sold in the bazaar, without any reference to the wastage involved in making it fit for use. The non-official members find themselves unable to agree with this view. If the Commission of 1901 really wanted to alter the quality of the grain to be taken for calculating prices they would have clearly stated it in so many words and used the words 'grain ordinarily sold in bazaars' or words to that effect. There was no object in repeating the words 'cleaned for sale,' of the previous report, which had a definite meaning attached to it and which it would be unreasonable to think that the Commission of 1901 were not aware of. It is a fact that as regards rice it is often sold in a condition fit for immediate use. In Ganjām the rice chosen was apparently of such a sort. As already pointed out, according to Mr. Arndt "all that they (the coolies) had to do was to cook and eat it." It appears therefore, in the opinion of the non-official members that the Commission of 1901, also meant by "grain cleaned for sale" really "grain fit to be ground or cooked unground."

In fact, that was the idea of the Board of Revenue also even so late as after the present committee was constituted for, in the note received from the Board's Office, it seems clear that the words "cleaned for sale" were understood by the Board to be "used in the sense of cleaned grain as sold in retail shops and fit to be ground or cooked unground" and the committee was to find out "what kind of grain is being actually adopted as the basis for the calculation of wages". And so far as the Ceded districts are concerned, where cholam is the staple grain, the grain sold in bazaars and even in the Government shops at the famine camps was not such as could be cooked unground or ground into flour. So the ten tolas out of the suggested fifteen tolas is really no increase but merely the carrying out of the recommendation of the Commission of 1901, and the fulfilment of the condition prescribed in section 129 of the existing Famine Code. As regards the remaining five tolas, that along with a possible saving under the provision for oil is absolutely necessary, to make a provision, however inadequate, for vegetables, the importance of which in any Indian diet has already been dwelt upon at length, as well as for a little more salt, the provision for which in the scale is entirely insufficient. The Jail Code provides 1.375 tolas of it as against 1.25 in the Famine Code. The necessity for this increase cannot be put better than in the following words of the Madras Government in their order on "Diet of Indian Prisoners": "Ordinary Madras salt is by no means free from impurities; and the individual consumption of salt is higher in Madras, than in any other part of India.

In view of these facts and of the important part played by salt in increasing the palatability of food the Government have decided to raise the daily allowance from half an ounce to three-fourths of an ounce."

32. As regards the second class workers who consist of mostly women, the III class juvenile workers and dependants, the following scale may be adopted:—

Second-class workers.—These are mostly women. Their wage should not be limited to seven-ninths of the first class wages (which is practically that of men) but raised to nine-tenths as in jails. This would give them 95 tolas. Famine work is much the harder of the two and the exposure in it to hot sun and to inclement weather add to the hardship.

33. *Third-class workers 13 to 14.*—Jameson and Marchant put the need of boys and girls of this age at .7 of adult men for females, and .8 for males. Adopting the mean between the two, the wage of this class may be fixed at 80 tolas.

34. *Dependants*—Fourth class (a).—In jails males and females who are put on no work are allowed 18 ounces as against 20 of cereals of the working men and women. In other words the allowance is .9 of that of the working man. The allowance shall therefore be fixed at least at 90 tolas. The allowance for class IV (b) dependants may be fixed at .9 of class IV (a) or 80 tolas.

Fifth class (a) age 13 and 14.	.75 of class IV (a) or 70 tolas.
„ (b) „ 10 and 12.	.6 of „ IV (a) or 55 tolas.
„ (c) „ 6 and 9.	.5 of „ IV (a) or 45 tolas.
„ (d) „ 1 and 5.	.4 of „ IV (a) or 35 tolas.
„ (e) Infants in arms.	25 tolas.

Note.—The above scale is based with slight modifications on that given by Jameson and Marchant and is more in accord with the actual requirements of the people concerned.

It may not be out of place to mention here that M.R.Ry. Diwan Bahadur P. Kesava Pillai Avargal, one of the committee members who is not now present to sign the report, was strongly in favour of an increase in the scale of famine wages and allowances and that, if he were here, he would have agreed with the non-official members in the above recommendations.

35. The official members have given their best consideration to the matter. As remarked by the Famine Commission of 1901, the question of the determination of the appropriate wage for relief-workers may now be said to have passed the speculative or the experimental stage and it is now unnecessary to examine the constituents of the famine ration. It may be noted however that the code scale taken as a whole does not compare unfavourably with the jail ration from the point of view of its nutritive value for, while the diet of a labouring male convict is estimated to contain 219 nitrogen grains and 4,632 carbon grains (see Annexure B to G.O. No. 714, Judicial, dated 17th April 1913) the ration for the first class worker is estimated to contain 213.5 of nitrogen and 4,798.3 grains of carbon. The witnesses are practically unanimous that the workers manage without buying firewood; in the Ceded districts they glean cotton and cholam stalks, twigs from trees, etc. Further section 130 of the Code permits the scale of wages to be raised when the portion of the grain equivalent intended to cover the cost of the other items becomes insufficient owing to the prices of the latter not fluctuating proportionately with the price of grain. It is certainly true that most of the witnesses examined by the Committee consider the present scale of allowances inadequate: but it is necessary to examine the grounds on which this opinion is based. The main arguments brought forward were that in ordinary times the workers are accustomed to eat more than the Famine Code allowances, that there was a general complaint amongst them that their wages were insufficient, and that actual experiments showed that coolies could eat more than the Famine Code allowances. But as explained in paragraph 97 of the report of the Famine Commission of 1901, the wage scale aims only at the maintenance of healthy persons in health and not the maintenance of the labouring community at its normal level of comfort. In other words, the State undertakes to provide for the physiological requirements of workers and nothing more, and, in our opinion, any alteration in the wage scale can be justified only when there is reason to believe that the health of the workers has deteriorated. There is, however, no evidence that there was any general deterioration in the health of the workers, and the medical officers have deposed to the effect that the wages were sufficient to maintain health

unimpaired though the workers were accustomed to take food in excess of physiological requirements. There is thus no evidence that the present scale has not served its purpose. Moreover, the fact that it has been tried with such results on a fairly large scale both during the severe Ganjam famine and the more widespread though less severe distress through which the Ceded districts have passed furnishes an effective answer to the criticism that it was framed without reference to local conditions and confirms the view recorded by the Commissions of 1898 and 1901 that 'the differences between the dietary requirements of famine relief in the various provinces are not great enough to make different standards of ration and wage necessary'. We regret therefore that we are unable to share the views of our non-official colleagues that a general revision of the scale is called for.

36. *Working children.*—The case of children (workers and dependants) requires however special consideration having regard to our recommendations regarding their classification. The wage of working children depends on the age limits that are fixed for them. The Commission of 1898 fixed 40 tolas for working children between eight to twelve years; for working children over twelve years, they fixed a wage of 75 tolas for the reason that, on physiological grounds, children over twelve though lightly tasked should be allowed the same ration as adults in class II. The Commission of 1901 with an age limit of 10 to 14 years fixed a wage of 50 tolas which is less by 20 tolas than that workers in class II and by 10 tolas than that of non-working male adults of over 14 years in class IV (a). With the increased minimum age limit that we propose we think that the disparity between the wages of children and adult workers should not be so large as at present and that the wages of the former should be put on a level with that of adult male dependants and raised to 60 tolas.

37. *Non-working children.*—We recommend the retention of the existing allowance of 15 tolas for children in arms—new class v (e) and the revision of the allowances for the other classes proposed by us on the following scale having regard to their physiological requirements.

Class V (a)—45 tolas.

Class V (b)—35 tolas.

Class V (c)—30 tolas.

Class V (d)—20 tolas.

Under note (ii) to section 128 the cost of the cooked ration including fuel should not exceed the price of the grain equivalent. Dependents of workers fed in kitchens may be employed in collecting fuel but where this cannot be done and the fuel has to be paid for, we consider that its cost should be met separately and not form part of the price of the grain equivalent.

38. *Section 129—Conversion of the grain equivalent into cash.*—We consider that the intention of this section should be made clearer by directing that the basis of conversion should be the retail price prevailing in the nearest village. The prices prevailing at headquarter stations or weekly markets alone should not be taken as the basis as was done in some cases during the present famine. It is also desirable to modify the first sentence of this section so as to make it clear that fractions exceeding half a seer by 20 tolas or over should be reckoned as a full seer and not as half seer as is done at times.

39. *Section 152.*—This section permits pregnant women to absent themselves from the works only after the birth occurs and restricts their allowances during their absence to those of dependents. We are of opinion that rest is essential to such women both before and after confinement—one month before delivery and six weeks or such longer period as the Medical officer may consider necessary after delivery. We are also of opinion that they should receive during these periods of rest the full wages of workers, and not merely the allowance of dependents. We further recommend that the allowance of one rupee for medical comforts prescribed in this section should be increased to Rs. 2 in view of the rise in prices.

40. *Chapter IX—Section 146—Gratuitous relief in villages.*—Section 146 of the code lays down that the allowances of the recipients of gratuitous relief in villages shall be given in the shape of a dole in grain unless Government direct otherwise while section 131 (a) requires that dependents of workers shall be relieved by means

of cooked food or cash doles. During the earlier stages of the distress in the Ceded districts, dependents as well as recipients of gratuitous relief were relieved by cooked food in Bellary and by cash doles in Anantapur. This system was replaced later by the distribution of cooked food to dependents and of cash doles to recipients of gratuitous relief in villages in both the districts. Elsewhere we have recommended that dependents should be relieved by cash doles at the commencement of the test period having regard to the expenditure and the organisation required for the efficient management of kitchens but that kitchens should be established if the test works be continued beyond a few weeks. The two great advantages of kitchen relief over cash doles for dependents are that in the event of the distress not becoming acute the kitchens act to some extent as an automatic check in restricting attendance on the works to persons who really require relief while in the case of serious distress the relief of dependents by means of cooked food ensures that the children are properly fed. In paragraph 132 of its report, the Famine Commission of 1901 has expressed the apprehension that people claiming to be dependents but unconnected with the workers may come on the works in large numbers without real need of relief. This danger is likely to be more pronounced if the system of cash doles is adopted for the relief of dependents, and our attention has in this connection been invited to the fact that the proportion of dependents to workers was larger in Anantapur where they were relieved by cash doles at the beginning than in Bellary where they were relieved in kitchens. As a safeguard against the evil just referred to, the Famine Commission of 1901 recommended the strict enforcement of the principle of selection and was of opinion that the services of village officers and landowners of adjacent villages should be utilised to check the number of dependents and their relationship to workers. It is no easy matter to check the genuineness of the relationship claimed by dependents especially when the number of workers is large and we doubt whether the remedy proposed by the Commission of 1901 is of much practical value. These considerations do not apply to the adoption of the system of cash doles for gratuitous relief in villages for careful scrutiny of the village lists is a comparatively simple matter. The distribution of cooked food on the other hand is in our opinion unsuitable for this branch of relief. The objection on the score of sentiment has not weighed with us in arriving at this decision for we believe that it can be overcome provided cooks are properly selected and adequate sanitary arrangements are made, and we cannot too strongly emphasize the necessity of impressing on all officers concerned the importance of constant and watchful attention to such details in the management of kitchens. The objection on the ground of expense stands however on a different footing for the establishment of a large number of kitchens all over the affected tracts which will be necessary if relief is to be given without undue inconvenience to the recipients is likely to prove very costly and to put an undue strain on famine administration having regard to the comparatively small number of persons who will ordinarily be in receipt of relief at each kitchen. In view of these considerations we have come to the conclusion that relief of dependents should normally be by cooked food in kitchens and that gratuitous relief in villages should take the form of cash doles. Where, as is frequently the case on a road work, the gangs are spread out over a considerable distance, arrangements should be made to distribute the food to the dependents at convenient centres along the work. The system of grain doles does not commend itself to us. Its success depends primarily on the efficiency of the arrangements made for the supply of grain of proper quality and for its distribution under effective supervision. It is not desirable to rely on private agency for the supply of grain and we do not feel justified in calling upon Government to undertake the supply except in special circumstances.

41. *Chapter XV—Sections 215 and 245.*—Applications from Collectors for funds required to meet expenditure on departmental and civil relief have to be submitted by the Famine Commissioner for the sanction of Government every month. It will conduce to quicker despatch of business if the famine Commissioner is empowered to sanction the requisite funds himself and we see no objection to the adoption of this course so long as the budget grant is not exceeded.

APPENDIX D.

42. *Paragraph 2, page 97.*—We are of opinion that, in view of the strenuous work and extra expense involved, officers and subordinates employed on famine

duty should be given an allowance of 25 per cent of their substantive pay, subject to the condition that the total of such pay and allowances should in no case exceed Rs. 180.

43. *Paragraph 9, page 100.*—Provision may be made to raise the maximum limit of the imprest advance up to Rs. 20,000 in special circumstances. It should also be the rule that money should invariably be sent to relief camps in small coins and not in currency notes as it has been found very difficult in practice to get change and the notes get wet in the rainy season.

44. *Paragraph 17, page 101.*—The words 'Brahman' or 'Sudra' in this paragraph may be replaced by the words 'highest caste Hindu available'.

45. *Paragraph 34, page 103.*—A strict enforcement of the rule regarding stoppage of work at sunset causes a great deal of avoidable inconvenience especially to workers living at a long distance from the work spot and may be relaxed in their favour by permitting such gangs as finish their task to leave the work earlier.

46. *Paragraph 49, last sentence, page 113.*—We understand that the formula that the task for medium stone should be 90 per cent and that for hard stone 80 per cent of the task for easy stone is not based on actual data, but is in fact an arbitrary assumption. The breaking of stone (usually medium or hard) has in the past been one of the main items of famine work in this Presidency and in the Ceded Districts at all events is likely to be so in the future. We consider that the tasks for the three classes of stone should be based on actual data and not on an arbitrary arithmetical formula and we suggest that the Chief Engineer should be asked to prepare revised task tables based on the task commonly performed by labourers in ordinary times. These tables should like the tables now in use be worked out to two places of decimals.

47. *Table IX—Clearing, heaping and burning prickly-pear—page 117, paragraph 66.*—We are of opinion that the word 'burning' should be omitted from the heading of this table as prickly-pear cannot be burnt on the same day as it is cleared and heaped. Separate task tables may be framed for 'burning' and for 'clearing and heaping'.

48. *Page 125, paragraph 83 (c).*—It has been brought to our notice that the rule contained in this clause in regard to the disbursement of arrears of wages has on occasions been interpreted to mean that workers should forfeit their wages if they do not return before the close of the day on which they happen to be absent. The rule, as we understand it, no doubt prohibits the gang maistries from retaining the cash balances with them after the close of the day, but it does not contemplate the forfeiture of a workers' dues unless he permanently quits the work and we see no reason to alter it.

We would leave it to the discretion of the charge officer to decide with reference to the merits of each case whether the absence of a worker from the work should be treated as temporary or permanent.

49. *Pages 127 and 128, paragraphs 94 and 95.*—We would lay it down as a specific duty of the charge officer and of the work-agents to furnish recognized visitors (see proposed section 124-A) with such information as may be necessary to enable them to record their remarks in regard to the control and management of the several branches of relief.

50. In conclusion we desire to express our appreciation of the work of our Secretary, Mr. K. E. Chidambara Ayyar; he has been of the greatest assistance to us in making our enquiries and preparing this report.

N. MACMICHAEL.

E. W. P. WALSH.

L. H. GREG.

C. V. RANGA REDDI.

A. RANGANATHAN.

T. SIVASANKARAM.

A. J. H. RUSSELL.

H. LAKSHMANA RAO.

Proceedings of the Punjab Government (Ministry of Education) in the Education Department, No. 1199-G.S., dated 28th September 1923.

RESOLUTION.

THE REMOVAL OF ILLITERACY.

THE Punjab Government (Ministry of Education) has on more than one occasion in the past few years given expression to a definite opinion that the most pressing educational need of the province at this stage is the removal of illiteracy from among the masses. This need has influenced its policy in the matter of the expansion and improvement of primary education; and the determination of means and methods by which this great end may be more rapidly achieved has been engaging its constant and most earnest attention. The matter is of urgent and vital importance from many aspects; and especially at the present juncture when the decision has been made to reach self-government by successive stages. A persistent continuance of illiteracy among the masses is obviously antagonistic to political as well as to other advancement. It is clear that a solution of the problem is not to be found merely in the extension of educational facilities for boys. Experience has proved that, by this method operating alone, the removal of illiteracy is but a slow and tedious process. It is necessary also to recognise both the obligation of educating the illiterate adult and also the need for awakening among the illiterate population a living and intelligent interest in their environment and in the matters which pertain to their welfare and advancement.

I.—IMPROVEMENTS IN THE PRIMARY SYSTEM OF EDUCATION.

2. So far as the education of boys is concerned, very marked progress has been made during the last few years by an increased enrolment in schools. About 70,000 additional pupils were added in 1921-22; and about 150,000 in 1922-23. Past experience, however, has indicated many distressing facts. Very many pupils do not proceed beyond the first class, the figures for 1921-22 recording as many as 225,510 pupils in the first class, but only 91,245 in the second, 69,280 in the third, and 50,496 in the fourth class. It is obvious that a considerable proportion of these boys gain but little benefit by their schooling. If the real test of educational progress is the reduction of illiteracy, then the largely increased enrolment can only be regarded as contributing towards that progress when the number of pupils in the fourth class approximates more closely to that in the first. Again, there are other pupils who, though they remain longer and progress further at school, yet never attain literacy. And, what is even more disheartening, there are even others who, on completion of the primary course, may be termed literate, but soon relapse into illiteracy after leaving school.

3. The Minister is most gratified by the remarkable increase in the enrolment and by the effective co-operation of local bodies, parents and the general public, but he is most keenly anxious to check the persistence of the unfortunate defects to which reference has just been made. He is convinced that the pivot of progress in the primary system is an improvement of the teacher, both in quality and in suitability, and he desires therefore that the policy which has already been framed to effect this improvement should be both maintained and developed.

4. In the matter of the training of vernacular teachers, the Punjab has done much to maintain its already high position among the provinces of India. It is estimated that more than 70 per cent. of the teachers in vernacular schools maintained by Government and by local bodies are trained. The number of students under training has been increased from 1,076 in 1916-17 to 2,230 in 1922-23, while little difficulty is experienced at present in securing the necessary supply of suitable recruits. The percentage of students under training who are drawn from the agricultural classes has risen from 42 per

cent. of the total number in 1921-22 to 55 per cent. in the current year; and the training courses have been revised with the object of bringing them into closer touch with conditions under which the students will teach in village schools. Considerable improvements have also been made in the conditions of service for vernacular teachers. In the matter of training, the following observations are offered:—

- (a) The percentage of trained teachers varies very considerably between the several districts. This may be due to the location of the normal schools, the students finding it inconvenient to go far afield for their training. To meet this difficulty a departure has recently been made. Junior vernacular training classes are now attached temporarily to the Government high schools at Mianwali, Montgomery, Dharamsala and Hissar, these being districts which have had difficulty in the past in maintaining an adequate proportion of trained teachers. It may be found desirable to extend this practice by the temporary attachment of training classes to the Government high schools in those districts which find it difficult to keep pace with the increased requirements for trained teachers. By this means the needs of backward districts will not be overlooked.
- (b) The successful efforts which have been made to attract a larger proportion of students from the agriculturist classes to the normal schools should be continued. Efficiency depends much upon the adaptability of a teacher to his environment and upon his sympathy with the pupils.
- (c) It has often been urged that many of the present teachers are of insufficient age to command the confidence of parents and pupils. Attention is therefore drawn to the necessity of a strict observance of the age limit regulating admission to normal schools.
- (d) Particular attention should be paid to the urgency of sending untrained teachers for training. Moreover, it is generally regarded as desirable that candidates for training should have had some preliminary teaching experience. Provided, therefore, that the untrained teacher is not retained for too long a period before he is sent to his training course, there is considerable benefit to be derived by the students in having had this experience. Untrained teachers should not ordinarily be given independent charge of a school.

5. Closely allied with the expansion and improvement of the training system is the urgency of improved conditions of service. Local bodies, during the last few years, have been revising their rates of salary for teachers with the result that a junior vernacular teacher starts his career in many districts on an initial salary of Rs. 25 per mensem and in the remaining districts on Rs. 20 per mensem; in all cases, with the prospect of small annual increments. A senior vernacular teacher may hope to receive employment on a salary of about Rs. 35 per mensem, with the customary annual increments, up to Rs. 70 or even more. There is, however, a grave danger lest these enhanced salaries may fail to compensate for the frequency of transfer. It is therefore advisable that inspectors should obtain quarterly returns of transfers so that they may be in a position (if necessary) to correct this abuse.

6. Another fruitful measure of improvement lies in the substitution of two-teacher for one-teacher schools. Attention has often been directed to the weakness of the one-teacher school and to the burden imposed on the teacher of being responsible unaided for the teaching of four classes. In accordance with the conditions laid down in the Education Department Circular No. 2507-A., dated 19th February 1923, more than 1,300 additional teachers have been employed by district boards; and thus the number of one-teacher schools has been materially reduced. Provided that steps are taken, from

time to time, to recruit the additional teachers required to cope with the increased enrolment, the expansion in the number of pupils should be a means of increased efficiency through the rapid elimination of the one-teacher school. The Minister is of opinion, therefore, that the provision of adequate staffs, in existing schools, is of even greater urgency than the creation of new schools unless, in the latter, a reasonable number of pupils is assured.

7. Steps should also be taken, both by exhortation and by improved teaching, to ensure that as far as possible, all the pupils shall complete at least the primary course. It is satisfactory to note from several district reports that much is already being done to effect an improvement in this matter. Perhaps one of the most interesting steps in this direction is the scheme initiated by the Co-operative Department in organising societies of parents who bind themselves to send their children to school for the full primary course and to pay a penalty for default. The main benefit of all forms of compulsion is probably the assurance that those who come to school shall remain there a sufficiently long time to gain a lasting benefit by their schooling. Progress in this direction is indicated by the recent returns which show that as many as eight municipalities and 127 school areas in rural districts have already introduced compulsion under the Act. In future, credit should be due to the measure of success achieved in the promotion of literacy rather than to a mere increase in enrolment.

8. The Minister has also observed with some anxiety the fact that, in certain districts, the number of lower middle schools has actually been reduced. He desires to emphasise yet again that a school of six classes is immeasurably better, both in efficiency and economy, than the four-class primary school; for it is in the fifth and sixth classes that the pupil usually acquires a firm and a permanent grasp of literacy.

9. It is hoped, therefore, that the increased enrolment, together with the other measures to which allusion has been made, will result in a material reduction of illiteracy among the rural classes of the province. Unless, however, other steps are taken, progress towards the ultimate end in view must inevitably be slow. It is necessary, therefore, also to make provision whereby the pupil shall retain literacy once gained and thus be in a position to use that instrument for beneficial purposes; and, further, it has to be recognised that the large and illiterate adult population of the province has an unanswerable claim on the assistance of Government.

II.—SCHOOLS FOR ADULTS.

10. The urgency of the problem relating to the education of the illiterate adult can hardly be overstated. The decision to achieve constitutional progress by successive stages imposes a very definite obligation to take all possible steps towards its solution. The general spread of literacy amongst parents should also lead to the universal education of the children; and, moreover, should serve to remove the suspicion among the cultivating classes that literacy is incompatible with the vocation of agriculture. There is, therefore, reason to believe that if schools for adults can be successfully instituted and made generally popular, the intellectual development of the province will be assured.

11. A very satisfactory beginning has been made, during the past year, in the provision of schools for adults. It is estimated that, on March 31st last, as many as 18,600 adults were enrolled in these schools. For this happy achievement the inspecting and teaching staffs, local bodies and the Co-operative Department are mainly responsible. It is pleasing to learn that, in spite of waning enthusiasm in a limited number of instances, this movement has been attended by an encouraging measure of success, many teachers having rendered devoted service in an honorary capacity and much support having been forthcoming from the public. What is perhaps even more pleasing is the enthusiasm and, in many cases, the remarkable capacity

shown by the pupils. It is reported that those pupils who show competence and enthusiasm attain literacy after six months' tuition.

12. The Punjab Government (Ministry of Education) is now anxious that these schools should be placed on a more permanent basis; and, for this purpose, the following general suggestions are offered:—

A permanent system required.

- (a) *School terms and sessions.*—The aim should be to give recruits a clear six months' work in order that, at the end of that period, they should be either literate or on the high road towards it. There should be two terms, one for the winter and the other for the summer. The winter term might suitably begin in the month of October or November as the autumn crops should by then have been reaped. As this season gives the best opportunity for concentrated work, the pupils would be expected to attend school during this term for two hours daily on six days in the week. During the summer term (excluding vacation) the school might be open on (say) two days in the week when the pupils who have attained literacy or nearly so should read and work under the general guidance of the teachers. The actual time of instruction should be fixed with reference to the convenience of the pupils. These terms and sessions will probably be found suitable to both urban and rural conditions. What has been suggested in this sub-paragraph, however, should not be read as imposing rigid lines of procedure, for both experiment and variety of treatment are desirable in the early stages. It is probable that the final form will be evolved from results attained in the several types of school rather than through departmental regulations.
- (b) *Methods of teaching.*—It is clear that adult pupils will progress at different rates; far more so than in the case for boys. When once the rudimentary ground work has been covered, the teaching should be largely individual. Nothing, for example, would be more deadening and uninspiring than for a class of adults to be taught the first reader when half the class is ready for the second. In arithmetic, again, after the pupils have grasped the elementary rules, the same principle should be observed. Lessons inviting the application of principles should form an important feature of this teaching. Though the recognised syllabus should be confined to the three R's, the pupils should be encouraged to present their difficulties to the teacher who should suggest further means of study. Thus, each pupil should be allowed to progress at his own rate and bent, the teacher's main duty being that of supervision and of encouragement.
- (c) *Literacy certificates.*—In the Multan Division, an attempt has been made during the past year through the agency of the inspecting staff to award literacy certificates to adults who have reached an approved standard. About 200 such certificates were awarded last year. This practice has been found to make a serious inroad on the time of the inspecting staff; and, moreover, it presents other difficulties, it being by no means easy to establish a uniform standard of literacy. Still, the practice is undoubtedly sound in principle and is commended for general consideration, and for adoption wherever possible.
- (d) *Readers.*—Readers which are intended for boys are not suitable for adults. Special readers will therefore be prepared which will include, from the earliest possible stage, material which should be both interesting and useful to adult readers.

(e) *Admission of boy pupils.*—Boys under the age of sixteen should only be admitted in very exceptional cases. A school for adults is not intended to be a cramming place for boys attending a day school; nor as the ordinary means of education for boys who should be at a day school.

(f) *The use of school buildings.*—Subject to the requirements of the school for its work in the day time, school buildings should be made available to a school for adults; and the building of a school receiving Government grant should be regarded as a public building for this purpose. The library, under the rules framed for the purpose, should also be available to selected adult pupils. Particular care should be exercised to ensure that the adult pupils are cleanly in their habits. Those who are not so should be removed from the roll.

(g) *Fees.*—It would be unwise, in the first instance, to impose any hard and fast rules in regard to fees but, on the principle that what is paid for is the better appreciated, some monetary or other contribution towards the cost of maintaining the school should be expected from the pupils. The method of levying this contribution should be determined by the authorities concerned. It is also hoped that the financial assistance which has already been received from private benefactors will be continued in the future.

13. A school for adults should be an integral part of every training institution, including the Central Training College. By this means the students under-training will have additional facilities in the practice of teaching; the cost will be negligible; and, especially at the Central Training College, the training authorities will have direct opportunities of studying the important problem of adult education. In view of the fact that success in adult education will be in proportion to the capacity of the teacher to attract pupils to school and to secure and maintain their interest when they have joined the school, the means and methods of teaching adults should form a special feature of the course of instruction to all teachers under-training. It cannot be too strongly emphasised from the outset that the teaching of adults can only end in failure if it lapses into a feeble, uninspiring and rigid imitation of the methods employed in the teaching of children.

14. In Government institutions in which a school for adults is started, an addition will be made to the allotment for contingencies in order to cover the expenditure incurred. The general supervision of the arrangements for an adult school would appropriately form part of the duties of the superintendent of the boarding house. In certain schools the practice already obtains whereby the boys in the boarding house prepare their home lessons in the class rooms of the school under the guidance of the superintendent. This practice should be followed in all cases, but there would still be ample accommodation in another part of the building and remote from the boys' classes, which would be more than sufficient for the classes for adults. As, however, these two activities would be in progress at the same time and in the same building, the general supervision of both by the superintendent of the boarding house should not present difficulties. Suitable precautions should be taken to keep these two activities entirely separate.

15. In training institutions the teaching will be done by the students under-training under the supervision of suitably qualified members of the staff. In other Government institutions the teaching will be conducted by a member or members of the staff. With suitable organisation the teaching work of the school for adults should not impose any serious addition to the work of each teacher. With the concurrence of the inspector, the work in the classes for adults might be taken into calculation in determining the number of teaching periods demanded of these teachers during the day; and this will probably prove to be the usual practice. In exceptional cases, an allowance might be permitted, but such allowance should not exceed Rs. 60 *per annum*. Similar

§ The training of suitable teachers essential.

Classes for adults in high and normal schools.

arrangements will probably be appropriate to schools for adults maintained by aided secondary schools. The work of the staffs in such schools would be reviewed by the inspector in accordance with the principle laid down above. A small charge for contingencies would be admissible in such schools as approved expenditure for the purpose of assessing the maximum grant.

16. It is expected, therefore, that the schools for adults which will form part of Government high schools and training institutions, added to those conducted in connexion with secondary schools maintained by private bodies, in accordance with the suggestions offered in the preceding paragraph, will meet, in a considerable measure, the immediate needs of urban areas and of rural areas in which such schools are situated. Anglo-vernacular middle schools maintained by municipalities, being now aided institutions under the terms of paragraph 11 of the Education Department C. M. No. 6374-G., dated 18th April 1922, will receive the same encouragement as has been suggested for privately managed schools in the preceding paragraph. There may be certain towns however (especially those in which compulsion is enforced) where it may be necessary to supplement the provision made in secondary schools. With the approval of the inspector, special schools or classes for adults may be maintained by a municipality; but Government grants on the expenditure of such schools or classes will be limited to Rs. 1,000 for each division. Expenditure on this account will therefore be admissible as approved expenditure for Government grants (up to the limit named above) in the statement submitted annually for the expansion and improvement of vernacular education in municipal areas.

17. A more difficult and more urgent problem to decide, however, is the means whereby schools for adults can best be encouraged by district boards in rural areas. Practice varies at present. Some district boards employ their own day teachers to maintain these schools which, for purposes of grant, are regarded as aided schools; and co-operative societies often employ as teachers persons who are not engaged in teaching during the day. The Minister is of opinion, provided that no payment is made or grant awarded in respect to a school whose average attendance is below fifteen, that the best means of assisting district boards in the enterprise will be to permit expenditure on schools for adults to be regarded as legitimate expenditure for the assessment of Government grants for the expansion and improvement of vernacular education, up to the total maximum named for that purpose for each year. The Minister, moreover, regards this form of education as of such urgent importance that he has decided, for the present, to ear-mark a portion of the additional grant allotted each year for this purpose. Among the objects enumerated in paragraph 22 of the Education Department's C. M. No. 336-A. S., dated 29th June, 1922, therefore, will now be added the approved expenditure on schools for adults, subject to the following limits:—

- (a) In respect to schools for adults maintained by district boards, the allowance should not exceed Rs. 60 *per annum* for each teacher. This allowance should be graded in accordance with the qualifications and duties of each teacher. This sum of Rs. 60 should be regarded as a maximum and not as the fixed remuneration for a teacher. A small expenditure on contingencies will also be regarded as approved expenditure.
- (b) In respect to schools for adults which are aided by district boards, the rule above will also apply in regard to the remuneration of the teacher. An additional grant may be paid either towards contingencies or in the form of a block grant. Such a block grant might be based *either* on the award of literacy certificates *or* on the average attendance. The maximum permissible shall not in any case exceed the amount of a block grant calculated at the rate of Rs. 2 *per annum* for each adult receiving a literacy certificate, or Re. 1 *per annum* for each adult in average attendance.

- (c) The conditions in (a) and (b) above will be applicable to schools for adults in villages where primary schools already exist. In villages where such schools do not exist, the Co-operative Department will be encouraged to institute adult schools by grants awarded under special rules of a more elastic nature in order to meet the special circumstances of these villages. In this matter, the Minister is of opinion that it is undesirable to impose restrictions which would in any way hamper the success of the experiment. For these schools, therefore, block grants will be payable on the scale prescribed in (b) above, but the grant on account of the salary of the teacher will be admissible on a sliding scale, based upon the average attendance (provided that it is not less than fifteen) and that the total grant does not exceed Rs. 200 per annum on account of the school or schools taught by a single teacher. An allotment will be placed at the disposal of the Registrar, Co-operative Societies, for this purpose. A report should be submitted each year on the distribution of the allotment and on the results of the experiment; the general question of adult education should also be discussed in this report in the light of the experience gained.

III.—THE DISSEMINATION OF KNOWLEDGE AMONG THE ILLITERATE.

18. In addition to the creation of adult schools, steps should also be taken to supplement by indirect means the teaching given in those schools. There is an urgent necessity for the institution of small village libraries which might be housed in the schools. It is probable that useful pamphlets will be presented by certain departments of Government and by philanthropic societies such as the Red Cross Society. The latter society has already provided a ready means for the expansion of this movement by a donation of Rs. 30,000. The bulk of this money will be spent on the purchase of magic lanterns which are now being ordered. A small sum will also be set apart from this donation to meet the necessary contingencies. It is suggested that the lantern might most conveniently be kept in the local Government high school where the science teacher would be held responsible for its safe custody; and where the hall of the school would be suitable for the display of the slides. The lectures, both at head-quarters and in the district, would be connected with matters of public interest and would be graduated in accordance with the competence of the audience. It is intended to prepare slides on suitable topics, and also lecture notes for the guidance of the lecturers.

19. It is also essential that those who remain illiterate should not be forgotten. Various methods of widening their horizon and stimulating their intelligence readily suggest themselves. Illustrations and pictures dealing with matters of interest and importance should be made readily available to them. Some of the lectures and discussions, especially if they are capable of illustration by means of a magic lantern, would also appeal to that section of the community. In rural areas, much could be done by this means to bring to the knowledge of the uninformed the most important developments in agricultural and hygienic science; in the breeding and care of cattle; in the methods of combating and preventing common ailments and diseases; in the value of co-operation; and in the elementary principles of civics and administration. The main object in this, as in all measures for the education of adults, should be to afford to those who have not been favoured with opportunities to benefit by the advantages of education in their younger days the means whereby they may learn through the eye and ear that which will enable them to become better and more useful citizens. It is hoped that the services of Government pensioners and other public-spirited persons may be utilised in carrying out many of the proposals discussed in this Resolution.

20. It is probable that a district committee will be essential to the proper organisation and success of this work. Such committees would naturally include the officials most nearly concerned and also a number of non-official men and women who are interested in the movement.

ORDER.—Ordered that the Resolution be printed in the *Punjab Government Gazette*, English and Urdu editions, and communicated to the Press. Also that copies be forwarded to the Divisional Commissioners; Deputy Commissioners; all Divisional, District and Assistant District Inspectors of Schools; the Inspector of Training Institutions; the Chief Inspectress of Schools; the Inspector of Vernacular Education; the Principals of the Central Training College and Multan College; the Head-masters and Principals of Government High and Normal Schools; the Registrar, Co-operative Credit Societies, and the Director of Public Health, for information.

By order of the Punjab Government (Ministry of Education).

FAZL-I-HUSAIN,

G. ANDERSON,

Minister.

Under-Secretary to Government, Punjab.