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**FOOD CONTROL
IN
BOMBAY PROVINCE
1939-1949**

BY

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FOREWORD

In 1954, the Union Ministry of Food and Agriculture, set up, as part of an All-India programme, an Agro-Economic Research Unit at the Gokhale Institute of Politics and Economics. It was intended to carry on, at this Unit, continuous studies of changes in the rural economy by means of surveys of a number of selected villages in each year and to conduct '*ad hoc*' investigations into problems in which the Ministry was specially interested. The first '*ad hoc*' problem selected for study by the Ministry was: "measures of food control, procurement and controlled distribution and their effects on agrarian economy". It was decided that the Unit at the Gokhale Institute should study measures of food control, etc., in Bombay State.

At an early stage, the coverage of the study was narrowed by the decision not to include in it effects of measures of food control on agrarian economy. It was felt that a study of the effects of food control measures on the agricultural economy of the State would involve what was in effect a separate piece of research, the data for which might not be adequate, especially in official records. In view of the requirement that the study should be completed by one research worker within a comparatively short time, it was decided that both the aspects of the problem should not be tackled and that it should be confined to official policy relating to food control measures. This study could be carried out, largely, with the help of records in the Central Secretariat of the Government of Bombay. Another reason why it was felt necessary to concentrate on this aspect of the subject, was the imminent danger of a considerable portion of the relevant records being either destroyed or being so re-arranged as to become difficult to trace.

This publication may thus be said to present an account of official policy and action relating to Food in Bombay State for the decade 1939-1949. The study is based, essentially, on such official records as were available in the Secretariat at Bombay. For supplementing the information, or checking up or confirming it in particular respects, other sources have occasionally been drawn upon. The study represents, in the main, an account of formation or evolution of official policy and of the progress of its implementation as revealed by official records. Because of the availability of detailed official records, the study makes clear how changes in circumstances influence directions of thought and alter opinions; how ideas emerge and are crystallised; how successful policy is dependent both on clear thinking and on skill in translating logical ideas into a series of

coherent and practicable administrative measures; how the unexpected might sometimes upset the most careful calculations and how circumstances limit the possibility of continuous adjustment and refinement. At the same time, because of the nature of the basic material, there are many aspects which are necessarily not fully treated or are ignored in the study. The working of the system in the Districts has been touched upon chiefly in relation to the emergence of special problems, and the reaction of the public or the position and actions of non-official leaders are brought in only when they affected formation of official policy and its implementation and only to the extent to which they are reflected in the Secretariat records. The study may also be said to reflect, in the main, the point of view of the Government of the Province of Bombay. A convincing justification or explanation of the policy of the Centre or a full appreciation of its difficulties might not be expected to be found in the records of the Government of Bombay.

Equally, obviously, an account based on official records would not be able to reproduce the prevailing atmosphere or the many fleeting but important features of the contemporary situation which affected formation or operation of actual policy. It was, in part, to make good this deficiency that I requested Shri A. D. Gorwala to write an Introduction to the publication. Nobody has played a more vital part in the formation and working of Bombay food policy during 1939 to 1949 than Shri Gorwala. Therefore, it was very fortunate for us that he agreed to write the Introduction and I wish to record my heartfelt thanks to him.

It is unusual for Governments to throw open recent records for study by an outside agency. We, therefore, feel particularly thankful to the Government of Bombay for allowing us to make full use of official records for the purpose of this study. It was this action on their part that alone made the study possible.

24 February 1958.
Poona 4.

D. R. Gadgil

INTRODUCTION

Looking back on the period of food control in Bombay 12 years after my connection with it ceased, the first point that comes to mind about it is the purposefulness of those days. This purposefulness was not limited to any one section. All concerned with the problem of food seem to have been animated by it. It was just as present in the non-official as in the official, in the junior official as in the senior. To idealise the past, especially the past in which one has played a part, is a natural tendency. But this attempt at assessment is re-inforced by many contemporaneous comments made by visitors, including some most unfriendly observers. Almost all, whether they attended meetings of the Provincial or City Food Advisory Councils, saw various aspects of the official organisation in the City and Districts, talked to leading non-officials, listened to the Chairman and members of the People's Food Council that had been formed by the citizens of the Province as an independent organisation to keep watch on the food doings of the Government and bring grievances to notice, said at sometime or other in the course of their visits, "You know there is a spirit about this place. One senses something going on, something happening purposively". This indeed was true, at every stage and with regard to every matter. Whatever had to be thought out, was thought out; whatever had to be done, was done. Not that there were not discussions, consultations, arguments, advice seeking and giving. All these were there, on a scale less restricted than at any time in the past, and perhaps even in the future up to now. Yet somehow there was no interminability about them, or about the process of decision. In the result, whatever advice had to be given, was given; whatever decisions had to be made, were made. Beating about the bush, shall we, shall we not, perhaps, may be, don't really know—all these were with a fair degree of promptness moved out of the sphere of discussion in favour of the categorical yea or nay.

I am struck too in retrospect at the magnitude of the co-operation extended by the people and the high degree of their confidence. Without these neither distribution nor procurement would have been possible. With them, both were undertaken on a gigantic scale and not unsuccessfully. An example may be given. On the day following the great ammunition ship explosion in Bombay docks, when it was widely known that fire had probably destroyed the grain in the godowns in the dock area where the bulk of the supplies were stocked, it was expected that there would be a rush at the grainshops outside the dock area, since most people would

feel that the supply was bound to run short. (In fact there was not more than three days' supply in the other godowns). Reports came in all through the day that everything was normal and there was no rush or panic. Late in the evening, I walked into the Adviser's room. He had been among those greatly disturbed at what the reaction might be and had rung me up very early in the morning about it. I said, "Nobody is particularly bothered, Sir. They say they are sure supplies will be kept up." He looked at me quizzically, and after a moment said, "Hm, very gratifying, no doubt. Well, better see that supplies are kept up, though just how I can't quite say now. It would be a pity to disappoint such fine people". Fortunately, it was found in the course of the next day or so that the grain-bags in the dock area godowns had been packed so tightly that the fire could not go beyond the top two or three layers, so that the bulk of the stock was safe.

What was this co-operation and confidence due to? What made even people on the other side politically, including people as prominent as Bhulabhai Desai, for instance, not oppose and even privately praise the efforts made? Perhaps the consciousness of the horrors of the Bengal famine and the feeling that something like that was not altogether outside the bounds of probability even here had a certain amount to do with it. But another, and the more important, factor was the view generally held that the administration had honestly recognised its obligation to see that all the people got food at reasonable prices, that it was dealing fairly, that its main concern in this matter was the public good, that it had no favourites to look after, that in its view the humblest and poorest man had as much right to a fair share as the most eminent or richest. Also, that it was acting throughout in the closest consultation with non-officials, seeking their views and advice, giving them all the information that it had, and through the City and Provincial Food Councils, especially their Standing Committees, and the District Committees, making them real partners in this exceptionally onerous task. Tough individuals, extremely suspicious, for whom it was habitual to look for motives in every act, especially every act of the Government of the time, had by the end of a year of working on the Standing Committees, become so convinced of the bona fides of the food administration that it could with full confidence leave it to them to deal most effectively with its critics in the trade and elsewhere.

The most pleasing feature of this period to me was the large number of fine men I came across in the course of work. These were men of stature and breadth of mind, with nothing mean or little about them. They were from all ranks of life. There was the Havildar of many years' service who on one occasion pointed out where I was seriously wrong adding, "Have I not the right to tell you if you are walking into a pit?". There was the Economist and there

were the great business magnate, who in the early days came two or three evenings a week from his work to the meetings of the Standing Committee, placing his experience and knowledge at the disposal of his colleagues, speaking always briefly and to the point, giving a lead on many a difficult occasion; the worthy labour leader and liberal, who despite saddening experience, never gave up his faith in the perfectibility of man and the probability of influencing him by reason and argument; the extremely knowledgeable and well-equipped statistician who introduced new methods and tools into a Government department, grew ever more cheerful the harder he was worked, and would not accept an appointment on a far larger salary with the Government of India because, "here we are all working together and I say what I think and know it is given full weight"; the collector who would not hesitate to wire Government to 'beg, borrow, or steal' grain and send it down because the people in his district must be fed; the colleague remarkable for memory and method, the disentangler of facts from many a complicated tale, who at the end of a long and weary day would still dictate one note more to keep the record straight and leave no room for evasion or confusion; the Secretariat colleague who could always be relied upon for a brilliant idea, who enlivened many a crisis with a quatrain or a limerick, and who would often after a thing had been done or a scheme put into operation, discover and set out to the surprise of the doers, the principles that had been acted upon; the Adviser, who joined in himself leadership of a high degree with a grasp of theory, the most pertinacious eye for detail, a sense of humour and a general view of life that made almost every visit to his room an occasion. All these men, and many others of similar quality with whom one worked, had but a single aim, the desire to see in the interests of the people the food arrangements in the Province work satisfactorily and not break down, whatever the stress. For themselves they wanted nothing. They spoke their minds and were prepared to listen and consider when others spoke. It was an inspiring atmosphere. No sense of pettiness, no intrigue intruded.

Not least among the tasks of the Bombay Government in that period, especially in its earlier years, was the persuading of the Government of India to adopt a food policy suitable for the needs of the country. The view urged was that the food problem was indivisible for the whole country, that the responsibility for seeing that foodgrains were available throughout the country at reasonable prices was an all-India responsibility, and that attempts ought not to be made to shuffle it off on individual provinces by letting them go their own ways, so that food conditions could be easy in provinces that were surplus and very difficult in those that were deficit. Fair shares for all meant fair shares not merely between the citizens of a deficit province but also between those of deficit and surplus provinces. This involved cutting down consumption in the

surplus areas through the regulation of supplies in their cities and the obtaining of the surplus by the governments for transfer according to the Centre's instructions to the deficit areas. A tremendous shock was given by such notions to the conception of *Laissez faire* and free trade that had been the substance of most of the thinking of the time, and many were the battles waged at different levels and in different fori, until regulation and control became accepted theory. Practice in the surplus provinces unfortunately never came wholly into accord with the theory.

At the Food Conferences held in Delhi representatives of some surplus provinces struggled hard to avoid committing themselves to some of the more stringent measures adopted by the deficit provinces, especially Bombay, and at one the argument put forward against introducing anything in the nature of compulsory levy in a particular province was the the martial nature of the people and the likelihood of serious opposition if it was tried. This line of thought seemed to be creating quite an impression until the retort came from Bombay that though memories were short it might be remembered that the people from whom grain was being taken under the levy in some of the most important grain producing areas in Bombay were the descendants of those warriors who in the previous century had carried fire and sword to the gates of Lahore, and that some of these descendants themselves had demonstrated not a little martial spirit and valour in North Africa and elsewhere during the war then in progress.

At one time even the Government of India and its Consultants seemed to favour free trade throughout the country and the removal of the ban on movement that had been the first step in regulation. The Secretary of the Food Ministry, a very clever, persuasive and subtle individual and his principal adviser, a senior, experienced official lent by the British Food Ministry, came down to meet the representatives of the deficit governments, especially Madras and Bombay, and to get them to agree. The meeting remains fresh in my memory still. To all the varied and eloquent arguments of the Government of India officials, the provincial reply was brief and firm. "We must feed our people and we cannot and will not leave them to the chances of the law of supply and demand, however sacred that may be thought to be. The protection of any interests other than those of our people is no part of our conception of duty at this juncture." It was a gratifying experience to hear this answer again and again in different words, with changing emphasis, sarcasm, indignation, innuendo, all in their places assisting logical argument. It revealed, as with a flash of lightning, the calibre of the men one worked with and under.

The very able representatives of the Government of India retired baffled, to be followed immediately by messages setting out in writing, lest there should be any misunderstanding, the Bombay Government's

strong opinion. The episode ended with the appointment of the Food-grains Policy Committee, the report of which accepted most of the Bombay views. This Committee was no respecter of persons. It treated members of the Viceroy's Executive Council and Chief Ministers of Provinces exactly like ordinary people. Attempts to be clever or evade answering met with short shrift. The Chief Minister of Bengal, despite his unusual aplomb and presence of mind, was made to cut a very poor figure when he would not stick to the point and admit clear errors. One of other Ministers from that State was so upset by the handling he received that he fell ill and caught the train back that very evening to Calcutta, lest he might be asked to appear again. When a member of the Viceroy's Council on being asked why he did not immediately have corrected what he knew to be discrepancies in a statement of the Bengal Government about a matter concerning the working of his department said something about cordial relations, he was promptly reminded that the preservation of niceties could not take precedence over clear duty, and had the point driven home by repeated questions until red in the face he admitted that probably it would have been better to adopt the course suggested.

The purpose of Bombay's food arrangements being not only to prevent famine but to make available regularly a certain quantity of food grains at reasonable prices to all citizens, food policy had to be considered in terms of at least a few years ahead. There was no groundwork of prepared plans. Future policy had therefore to be thought out in the intervals of finding expedients to meet present emergencies. The gravity of these often affected favourably the readiness to accept measures which at first sight and suggestion seemed too radical or impracticable. Thus, the standing of queues five hundred long outside Government grains shops and the prompt exhaustion of the supplies continuously poured in, made many change their minds about the necessity for rationing, while as the improbability of obtaining sufficient supplies from outside impinged more and more upon people's minds, monopoly procurement and the compulsory levy began to lose their previous unwelcome character. Of the men of those times it may be said that they allowed experience to teach them, so that disaster, often very near, was kept at bay and beaten back. They seemed able to overcome even the normal aversion to logical thinking, so that they could now and again move far away from pre-conceived notions and old prejudices. Also, there were those who could point out in good time the lessons that ought to be drawn from experience, and could produce the necessary schemes for profiting from them. Especially to be remembered in this regard are the Economist and the Adviser to whom reference has already been made.

The system as finally evolved consisted on the distribution side of rationing in cities and towns and rural distribution of a fixed quantum through convenient centres in the countryside; on the supply side, mono-

poly procurement, the graded levy and the receipt of grain from outside the province. It meant in effect the buying, except for very small amounts within a village, of the marketable surplus, and even a little more than that, of the province, the adding to it of such supplies as the Government of India could be induced to allot, and the sale of this total quantity at reasonable prices through large numbers of conveniently situated shops. Briefly it might be described as at least the management of the whole grain trade of the province. The public interest in its aspect of the need to ensure equitable distribution and hold prices, compelled the extension of this system to many other commodities such as sugar, kerosene and cloth in all areas, charcoal and firewood in cities. The desire to provide milk, the price of which had risen, at subsidised rates for consumers of the vulnerable groups, pregnant mothers and infants below two, led in some cities to the institution through the same agency of schemes for the procurement and distribution of whole milk and the importing and sale of skim milk powder to replace for hotels and restaurants the whole milk now reserved for subsidised distribution. Together with distribution, supplies and prices also went consumption. "It is common experience", said the pamphlet issued on the second anniversary of the Food Advisory Council in 1944 "that at large entertainments more is cooked than is served, more is served than is eaten and more is eaten than is needed." Hence the law to prohibit the serving of food at parties of more than twenty-five, and other austerity measures that while controlling consumption, also made possible substantial savings on ceremonial occasions, savings which social and economic reformers had always considered most desirable, but hardly ever, in the absence of suitable law, been able to bring about.

The food experience of Bombay during these years can be considered from several points of view. It has been termed on different occasions a business, an administrative task, a Socialist experiment. If it was a business, it was a peculiar business for it desired no profit. It was satisfied with breaking even. It was a business that had no secrets. Neither its operations nor their results were confidential. It was the business of the people done publicly for the people. It certainly exercised quite often the initiative said to be the mark of efficient business, and it also permitted to itself and its principal executives a flexibility of action not very usual even in large private organisations. It was happy in using businessmen, profiting by their general advice and experience; it consulted special interests in business, too, grain, cloth or other, but it always judged their advice cautiously, thinking it over carefully, making due allowance, checking and counter checking, before moving on to action. Though it considered expedition the essence of execution, it knew when to pause and reflect. It could not be hurried or hustled into decisions by sectional or personal pressure groups. Judged by the criteria of quality and cost

of service, it was not unsuccessful. Its customers were generous in appreciation at the time and even afterwards. It devoted a great deal of attention to public relations, not in the sense of flattering or endeavouring specially to please, but in the sense of treating the public as adult and responsible, and therefore entitled to have the quickest possible answer to every complaint, confirming its validity if it was correct and stating what action had been taken for amendment, giving the proper position if it was incorrect. It welcomed criticism and was always prepared to enquire, ascertain and where necessary, change. It also took advantage of every opportunity for explanation.

Bombay Food was not just an administrative task. It was a combination of a number of administrative tasks of high interest. Each one of its aspects, rationing, rural distribution, monopoly procurement, the graded levy, was a separate administrative task with its own problems. Each grain and commodity brought its own complications. The virtue of the old administrative saying, What is not inspected is not done, had from the very beginning to be realised. Together with settling how a thing was to be done, was also generally settled the manner of the necessary inspection and the responsibility for it. The novelty of the work caused some shaking of heads to begin with. Much sooner however, than was generally expected, to both people and officials the operations became habit. It should have been, but alas, does not seem to have been, a lesson to all those who tend to hold—and their number is large today even in the ranks of highly placed politicians—that our people, because many of them are illiterate and poor, are not capable of recognising their own interests and acting in accordance with clear instructions. The smooth working of the parts caused the whole enormous machine to function as an entity, making both the thinking out and introducing of innovations not too difficult. With the passage of time, adjustment to changing circumstances, though never automatic, involved much less stress than at the earlier stages. Errors there were. The personal element continued to be important. But they were detected and often set right before they could do much damage. The training of the personnel, especially of large numbers of the newly recruited, and the provision of staff amenities, marked perhaps the beginning of a new trend in Government practice. So, too, did the use of the long-distance telephone shattering at unusual hours the wonted routine of many a Delhi dignitary and District Official, causing attention to be directed to the interests of the Province. The capacity for improvement in administration inherent in any organisation was not allowed to remain unutilised, so that the characteristics named by many as the salient features of the food administration were efficiency and responsiveness. It seemed in effect to fulfil the policy aims for which it had been brought into being.

Though the Government of Bombay would probably have disclaimed any intention of using the needs of the food position to foster Socialism or bring into action Socialist principles, Bombay food, from the very nature of the circumstances that gave it birth and nurture, became in practice a Socialist experiment on a large scale. In it were embodied such distinctive Socialist strands of thought as repudiation of a free market, egalitarianism, the responsibility of the State to undertake minimum obligations for all the people, State trading, the management of large scale business for the benefit of the community, the non-profit motive. It could in fact be regarded with reason as the first great Socialist enterprise in India.

Bangalore
16-1-58.

A. D. GORWALA.

AUTHOR'S PREFACE

The work in connection with the collection of data for this Report commenced in August-September 1954, though preliminary work in relation to published materials began in May 1954. A substantial part of the factual information was obtained from the offices of the Director of Civil Supplies (Districts), the Statistician in Agriculture and Forests Department and the Bureau of Economics and Statistics of the Government of Bombay; data were also gathered, in addition, from the Controller of Rationing and the Director of Civil Supplies (Accounts). The work of collection of materials from the Secretariat was completed in June 1955.

About the time when this work had just started orders had been issued to the Secretariat staff to destroy old records. The Civil Supplies Department had been greatly attenuated due to the lifting up of controls (rationing in Bombay city was, in fact, abolished on 30th May, 1954) and as a result of transfer or retrenchment of a large number of old and experienced personnel. The presence of only a few knowledgeable persons in the residual staff coupled with their preoccupation in the task of winding up the huge set-up made it more and more difficult to locate the requisite records as time passed during the year 1954-55. With this coincided the shifting of the Bombay Secretariat offices to the new Sachivalaya in March-April 1955. All these circumstances made it very difficult to trace the required papers, files, etc., in the slowly disappearing Department.

I should like to express my grateful thanks to all the officials in the various offices of the Department for their co-operation in finding out the papers and their suggestions in locating the sources. In the situation sketched above, no progress could have been made with our work but for full and cordial co-operation of official personnel. I am particularly indebted to Shri S. N. Sapre, then Director of Civil Supplies (Districts), Shri Sheshgiri, Statistician with the Agriculture and Forests Department and Shri M. A. Telang, Director of the Bureau of Economics and Statistics, for their valuable help and the earnest interest they showed in our work.

V. S. PATVARDHAN.

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CHAPTER I

INITIAL EFFORTS TO CONTROL PRICES OF FOODGRAINS

1.1 Introduction: Great Britain declared war on Germany on 3rd September, 1939. India being part of the British Empire became automatically a belligerent. But the immediate effect of the war on the Indian economy was witnessed initially in the form of rise in prices only. For the first few days commodity markets became panicky. The dealers saw in it an opportunity to make high profits while the consumers apprehending a rise in the cost of living started buying supplies. It was in this atmosphere of rising prices that Governments, Central as well as Provincial, issued warnings against profiteering and requested the public to refrain from making excessive purchases of supplies.

Subsequent to the issue of the Defence of India Ordinance and the Defence of India Rules, the Government of India issued orders on 8th September 1939 delegating powers to Provincial Governments to fix maximum prices in respect of "necessaries of life" (like medical supplies, foodstuffs, salt, cheaper qualities of cloth, etc.) at a level not less than 10 per cent above the prices ruling on 1st September 1939. Pursuant to this order, the Government of Bombay issued the Bombay Regulation and Control of Prices Order on 9th September 1939 fixing the maximum at 20 per cent above the 1st September level of prices of foodgrains, flour, meat, fish, grocery, medicines and drugs, charcoal and fuel, etc.

This was the beginning of the "price-control" era which lasted roughly upto the entrance of Japan in the War on 7th December, 1941. Japan's joining the war was a turning point in the position of India. India became directly affected by Japanese actions. Hence, the Government of India had to change its outlook and policies. This chapter deals with controls upto 7th December, 1941. Further, the chapter is subdivided into three sections. The period, from the opening of the war upto 24th January 1940 when the Second Price Control Conference was held, is considered in the first section. The second section covers the period upto the meeting of the Third Price Control Conference on 16th October 1941 and the third section deals with the period upto Japan's entry in the War on 7th December 1941. It may, however, be noted that these are only rough divisions by time. As a matter of fact, it is somewhat difficult to divide the developments in a rigid fashion. It is for sake of convenience that this procedure is adopted though there are certain characteristics of each period to make some distinction plausible.

SECTION I:

1.2 Margin over 1st September Price-Level: At the outset, it may be noted that the permissible margin of increase in the case of 'necessaries of life' at 20 per cent fixed by the Government of Bombay by the 'Bombay Regulation and Control of Prices Order' caused some consternation in the public. The merchants and trading class who had not raised their prices, say above 10 or 15 per cent over the 1st September level, immediately put up prices. The Collector of East Khandesh in a letter to the Government dated 11th September 1939 stated that "In Jalgaon the merchants who had been content to raise prices by 10 or 15 per cent till the issue of the B.R.C.P. Order raised prices now to 20 per cent." The "Sentinel" of Bombay wrote on 21st September 1939 "in the context of the cry for welfare of the peasant, (it is to be remembered) that large majority of peasants cannot have any stocks at present to sell". It seems that Government saw point in this sort of criticism and reduced the permissible maximum in the case of foodstuffs to 10 per cent above the pre-war price level by an order dated 22nd September. It is interesting to note that the Economic Adviser to Government of India was aware of this sort of danger, as in his "Memorandum on Commodity and Price Control Policy" dated 11th September 1939 he had observed, "But there is the danger of the maxima fixed by decree becoming minima charged in practice". It was exactly this reaction in the Bombay province that prompted the Government of Bombay to issue the 22nd September Order.

The Government of India advised the Provincial Governments by a notification issued on 29th September, to take into account the increase in the cost of production or importation of goods after the war while fixing the maximum prices. The Bombay Government took action on this by allowing these additions to cost of production or increased landed cost, by an order dated 14th October 1939. On the price control side these were the orders on which the Government relied to check profiteering and to arrest the undue rise in prices of "necessaries of life". The result of the 22nd September notification was that for some time the prices of foodstuffs remained stationary it was stated. Prices remained steady for about two months but by the end of November, prices of foodstuffs showed an upward movement.

1.3 Opening cheap grain shops: The object of the emergency measures taken by the Central Government and followed up by Bombay Government was to remove the atmosphere of panic and create confidence in the public. Though the panic or tension subsided, higher prices came to stay. It was noticed that traders and merchants were skillfully circumventing the Government orders. With a view to check profiteering, the Government of Bombay asked the Collectors of districts on 11th October 1939 to approach Municipalities and village panchayats for

organizing cheap grain shops. The response to this move, however, was not good. In Bombay City the Mayor's Anti-profiteering Committee decided in October to open cheap grain-shops in certain parts of the city where retailers were found to be charging excessive prices. This move also did not materialize. The reasons as to why the proposals to open cheap grain shops in the Districts and in Bombay City did not materialize, either because of laxity of the administration or due to non-co-operation of local bodies, are not recorded.

1.4 First Price Control Conference: In the meanwhile, the Central Government called the First Price Control Conference in New Delhi on 18th October 1939, with a view "to discuss the major issues involved in price control". In a note dated 16th October (prepared in the Bombay Secretariat) for the Conference it was stated that enforcement of the price control orders was difficult. Traders and dealers circumvented the orders either by suspending their business or by refusing to sell articles which were known to be unavailable elsewhere. To counteract such methods, it was stated, Government was organizing cheap grain shops with the co-operation of Municipalities and village panchayats. At the Conference which was attended by representatives of Provinces and States, Mr. K. M. Munshi, Home Minister in Bombay Government said, "The question of fixing the fair prices is fraught with difficulties and it is necessary to find a precise formula for fixing prices".

The Conference took into account the fact that the commencement of the War was just the tail-end of a prolonged depression from which the agricultural producer had not recovered fully. It concluded that "until war should restore prosperity to the agriculturist no action ought to be taken to control food prices to the consumer". There was also general agreement in the conference as to the inexpediency of utilising the powers of commandeering stocks except as a last resort. It was decided to hold such conferences at an interval of every three months as they would be a great help in securing uniformity of policy between different Provinces, States and the Centre.

The retail prices of foodgrains rose from the last week of November 1939 and continued to rise upto about the 15th of December 1939. This price rise is stated to have been an all-India phenomenon and was attributed by Dr. Gregory, Economic Adviser to Government of India "to speculation in jute, cotton and wheat with its repercussions on the retail markets. A tendency has arisen to withhold stocks generally". Dr. Gregory expressed this opinion in his personal capacity while he was addressing a press conference in Madras on 10th December, 1939. Table 1.1 shows the rise in wholesale prices registered during the period.

In Bombay province, the supplies as reported by Collectors were normal, it was stated, though retailers were blaming wholesalers and vice

TABLE No. 1.1.

Index Numbers of weekly Wholesale prices.
(Week ending 19th August 1939=100)

Week ending	Raw Cotton	Raw Jute	Wheat	
			Karachi	Lyallpur
18th November 1939	143	203	131	138
25th November	155	209	141	156
2nd December	185	267	157	163
9th December	171	269	145	157
16th December	196	254	150	164

(Source : Index Numbers of Weekly Wholesale Prices of certain articles in India upto 31st December, 1941 issued by the Economic Adviser to Government of India, New Delhi.)

versa. That, the sudden rise in prices was without any justifiable reason or basis, was the general diagnosis. Dr. H. T. Sorley, Chief Secretary to Government of Bombay, in a note submitted to the Advisers on 7th December 1939 observed, "the rise in prices is wholly bad and due to uncontrolled operations in the commodity markets by speculators looking for quick profits". In this note the Chief Secretary suggested the appointment of a Controller of Prices with some sort of advisory body to assist him.

The Chief Secretary's personal views expressed in a note of 9th December in this context are illuminating. He agreed, "that the recent great rise in prices of essential foodstuffs makes it impossible for the Government to cover any but small part of the economic field. We are faced with the alternative of resorting to some system of rationing and I would urge that earnest consideration may be given to this matter". This view is in consonance with the observations of the Economic Adviser to Government of India in his "Memorandum on Commodity and Price Control Policy" dated 11th September (which has been cited earlier). The Economic Adviser said in the Memorandum, "Practical experience during the last war showed that it was necessary to push the frontiers of Control further and to attempt to displace the price mechanism as the regulator of the distributive process. But such a step involved some very serious practical consequences".

The opinions of the Chief Secretary to Bombay Government and of the Economic Adviser to Central Government indicate a line of action felt by some sections of the Government as necessary to deal with the rise in prices of foodgrains and other essential commodities. The main handicaps to any radical step like 'rationing' were obviously administrative problems and inexpediency.

One result of the November and early December spurt in prices was the appointment of the Controller of Prices. The Controller of Prices was appointed on 13th December 1939 and he immediately concerned himself with the starting of grain shops in Bombay city. A Consultative Committee was set up simultaneously to advise the Controller in the matter of fixing legal maximum prices for a number of articles. The Committee was representative both of the trader and consumer. Apart from organizing the grain shop scheme, the Controller was enjoined to take up such other work connected with control of prices. The Controller was to watch generally the price situation in the Province and advise Government on measures to be taken as and when necessary. The progress of the grain shops scheme is described elsewhere.

When this step of setting up a Controller of Prices office in Bombay was under discussion at the Secretariat level, it seems the three Commissioners of divisions were much concerned by the trend of prices witnessed in the first half of the month of December 1939. The three Commissioners met and discussed the situation and submitted a Memorandum dated 15th December to the Government. In the Memorandum on 'Price Control Measures in Districts' it was demanded that :

(i) Collectors should be the Controllers of Prices to fix maximum prices for commodities, wholesale and retail. The prices should be fixed in figures.

(ii) Collectors should be empowered "to order sale of or himself to sell private stocks at the prices laid down where merchants withhold stocks from sale unreasonably and also to buy at the fixed prices."

(iii) Collectors should have power to ban exports from districts.

As regards (ii) it was stated that the Government of Bombay had moved the Central Government to confer the necessary powers on the provincial Government. The Central Government had replied that the matter was under consideration.

The Chief Secretary took the view on the memorandum from Commissioners that "the situation in the mofussil is not in any way so serious as to require any immediate or hurried action". The problem according to him was largely an urban problem (22nd December 1939). The Adviser (Finance), Sir Henry Knight confessed that he was doubtful of any solution coming to light at Delhi from the forthcoming Second Price Control Conference called by the Government of India on 24th January, 1940. Still Knight expected, "the Conference should be able to secure the necessary administrative aids from the Government of India" (23rd December 1939).

All this noting indicates that there was some hope of additional powers being granted by the Central Government. The Price Control

orders as on 14th October, were deemed to have been unworkable in practice because :

- (a) the 1st September price was out of date;
- (b) it was difficult for the ordinary consumer to ascertain the 1st September price level;
- (c) it was difficult to calculate the increased cost of production and increased landed cost in each case as prices varied from market to market.

The general opinion was that price-rise was more due to speculation than because of any real disequilibrium in supply and demand. The line of demarcation between legitimate business and speculation was again difficult to draw. It was mainly to consider this position that the Chief Secretary (Dr. Sorley) called the Advocate General, Secretary, General Department, and the Remembrancer for Legal Affairs to meet on 12th January 1940. The discussion to devise suitable means to deal with the question of the speculator as contrasted with the genuine trader was, however, fruitless, as the general opinion was that "there is no legal or administrative possibility of differentiating between these two classes".

The Second Price Control Conference was scheduled to meet on 24th January, 1940 for which a note was prepared by the Chief Secretary in which he opined that, "the machinery of control has proved itself most satisfactory. Practically there is none in the districts." He further felt that there was no necessity to empower the provincial Governments to requisition stocks (17th January, 1940). This view is exactly opposed to that of the three Commissioners as expressed in their joint memorandum of 15th December 1939. (It is not understood how all of a sudden the Chief Secretary felt that there was no necessity for powers to requisition stocks when earlier he wanted to find means to deal with the speculator as is evidenced by the meeting between the Advocate General, Secretary, General Department, Remembrancer for Legal Affairs and himself).

One significant development that took place before the Second Price Control Conference deserves note here. The Controller of Prices, appointed by Government of Bombay on 13th December, opened 5 grain shops on 12th January 1940; the number increased to 18 by the end of the month. To facilitate the running of the Government grain shops three sub-committees were created to advise the Controller specifically on (i) organizing the grain shops, (ii) purchasing stocks, and (iii) prices.

SECTION II :

1.5 *Second Price Control Conference:* The Second Price Control Conference convened by the Government of India met on 24th and 25th January 1940. It did not recommend any definite control measures but laid down

a few rules that should govern the policy of Price Control. (i) It was agreed that the control of primary wholesale markets and the regulation of prices therein as and where it became desirable should vest in the Central Government. The local wholesale markets and retail stages should, however, remain the responsibility of Provincial Governments. (ii) It was further agreed, that the province being a large unit specific powers might be delegated to district authorities though the latter should take important decisions with prior consent of the Provincial Government. (iii) The conference noted the general desire that the power of requisitioning should be delegated to Provincial Governments. The Government of India did not, however, commit itself anyway in this respect.

Following this conference the Government of Bombay decided to execute the Conference's recommendation (ii). A draft Government Resolution was sent to the Commissioners in which provision was made for a margin of 5 per cent to allow reasonable fluctuations of rates over and above the fair market prices to be declared by District Collectors. All three Commissioners were opposed to this concession apprehending it as unnecessary latitude to dealers. Hence the provision was dropped. The Government Resolution issued on 21st February, 1940 appointed Collectors as controllers of prices in the districts. Secondly, power was vested in the District Collectors to fix maximum prices for necessary articles of consumption; this power, however, was not to be used until circumstances justified it. Thirdly, the Collectors were advised that "in the meantime publication of fair prices only, is all that is needed". By this Government Resolution, Collectors were desired to appoint District Advisory Committees for assistance in their work. They were asked to watch the prices and to send periodical (weekly, later on fortnightly) reports to Government on the control situation and the supply position in their districts.

1.6 Price Movements during 1940: The prices gradually declined after January, during the first six months of the year 1940. This fall in prices was to be seen all over the country. The conclusion of the Second Price Control Conference that no control of agricultural commodity prices was then needed, seemed to be justified by the course of wholesale prices after January as seen in Table 1.2.

It might be, however, as Sir Henry Knight thinks, that in deciding that no further action was necessary to control foodgrains prices, "Authorities placed too much reliance on wholesale price returns, for in unusual times there may be a wide divergence between such prices and those that the small and indigent consumer actually has to pay".¹

1. Sir Henry Knight; 'Food Administration in India', p. 40.

TABLE No. 1.2.

Index Numbers of Wholesale Prices of Food and Tobacco and other agricultural commodities in groups.

Month	Food and Tobacco	Other Agricultural commodities
January 1940	124.4	192.2
February "	120.0	165.9
March "	118.8	159.0
April "	115.3	156.7
May "	111.4	150.9
June "	106.3	119.2
July "	105.9	109.8
August "	104.4	104.1
September "	106.1	104.8
October "	109.6	102.0
November "	108.3	103.8
December "	107.7	104.7

(Source:—Index Numbers of Weekly Wholesale Prices of certain articles in India upto 31st December 1941 issued by the Economic Adviser to Government of India, New Delhi).

Anyway there was a perceptible downward trend upto August when recovery began. By the end of the year, again, there was a definite rising tendency especially in prices of food stuffs. The subdued behaviour of prices was attributed to the worsening war situation.

By a notification dated 22nd April, 1940 the Government of Bombay announced that the Controller of Prices would restrict his activity regarding price control to Bombay city. This was a natural corollary to the Government Resolution of 21st February appointing Collectors as Price Controllers for the districts. The Controller of Prices in Bombay city had already started weekly publication of fair price lists of wholesale and retail prices for the city in February 1940.

The Price Control orders issued in September-October 1939 continued to exist without any practical result till May 1940. The Government had no powers to execute the price ceilings. Although the Controller of Prices in Bombay city and Collectors in districts were supposed to watch the prices of essential articles, no machinery was there at their disposal to keep prices in check. Their responsibility had ultimately been reduced to merely recording and apparently supervising the prices in the markets. Sir Henry Knight describes the position in Bombay city in these words, "In Bombay city, price control ceased to function early in 1940 owing to the difficulty of fixing prices and to the ease of evasion so long as Government did not have power to control the movement and

supply of commodities".² Collectors in the districts had to work practically under similar conditions. The Collectors were informed that "Government has decided that, for the present, there is no necessity for legally enforceable price control in the Province. All the old Price Control notifications have been allowed to lapse. Should the situation, hereafter, demand it, fresh notification will be issued" by a Government memorandum dated 15th July 1940.

What had been the de facto position in April-May 1940 was in fact regularised by the subsequent Government of India notification dated 25th May 1940 which superceded all earlier notifications and declared that Provincial Governments might under rule 81(2) of the Defence of India Rules take measures for controlling prices. By this notification, the basis of price control was made more elastic, in that the lower limit of 10 per cent for fixation of maximum prices over the 1st September 1939 level was deleted. This amendment was considered as a welcome change in policy of price control as the pre-war prices could remain a guide and standard only for a limited period after the commencement of the war. The 1st September prices had become, by now, out of date. As a result of this notification, the position became: (1) the limitation of price-ceiling laid down by the Government of India was automatically abolished; (2) the Bombay Government did not issue any new orders to take the place of the earlier orders superceded by the notification. Although the Central Government empowered the Provincial Governments by this notification to enforce some incidental and supplementary matters (for example, requiring a dealer to give a cash memo to the purchaser) and they were vested with the power to provide by orders for prohibition of withholding stocks from sale by a later Government of India notification dated 29th June 1940, there was a sort of vacuum in respect of controls. There were no restrictions on prices and no movement or supplies controls in this Province. This gap created by the 25th May notification as a result of lifting of price control continued till December 1941-January 1942. It was only after the prices registered sharp rise on the entry of Japan in the war, that the Government resorted to price control again.

In view of the lower level of prices prevailing generally, the Consultative Committee of the Controller of Prices in Bombay City, discussed on 3rd July 1940, whether the Government grainshops should be continued. The Committee was unanimously in favour of continuing the shops. The Secretary, General Department, thought the shops to be useful in checking the tendency of retail traders to exploit the consumers.

1.7 *Prices of Foodgrains during 1940 and 1941:* During the latter half of 1940 retail prices in Bombay Province generally corresponded with

2. Op cit. p. 40.

prices in primary markets, it was stated. The period is marked by slight but continuous fluctuations in the prices of food articles. As earlier pointed out, the trend of prices was alarming in November-December 1939 but they declined in the following months and fluctuated slightly, nevertheless stabilized at much higher rates than the pre-war prices. Jowar and bajri which were selling at Rs. 3-2-0 per maund in July 1939 rose to Rs. 4-10-5 and Rs. 5-0-0 respectively in January 1940 to fluctuate later on between Rs. 4-0-0 and Rs. 4-8-0 in the following two years 1940 and 1941. Wheat price rose from Rs. 3-9-2 to Rs. 5-0-0 between July 1939 and January 1940, fluctuated in the Rs. 4-0-0 and Rs. 5-0-0 range during the year 1940 and shot up to Rs. 6-1-2 in October 1941. Rice price increased from Rs. 4-11-1 in July 1939 to Rs. 5-11-9 per maund in January 1940, remained somewhat constant at Rs. 5-6-1 from April to October 1940 and rose to Rs. 6-2-2 in January 1941 and reached Rs. 7-15-1 in July-October 1941. The rise in these four cereals rice, wheat, jowar and bajri up to October 1941 was thus quite remarkable when considered in the context of the pre-war (July 1939) rates.³ These price fluctuations were attributed to shortage of wagons or deficiency in the transport system. The controller was keeping constantly in touch with the railway authorities.

Burma rice prices had considerably risen by February 1941. The rise was not attributed to profiteering at the wholesale or retail stage but to the rise in export-price in Burma. The rise was of the order of 53 to 68 per cent above the pre-war level. The export price in Burma rose on account of enormous demands from Japan, China, and the Straits Settlements. Moreover, increased freight, insurance and other charges added to the increase. Control of the prices could not be imposed because the origin of the spurt was in Burma (vide Note dated 13th February, 1941).

Between November 1940 and January 1941 the prices of country rice showed small fluctuations, of 4 to 6 per cent above the pre-war price. After January 1941, the upward tendency became marked, thus by first week of March, it was 18 per cent more and in the last 4 days of March price of country rice had become 36 per cent more than pre-war level. This rise was described mainly as in sympathy with rise in Burma rice prices. It was traced also to the low stocks of old quality and demand for new rice by millers, landlords and middlemen. Country rice mostly came from Kolaba, Thana and Surat districts where the harvest was over by November 1940. The stocks were largely in the hands of middlemen and traders and it was felt inadvisable to control prices which would result in the disappearance of stocks from the open market. Government had powers to prohibit withholding of stocks from sale but to utilise the powers effectively it would be necessary to have control over godowns

3. The figures of prices given above are averages for every month and are taken from Abstract of Agricultural Statistics of India, 1949 published by the Economic and Statistical Adviser, Ministry of Agriculture, Government of India.

and warehouses which were scattered widely requiring ultimately large staff for supervision. All these considerations led to the conclusion, it seems, to avoid control over prices of rice. (Notes prepared in the office of the Controller of Prices dated 13th February and 4th April 1941). A serious shortage of rice was felt in Bombay during the first quarter of 1941. In order to find out means of arresting the price rise in rice, Government of Bombay called two conferences of importers of Burma rice in April 1941 as a result of which a scheme for voluntary fixation of fair prices of Burma rice both at wholesale and retail stage was accepted by Government. Accordingly it was decided that Government would fix in consultation with trade interests and notify fair wholesale and retail prices in parity with those in Burma. The Bombay Rice Merchants' Association undertook to see that these prices were adhered to.

The Collectors of rice-producing districts (Thana, Kolaba and Surat) were informed of this understanding between Burma rice importers, Indian dealers and Government. The Collectors of Thana and Surat told the Government that no special action in regard to country rice was necessary as their markets depended on the Bombay market. It was expected that presence of adequate stocks of Burma rice at low rates in Bombay would automatically bring down prices of country rice. (9th July 1941). But the Burma rice price continued to remain high till the end of July 1941 (according to a note of 30th July, 1941).

Prices of wheat registered a rise from the beginning of 1941. The increase in price of 'Pissi' wheat was owing to the price-rise in the primary markets of Punjab. The Government of India which retained the power to control primary markets had not moved in the matter. 'Khandwa' wheat price rose in sympathy with 'Pissi' wheat. Khandwa price rise, however, was mainly accounted for by shortage of wagons. (13th February 1941). From July 1941 onwards prices showed a marked increase upto September 1941 when the Central Government decided to call the Third Price Control Conference to discuss the rising prices which had become a feature of foodgrains prices all over the country. The rise in prices of foodstuffs was so marked in the months of July, August, September that the Bombay Municipal Corporation passed a resolution on 15th September 1941 requesting the Government "to control the prices of foodstuffs".

In the file containing some notes prepared for the Third Price Control Conference the Governor of Bombay, Sir Roger Lumley, remarked on 22nd September 1941 that ascertainment of price charged to the consumer was the concern of the Provincial Government while ascertainment of what was a fair price for the producer was the concern of the Departments of Government of India. He stated that the former "is the duty of the provincial government and it appears that we are not at present

adequately equipped to discharge it". "It is clear", he asserted, "that this question of prices is going to be one of the most important problems which Government will have to tackle and we must have without delay a system and staff which will be able to ascertain what prices are charged to the consumer so that we may know when profiteering is taking place and can jump on it quickly and effectively." The Governor desired, therefore, to have proposals about the matter. He further expressed the need "to press on the Government of India the importance of establishing what are fair prices to the producer".

In a note put up before the Governor for information (8th October 1941) it was stated that the measures taken so far by the Price Control office for checking profiteering were :

(1) running of cheap grainshops. There were 13 shops run by Government in Bombay City. The shops exercised a steadying influence on the retail shops in the city.

(2) publication of fair price lists by the Controller of Prices in Bombay and by the Collectors in districts.

(3) maintaining normal supplies of essential commodities in co-operation with the railways.

1.8 Traffic Congestion on G.I.P. Railway: It has been referred to earlier that prices of foodgrains, especially of wheat were high due to shortages caused by transport bottlenecks owing to wagon difficulties. The Controller of Prices in Bombay was also entrusted with the job of working in co-operation with the railway authorities. It appears from the remarks of the Governor, Sir Roger Lumley, that the Railway Board had appointed Mr. J. T. Day, late Deputy Traffic Manager of G.I.P. Railway as an Officer on Special Duty in June 1941 "to enquire in the Bombay area, what additional forms of transport can be harnessed so as to meet the great increase in traffic". It appears that one of the topics for study by Mr. Day was foodgrains supplies (12th June 1941). Mr. Day submitted his report shortly afterwards.

There was a very serious congestion on the GIP Railway during the months of February and May 1941. A large number of restrictions in regard to booking of traffic in the up-direction including traffic to Bombay caused the serious delay in transit. The important reason for the congestion was increase in traffic brought about by (i) diversion of traffic from sea route to the rail due to lack of shipping space and rise in shipping costs, (ii) diversion of traffic to Bombay from other ports, (iii) very heavy increase in Military consignments, (iv) industrial mobilization, and (v) building activities undertaken by the Military Department. Congestion and shortages of wagons was felt most on the Jhansi and Jabalpur divisions.

Traffic anticipated during the next busy season was heavier than during the months February and May 1941. It was, therefore, recommended that in order to divert groundnut and rice traffic between Bombay and Ratnagiri, G.I.P. should increase rates. Manipulation of rates for road traffic as compared to railways was also suggested. Many other recommendations were made with which we are not concerned here.

Subsequently the Government of Bombay appointed a Board of Transport in November 1941 with the Adviser (Finance) as chairman to ensure that best use was made of all available means of transport during the war. In January 1942 the Government of Bombay decided to exercise control over the use of goods trucks and lorries in the province. This was in pursuance of the Central Government's directive. A Provincial Motor Transport Controller was appointed with regional offices at Ahmedabad, Poona, Nasik and Belgaum to ensure that vehicles were used to the best advantage of the State and the owner. The Controller was authorised to call up information from goods transport operators regarding the use their trucks were put to.⁴

1.9 Government Grain Shops: Five grain shops were opened by the Controller of Prices in Bombay city on 12th January 1940. The number rose to 18 by the end of the month. In the beginning these shops were not popular. The reason for this was given as the absence of any credit-sale facility which the public was used to get normally from the retailer. So some of these shops had to be closed and by the end of the year 1941 there were only 13 Government grain shops actually doing business. In this early stage, the staff in the grain shops was entitled to commission in accordance with the quantity of sales, provided the sales exceeded Rs. 600/- per month per shop. There was only one godown in these days at Tardeo for supplying the shops with stocks of foodgrains, which were being purchased in the open market by the Controller on the lines indicated by the Purchases Sub-committee of the Consultative Committee. Grains (and later on sugar) were bought at wholesale price and sold without any profit except for a small margin to cover the working expenses. In fact the shops were suffering increasing losses during August-November 1940. The grainshops scheme had suffered an average monthly loss of Rs. 2500/- by June 1940 since its inauguration in January 1940. Nevertheless, the shops were gaining in popularity mainly on account of the steady supplies and fair prices. The scheme was being constantly watched and sanction was accorded for every three months by the Government after consultation between the Advisers. A view was held by a section of officials in the Secretariat that when prices were steady during the first half of 1940 and the shops were being run at a loss, there was no point in running the shops at a loss. The Chief Secretary

4. Monthly News-letter of Indian Roads Development Association, November, December, 1941.

noted on 27th November 1940 in this context "the value of the shops is not (by any means) to be gauged even chiefly from the financial standpoint. The cost of the Controller and his staff must enter into the real cost of shops to Government. The continuance of the shops is a deciding factor in steadying and reassuring public opinion on price level issue". The scheme was constantly under observation and on 8th October, 1941 Adviser (Home), Mr. C. H. Bristow observed, "The shortcomings of the shops do not detract from their usefulness which (i) set a standard of reasonable price (ii) enable persons to buy some supplies at reasonable prices and (iii) provide a skeleton distribution system and a practical method of price testing which is capable of expansion in an emergency". This assessment of the government grain shops would seem to have been perfectly justified later on, when they served the public to a great extent when Bombay city was struggling to procure supplies in 1942 and 1943 till rationing was statutorily introduced.

Collectors were asked to open similar grain shops in districts by Government memoranda in October 1939 and January 1940. Early in February 1940 the Government had approved a scheme for opening grain-shops in Surat district to be run by the District Co-operative Purchase and Sales Union, under the supervision of the Collector. The Government had agreed to bear half the amount of loss subject to a maximum of Rs. 2000/- which might be incurred during a period of 6 months. (No details about the working of the scheme were available in Bombay Secretariat Offices.) In no other district were cheap grain shops opened upto the beginning of June 1941.

In Bombay city the Bombay Millowners' Association started 50 grain shops early in 1940 (along side the Government grain shops) with the recognition and encouragement of Government. These shops were better patronized than the Government shops as credit facility for a month was accorded to the employees. The Association purchased articles wholesale and worked out retail prices by adding a small margin of 3 to 5 per cent to cover the expenses. The total value of sales in these 50 shops was Rs. 52,000 in May and rose to Rs. 105,000 in August 1940. The shops became popular in the course of time and just before the Third Price Control Conference on 14th October, 1941 more than 18,000 persons were taking advantage of these Mill shops.

The price situation steadily deteriorated during the quarter August-October 1941. The Third Price Control Conference was called by the Government of India to consider mainly the measures to be taken to counteract the speculation.

SECTION III :

1.10 *Third Price Control Conference:* The Third Price Control Conference which met on 16th and 17th October 1941 discussed the existing

position as regards price control. Prices of wheat occupied the major part of the discussions. It was pointed out in the course of the discussion that wheat prices generally went up in January and February before the new crop was harvested in March or April. The rise in price of wheat registered in July and August 1941 led to the inference that it was due to speculation.

The general view was that the consumer was suffering hardship from the rise in foodgrain prices in October 1941, while the farmer was not getting advantage from the increase as he was being mulcted by the middleman and speculator.

Control of wheat prices was opposed by the representative of the Punjab Govt. He agreed that if wheat prices went above Rs. 5/- per maund some control would become necessary, in which case he suggested, a minimum price of Rs. 3-12-0 should be guaranteed. He further requested that should a maximum price be declared, it should not be applicable during the harvest period April 15th to July 15th, 1942.

It was generally agreed that maximum prices for wheat may be fixed by the Government of India if circumstances demanded. The problem of rice prices was one of getting the available supplies transported to required areas during scarcity period. It was hoped that the shipping position would improve and normal imports from Burma would be available for the Bombay, Travancore and Malabar areas.

That Japan would enter the war in the near future was not foreseen at the time of the Conference is obvious from the hope expressed about improvement of Burma imports.

According to the decision of the conference, the Government of India was examining the trend of wheat prices and when it was found that prices continued to rise, the Government of India issued a Press Note on 2nd November 1941 advising that the price of Rs. 4/6/- per maund of standard wheat at Lyallpur and Hapur markets would be regarded as fair. Traders and merchants were warned that contracts entered into at higher than Rs. 4/6/- would not entitle them to any concession if and when the maximum would ultimately be fixed. On 9th November 1941, the Government of India conferred by a Notification all powers for regulating, the keeping and storage, disposal, etc., of food articles on the Provincial Governments. The Government of Bombay was thus enabled to ask merchants and dealers to declare their stocks and to enforce compulsory sale at maximum rates.

One month after the warning, Government of India issued a Notification on 5th December, 1941 prohibiting spot transactions in wheat at the primary wholesale markets of Lyallpur and Hapur at rates above Rs. 4/6/- per maund. The Provincial Governments were required to fix

local wholesale and retail prices on the basis of the above price at Hapur and Lyallpur.

On 7th December Japan bombed Pearl Harbour and war started in the East. This was a turning point and brought India very near the war theatre. India became strategically important requiring a change in the control strategy.

1.11 *Conclusion:* The period from 3rd September, 1939 to the 7th December 1941, from the commencement of the war to the entry of Japan has been described as the price control era. Prices of "necessaries of life" were controlled in the sense that the Government indicated the fair prices by issuance of fair price lists periodically and by the fixation of maximum prices. The 'fixation' was vague and confusing inasmuch as it has been admitted that (a) the pre-war prices of commodities were not definitely known and (b) the increased landed costs of imported articles and the increase in the cost of production of indigenous commodities on account of rise in prices of raw materials going into the latter's production were not ascertainable. The difficulty was greater in the case of agricultural commodities. The Collector of Surat positively inquired of the Government how he was to arrive at the increased cost of production in the matter of agricultural produce (vide his letter dated 26th January 1940). He was not given a reply in view of the notification dated 21st February which changed the price control basis.

On the 25th May 1940, the Government of India issued a notification empowering the Provincial Governments to fix prices without any reference to the pre-war price. This removed the unnecessary limitation on provincial discretion. But the notification was followed by the Bombay Government decision in July 1940 that no legally enforceable price control was necessary in the province on account of the tendency of prices to get stabilized. Thus whatever little control on prices existed between September 1939 and May 1940 came to be abolished.

Throughout the period covered in this chapter, there is no evidence of any prosecutions launched against the evaders of price control orders. It was practically impossible for government to catch any defaulters because there was no precise formula for price determination. Later when the Bombay Government was conferred with powers to fix prices at its discretion it did not think it necessary to have any price control. All this boils down to the fact that upto November 1941 there was no price control worth the name though apparently there was a frame for it. No authority had enough powers to find out defaulters and to prosecute them. In Bombay city, after the 25th May notification, the Government got powers to make issuing of cash memos obligatory on dealers. Some dealers in medical supplies, however, were stated to have been prosecuted

for not complying with government orders. But as far as foodgrains prices are concerned no prosecutions were found to have been launched.

Thus it seems there was no 'control' at all during the period. The term 'control' implies restrictions; here restrictions were not clear even to those who imposed them. It was not comprehensive because it was admitted that evasions or circumventions were easy. When restrictions were neither clear nor comprehensive it is obvious that execution was difficult. The Commissioners in their joint memorandum had suggested that prices be fixed in 'figures' rather than in terms of 'percentages' above prewar level. The percentage ceilings made it difficult to find out infringement of orders, they argued. This was an attempt to make the restrictions clear but it was not permitted. The second suggestion of the Commissioners was that the District Collector be given powers to requisition stocks or effect sales when stocks were withheld. But this attempt to make the restrictions effective was foiled by the Second Price Control Conference. What remained was a nebulous and ineffective control. It was followed practically by removal of control in July 1940 when the Government felt no legally enforceable price control was necessary in the Province. It will not be incorrect to conclude that Government issued some 'price indicating' orders after the commencement of the war but did not interfere in the course of prices.

It was only in November and December 1939 when prices shot up due to speculative activity that the Government of Bombay acted promptly in appointing a Controller of Prices for the province. His jurisdiction was later on restricted to the city of Bombay. He, along with the Collectors, merely issued fair price lists every week, and 'watched' the situation. The role of the cheap grain shops run in the city was also limited. The grainshops served to set a standard of reasonable price. But no action was taken by Government to see whether the standard laid down was at least generally adhered to. The grain shops scheme was in the words of the Secretary, General Department "effective in silencing the public clamour that government was doing nothing to control retail prices of commodities" (10th July 1940). It becomes obvious that it was continued more for political reasons than as an effective tool of affecting the retail prices. It will be naive to suppose that some 13 or 18 shops run by government could affect the large class of retail shops in the city. This grain shop scheme served some purpose no doubt, but it is difficult to give any undue weight to it in the large context of the province. In the districts, it seems that except in Surat district no scheme for grain shops was chalked out and run effectively till the middle of June-July 1941 when positive instructions were given to open shops.

All that was attempted, in the major portion of the period under consideration, by the Government of Bombay was (1) running of govern-
2...

ment grain shops in the city (2) publication of fair price lists and (3) maintenance of normal supplies of foodstuffs in the districts in the latter half of the year 1941. What was specifically done in the districts in regard to (3) is not known. For Bombay city the only noteworthy move taken was to collaborate with Burma rice importers and to fix fair prices for imported rice. But this step also did not result in the easing of supply position nor did the prices stabilize at the stipulated level.

Broadly, the Government did nothing effective as regards prices of foodgrains. Supply was short owing to speculators' activity and transport difficulties in the year 1941; for rice, government depended on shipping services from Burma and for wheat it had to rely on the Government of India. Following the conclusion of the Second Price Control Conference, Government of India had imposed control on primary wholesale markets. For wheat supplies, therefore, Bombay Government depended on the Punjab and U.P. where virtually free markets prevailed with the connivance and to some extent encouragement of those provincial governments. It has, therefore, to be admitted that the Bombay Government was entirely at the mercy of the wheat producing provinces over whose actions the Central Government hesitated to impose restrictions.

It is obvious that situations were considered in parts and the problem of price and supplies was not viewed from a wide perspective and in a long term context. The Economic Adviser to Government of India had observed from the experience of the first World War that "it was necessary to push the frontier of control further and to attempt to displace the price mechanism as the regulator of the distributive process" (11th September 1939). But he was not prepared to take the practical consequences of such a step, it seems. Rationing was a doubtful experiment as it involved enormous administrative apparatus. He considered a huge rationing organization an impossibility. The Chief Secretary of Bombay Government held that some sort of rigid control on distribution of foodstuffs was necessary to hold the prices. He had urged, in fact, earnest consideration of some system of rationing (Note dated 9th December 1939).

In spite of the awareness of the requirement to do something radical about the price control which had failed to serve the avowed objective, nothing was done, it appears, mainly on the score of the administrative problems. Prices were allowed to take their own course and Government remained an observer as far as possible. The divided responsibility between the Central and Provincial governments is to blame for the sustained price increase in the period September 1939 to December 1941. But as stated by the Economic Adviser to Government of India in his Memorandum on Commodity and Price Control Policy, dated 11th September, 1939 "the constitutional and administrative machinery in India

is adjusted to the principle of devolution. Diversity of provincial policies and still closest contact with Government of India" was the fundamental principle governing the relationship between the Centre and the Provinces. To this may be traced the reasons of failure of price control techniques applied in the period September 1939 to December 1941.

CHAPTER II

FROM PRICE CONTROL TO RATIONING

2.1 Consequences of Japanese entry in War: On 5th December, 1941, the Government of India prohibited *spot* transactions in wheat at the primary wholesale markets of Lyallapur and Hapur at rates above Rs. 4/6/- per maund. It also removed the import duty of two annas on wheat and appointed a Wheat Commissioner to regulate the distribution of wheat and to acquire wheat, if and when necessary, through provincial agencies.

The Government of Bombay followed up the Central order and controlled wheat prices with effect from 11th December, 1941. The district Collectors were asked to fix similar wholesale and retail prices taking into consideration the differential in costs of transport. The notified prices, however, were not agreeable to the traders and acute local shortages developed in many wheat consuming areas. Supplies were not forthcoming at the prescribed rates, and as a result of shortages, prices rose. The index number of retail price of wheat rose from 110 in November to 127 in December 1941 in Bombay, from 127 to 144 in Poona and from 126 to 139 in Ahmedabad. The rise in price of wheat was accompanied by similar rise in other foodstuffs, which was attributed to the tendency on the part of merchants and dealers in commodities throughout the province to put up prices. It was admitted that "prices have been unduly inflated without any justification and some profiteering has been going on". (Circular to Collectors dated 24th December, 1941).

In December 1941, the Government of India thought it desirable to delegate the entire powers under Rule 81 of the Defence of India Rules to the Provincial Governments. Under these powers the latter could be able to control, in an emergency, movements of commodities in local markets, to fix prices and adopt methods for maintaining the availability of foodstuffs. The Provincial Governments were accordingly informed on 17th December, that they could exercise the emergency powers freely (without prior consultation with the Government of India) as an emergency had arisen throughout India.

This delegation of full powers to the Provincial Government almost changed the scope of provincial action. The administrative machinery for control was rationalized and the Secretary to the General Department was designated as the Director of Civil Supplies. The Controller of Prices ceased to be an administrative officer and became executive head

of control activity in Bombay City only. He was to continue to look after the grain shops and to publish fair price lists in addition to the work of collection of statistics of civil supplies in Bombay city. The Officer on Special Duty under the Controller was made an Assistant Director of Civil Supplies along with three others. The widening of the powers and scope of the control under Provincial Government has been described as a turning point. "The era of fair prices and endless deliberations on theory of price control came to an end." (Note prepared in the Bombay Secretariat sometime in early 1944).

By a notification No. 4747/33 dated 22nd December, 1941, powers were conferred by the Government of Bombay on the District Magistrates to fix maximum prices of certain essential commodities (in which major foodgrains were included), to prohibit the withholding from sale of articles (mentioned in the Notification) and to enter and inspect the premises of dealers concerned.

By a circular letter dated 24th December, 1941 the Government asked the Collectors to watch the situation carefully and control it without delay so as not to allow further deterioration. Preventive action was preferable to allowing things to get out of hands and then exercising control, it was emphasised. The Collectors were asked to note that "the policy is to control profiteering and not high prices as such" which were inevitable under war conditions. The maximum prices to be prescribed in a local market should be such as to leave margin between wholesale rates in primary markets and the local rates which would be sufficiently attractive to keep the imports and to maintain adequate supplies, it was stated. Collectors were advised to be cautious in using the power of prohibition of exports from the districts. Only in case of serious shortage arising in the district was this power to be used by the Collector.

The shortage of stocks in Bombay city was caused by congestion of traffic on the G.I.P. Railway. Similar shortages in other urban centres and generally throughout the province were attributed to stoppage of imports of Burma rice in the wake of Japanese onslaught, restricted supplies from other provinces and failure of crops in some districts. For instance the harvest was poor in Thana district. The tendency to withhold stocks was increasing among agriculturists and traders ultimately leading to profiteering. What happened was, that immediately after the announcement of Japan's entry in the War, goods began to change hands at increasing rates among the merchants themselves for hoarding and profiteering purposes.

This activity coupled with the difficulties of transport caused the sudden rise in prices which is seen from Table 2.1 below.

TABLE No. 2.1.

Index numbers of retail prices of major foodgrains.

(Base : July 1914 = 100).

		Rice	Wheat	Jowar	Bajri
Bombay	Nov. 1941	142	110	101	102
	Jan. 1942	156	126	109	110
Ahmedabad	Nov. 1941	139	126	79	64
	Jan. 1942	146	142	98	93
Sholapur	Nov. 1941	133	121	90	86
	Jan. 1942	155	133	100	97
Poona	Nov. 1941	145	127	109	105
	Jan. 1942	183	150	131	117

Having empowered the District Collectors to take preventive steps in order to control supplies and prices, Government asked the Consultative Committee whether the grain dealers in Bombay city should be required to declare stocks. The Consultative Committee did not think it was necessary. The Secretary, General Department, observed on 30th December 1941, "The Consultative Committee is representative more of the trade interests than of the consumer interests and their objection to asking the merchants to declare their stocks is only natural". The Adviser (Finance) also was not happy over the Consultative Committee's recommendation. The Government of Bombay, afterwards, issued an order under Defence of India Rules on 9th January, 1942 requiring all dealers in Burma rice, country rice, wheat, jowar, bajri, etc. to send a statement of stocks every Monday to the Controller of Prices, provided the stocks held exceeded one hundred bags on any day during the previous week. The object of this order was to secure reliable information about stocks of foodgrains in Bombay city. The dealers were assured that Government did not intend to interfere in their trade. They were warned, however, that failure to furnish correct statements of stocks would make them liable to prosecution.

Shortage of wheat was artificial, the result of non-co-operation of traders with Government of India, as a protest against the ceiling of Rs. 4/6/- per maund of wheat placed in December 1941. The Punjab Government put an export ban which caused considerable hardship in wheat consuming areas. Similar embargoes were placed by other Provincial Governments on export of foodgrains. Due to the restrictions imposed by other Provincial Governments, the supply position in Bombay province became difficult. Bombay city was affected most. The stocks of main cereals in the city declined from 17,08,000 maunds in February

1942 to 11,58,000 maunds in May 1942. Rice stocks fell from 12,58,000 to 6,66,000 maunds during the period, while wheat stocks were reduced to 96,000 maunds in April; millets diminished from 1,12,000 maunds in February to 26,000 maunds in June 1942. The considerable decline in rice stocks was partly due to exports to Ratnagiri district.

The first problem before the Government was, therefore, to conserve the available supplies and to prevent them from being exported to high price markets for hoarding. Secondly, Government had to ensure a smooth flow of foodstuffs into the deficit areas of the province and particularly into Bombay city. In the case of imported rice, Bombay city and Konkan were the two important consuming centres. Wheat imports, on the other hand, were required all over the province.

The Fourth Price Control Conference convened on 6th and 7th February, 1942, by the Commerce Department of the Government of India, agreed that the scope of price control should be extended. The conference devoted attention mainly to problems in food supplies and it was generally agreed that policies of stock building and restricting inter-provincial trade should be discouraged. It will be obvious from the following paragraph that the Provincial Governments did not pay any heed to this recommendation. It concluded that some authority should be appointed to determine the quantity of wheat to be taken off from Punjab markets and to be distributed among various consuming areas. The Wheat Commissioner could not effectively regulate wheat stocks and their disposal, as he was forestalled by the acute shortages referred to above.¹ The Government of India issued the Wheat Control Order in April 1942 regulating the movement by railways from producing centres to consuming areas. The maximum wholesale price of wheat was earlier raised to Rs. 5/- per maund by the Government of India, which step is stated to have had a steadying effect on wheat prices for some months upto August.

2.2 Bans on Exports: After the entry of Japan in the War, the situation developed rapidly. Rangoon was bombed on 23rd January; Singapore capitulated on 15th February. Exporting provinces, notwithstanding the recommendation of the Fourth Price Control Conference, took steps to safeguard their food position. Bans were imposed on exports of foodgrains by the Central Provinces in March, Madras in June; Bihar and Bengal took action about the same time. Punjab had restricted exports as early as in April. The imposition of bans on exports of foodgrains by other Provinces thus made it necessary for the Bombay Government to take a similar step. With a view to conserving adequate stocks for local needs and to regulate distribution of surpluses in certain districts, the Government decided to ban exports. Exports of rice and wheat from Bombay city to Kathiawar and Northern Gujarat States had assumed

1. Sir Henry Knight; 'Food Administration in India', p. 47.

abnormal proportions in March. Government issued orders on 15th and 21st March prohibiting the export of rice, wheat, wheat flour and atta to places outside the Bombay province. Later, on 26th, March export of wheat, wheat flour and atta out of Bombay city and Suburban district was banned. Subsequently, the traders began to operate on other foodgrains like jowar and bajri, hence a ban was imposed on export of jowar and bajri from Bombay city and Bombay Suburban District with effect from 4th April 1942. The exporters thereupon shifted their activity to Sholapur district which has an appreciable surplus of jowar in normal times. The stocks of jowar were heavily bought and exported from that district. On 24th April the exports of jowar to places outside the district were banned. Export bans were later on extended to other commodities and were introduced by a number of other districts.

Export bans, in the districts, were originally imposed in order to conserve supplies in scarcity and famine areas and referred mainly to jowar and bajri. These bans were imposed especially in districts adjoining Indian States. District Magistrates were required to take prior approval of Government before imposing bans on exports. Bans were imposed on exports of articles of consumption as and when felt desirable by the District Magistrates as seen in Table 2.2 below.

TABLE No. 2.2.
Progress in Export Bans.

Date of Order	Ban on exports from	Commodities
24th April, 1942	Sholapur	Jowar.
11th June, 1942	Whole province	Sugar.
14th July, 1942	Sholapur	Bajri, gram, gramdal, tur or turdal
— " —	Poona	Jowar, bajri, gram, gramdal, tur or turdal.
— " —	Satara	Jowar, bajri, gram, gramdal, tur or turdal.
— " —	Nasik	Jowar, gram, gramdal, tur, turdal.
— " —	W. Khandesh	Jowar, gram, gramdal, tur, turdal.
— " —	Ahmednagar	Bajri, gram, gramdal, tur, turdal.
27th July, 1942	Kolaba	Jowar, bajri, rice and paddy.
— " —	Ratnagiri	Jowar, bajri.
— " —	Kanara	Jowar, bajri, rice and paddy.
— " —	Dharwar	Bajri.
— " —	Belgaum	Jowar, bajri.
— " —	Bijapur	Bajri.
24th February, 1943	Whole province	Gur (jaggery).
25th February, 1943	Thana	Rice, paddy or rice flour.

2.3 Procurement of supplies from other Provinces: Imposition of bans on exports was one side of the Government effort to conserve and maintain supplies of foodgrains. On the other side, Government had to take up the responsibility of procuring supplies from out of the Province. The work had to be done at Government level.

Rice : Bombay province normally imported rice from Burma and Madras province. With the stoppage of Burma rice imports in January 1942, it was decided to approach the Government of Madras for allocation of rice quota. The Madras Government declined to commit themselves to a fixed quota but gave 6000 tons for the period July-September 1942. Part of this was obtained through a private agency. Subsequently, Madras Government appointed Grain purchasing officers to collect quantities allotted to other Governments. So Bombay Government cancelled the arrangement with the private agency and appointed a Government official to take over the supplies from Madras Government, and to arrange for transport.

The Madras Government agreed to send rice supplies necessary in the month of October after persistent requests from the Bombay Government. The Controller of Prices was sent to Madras to plead Bombay's case. The position of rice in Bombay in the month of August was so poor that the consumers had to go almost with half their normal requirements of rice. The Madras Government, on the other hand, pleaded that Bombay should continue export of wheat flour to Madras. This was not possible because supply of wheat and wheat products was entirely the responsibility of Government of India's Wheat Commissioner and secondly because the position in Bombay itself in respect of wheat and wheat products was far from satisfactory, as the Wheat Commissioner had failed to provide Bombay province with the promised quota from Punjab and Sind. (Note of the Controller of Prices narrating his negotiations with Mr. Karunakara Menon, Secretary to Development Department, Madras).

In the meantime Government secured a quota of 4000 tons from Sind Government.

During this period (April-November 1942) merchants from all over the Province were applying for permits to import rice from Bezwada. Government could not release any rice to the districts on account of the rice shortage in Bombay city.

Wheat : The Wheat Commissioner of India was responsible for control of supplies and allotment of quotas of wheat to Provincial Governments, from April 1942 when the Wheat Control Order was issued. The Government of Bombay distributed the import permits secured from the Wheat Commissioner among wheat merchants and flour mills on the basis of past performance. This allocation was done by the specially appointed

sub-committee of the Consultative Committee. The arrangements were closely watched for some time but within eight weeks an appreciable part of imports went into black market and was not available to the public. Government, therefore, changed the arrangement and appointed Wallace Flour Mills as their sole agents for the purpose.

Jowar : There was acute shortage of jowar in Bombay city as well as in the districts in the months of April and May 1942. A quota of 30,000 tons, subsequently raised to 40,000 was secured directly from Hyderabad Government and permits were given to merchants. But when it was found that imports by merchants led to profiteering, the Chief Marketing Officer with Government of Bombay was deputed to make purchases and arrange for transport. The rates paid were to be approved by Hyderabad Government. Part of the quota was delivered to the deficit areas in the districts also.

By November 1942, Government held substantial proportion of food-grains as a result of the import operations of Government described above. Government held in November 11,021 tons of rice out of the total stocks of 15,540 tons, 6,723 tons of wheat out of 10,764 tons and 3343 tons of jowar out of 3,674 tons of jowar stocks. 4,739 tons of bajri stocks were held exclusively on private account. Thus, out of total reported stocks of 34,717 tons in Bombay city Government held 21,087 tons by the end of November 1942.

2.4 Control of Prices: Wheat :—Prices of wheat were controlled by the Government of Bombay in accordance with the changes made by the Wheat Commissioner after the promulgation of Wheat Control order in April and the fixation of wholesale wheat price at Rs. 5/- per maund earlier in March 1942. As stated by the Government of Bombay, Bombay province depended for wheat on other provinces to the extent of at least one-third of its requirements, hence the controlled rates helped to stabilise prices of wheat all over the province. The rates of wheat products like flour, atta, bran were first controlled in Bombay city and Bombay Suburban District on 11th June, 1942 in parity with the wheat prices. Most of the District Magistrates followed this action. The controlled rates for wheat products were revised from time to time in accordance with wheat prices. The size and price of baker's bread also was controlled later on. [Bombay Bread (control and Maximum Prices) Order, dated 15th January, 1944].

Rice: During the months of May and June 1942 the price of rice rose suddenly. Burma rice was stated to have recorded a rise of 158 per cent over the pre-war level. The average retail price of rice in Bombay city rose from Rs. 9-8-5 per maund in April to Rs. 11-1-9 in July 1942, and that of rice in husk rose to Rs. 7-12-7 from Rs. 6-10-8 per maund.² The

2. Abstract of Agricultural Statistics of India, 1949.

index number of retail rice prices rose from 154 to 174 in Ahmedabad and from 145 to 159 in Sholapur from April to July 1942. The Government of Bombay, therefore, fixed the maximum wholesale and retail prices of Burma rice, Madras and Bengal rice and rice produced in Thana and Kolaba districts, by an order issued on 25th June, 1942. The controlled rates were revised from time to time to provide for the rise in prices at the sources of supply. Similar orders were issued for prices of rice imported from Sind on 2nd November, 1942 and that from Central Provinces on 15th December, 1942.

Jowar : After the Government had adequate supply of jowar imported from Hyderabad on hand, prices were fixed in Bombay city at Rs. 4-4-0 per maund on 18th August, 1942. The retail price was controlled at six annas per paylee.

Pulses : Prices of gram, gramdal and turdal recorded an abnormal rise during the months of July-August 1942. Prices were controlled, therefore, on 26th August. But as it was found later on, that it was not economical for traders to obtain supplies from Punjab, United Provinces and Central Provinces at the higher rates prevailing in supplying areas in these Provinces, Government decontrolled prices on the advice of Trade with effect from 20th October, 1942. As a result, the stock position was stated to have improved.

The main difficulty in exercising control measures properly in respect of all the foodgrains was that there was no control on prices at the sources of supplies (viz. other provinces). Wheat alone was centrally controlled and jowar was controlled by Hyderabad Government.

Control measures were taken in the districts after consultation with the local advisory committees. The Commissioners scrutinized the controlled rates, so that produce of one district was not attracted to another on account of price differential.

2.5 Other Developments: The threatening war developments on the eastern theatre convinced the authorities that food shortages had emerged as one single problem and would need comprehensive measures. On the recommendations of the Indian Central Cotton Committee and the Imperial Council of Agricultural Research, the Government of India called a Food Production Conference on 6th April. It was presided over by the Member of the Executive Council (of the Viceroy) in charge of the Department of Education, Health and Lands. The Conference viewed with grave concern the shortage of food and recommended a planned drive for increase of food and fodder crops. This was the origin of the Grow More Food Campaign.

The Fifth Price Control Conference met on 5th April, 1942, reviewed the course of prices and concluded that if control over prices was to

be successful, Provincial and State Governments must effectively control stocks of food-stuffs, their location and movement. A system of licensing the wholesale dealers was recommended, with a view to ensuring an effective check on quantities. This recommendation was implemented by the Government of India by issuing the Foodgrains Control Order on 21st May, 1942. It provided that all persons other than producers of foodgrains engaged in any undertaking involving the purchase, sale or storage for sale in quantities exceeding 20 maunds in any one transaction of any specified foodgrains shall be required to apply to the Provincial Government for a licence. In issuing licences the normal channels of trade were to be left undisturbed. Licence-holders were required to keep accounts in the prescribed manner and to submit monthly return of their purchases, sales and stocks. The order originally applied to major foodgrains, but minor millets and pulses were added to its schedule subsequently at the instance of Provincial Governments. The Foodgrains Control Order thus attempted mainly (i) to segregate the legitimate trader from the speculator and (ii) to secure information of wholesale stocks and their movements.

The Foodgrains Control Order was applied to Bombay Province with effect from 1st July, 1942 and wholesale licences for Bombay city and Bombay Suburban District were issued under this order from 26th June. Under the Bombay Government Order, licences were issued not only to wholesale merchants but also to associations, industrial organizations, firms, etc., who had taken upon themselves the responsibility of distributing foodgrains to their employees. The order proved to be effective in Bombay city but the results were rather disappointing in the districts, it was stated. To make the order effective, 20 licensing inspectors were appointed in August 1942 for the city of Bombay and Bombay Suburban District. It was noticed that no particular care was taken to see that only bonafide merchants of some standing were licensed and new entrants refused. The magistracy was inclined, in the beginning, not to impose deterrent sentences on defaulters to which many early breaches of the Order could be attributed. Lack of adequate supervising staff has, however, been held responsible for the disappointing results in the districts. (According to an undated note in Bombay Secretariat prepared sometime late 1943).

In a note furnished by the Food Department of the Government of India to the Foodgrains Policy Committee, 1943, it was stated "judging from the delayed and indifferent enforcement of the Order in certain areas its valuable use as a powerful weapon in handling the deteriorating food situation in the country was not fully realized". The Order was considered by the Government of India to be of great value in obtaining some degree of physical control over stocks without which no price control was possible. All powers under the Order were vested in the Pro-

vincial Governments and they alone were expected to have the machinery to implement it. Failure of the Order to serve the avowed objectives was attributed to lack of adequate inspecting staff in most of the component Governments.

The Government of India authorised the Provincial Governments by a notification dated 4th July, 1942 to appoint officers and to delegate to them the powers conferred upon Provinces to deal with all matters relating to licences required under Foodgrains Control Order. Provincial Governments were given complete freedom to requisition stocks without prior approval of the Centre, by a later order of 17th August, 1942.

The Foodgrains Control Order was supplemented by the Bombay Retail Trade Control and Licensing Order issued on 29th July, 1942. Every retailer was required by this order to take out a licence for sale or storage for sale, in retail quantities of articles included in the schedule of this order (namely, wheat and wheat products, paddy, rice, maize, jowar, bajri, gram and pulses of all kinds). The licensee was required to comply with any directions issued by Government in regard to his trade from time to time.

On the recommendations of the Fourth and Fifth Price Control Conferences a Regional Price and Supply Board was formed to co-ordinate prices and supplies and control policies of neighbouring provinces and states. The Bombay Board held its first meeting on 27th April, 1942 and last meeting on 12th March, 1943. The deliberations had very little effect on Government of India policy or on the policies of the constituent governments. The sub-regional Boards established within the Province to co-ordinate the policies of District Magistrates and the adjoining States proved equally useless. Thus this experiment in co-ordination of control measures on regional basis came to an end in March 1943.

Freezing of Stocks in Bombay city: With the growing shortages of supplies and increasing control obtained by Government over imports from outside the Province, it was felt desirable to control movement of stocks in order to prevent hoarding on the one hand and disappearance of grains in black markets on the other. Government had already required dealers to give statements of stocks held every week by the order issued on 9th January, 1942. It was decided to freeze stocks as a next step in the programme of securing physical control over foodgrains supplies.

The Government directed that stocks of any article in a quantity exceeding a stipulated limit in any godown or other place of storage would not be removed or otherwise disposed of without the written permission of the Government or any authorised officer. This was "freezing". Thus Government ordered freezing of bajri or its products stored in excess of 10 maunds on 30th December, 1942. Other important articles thus frozen are given below:—

(1)	1st January 1943	Wheat or wheat products	exceeding 10 mds.
(2)	5th June 1943	Sugar, crystal sugar, crushed sugar, lissa sugar, bura sugar, or sugar candy.	exceeding 25 mds. whether separately or in aggregate.
(3)	17th June 1943 amended afterwards 4th and 10th January 1944	Barley (including barley in husk, barley flour and barley bran).	exceeding 10 mds.
(4)	5th February 1944	Paddy (of all places of origin).	exceeding 10 mds.

Freezing was also expected to prevent speculative purchases with a view to cornering stocks. Further it was felt that though Government gradually came into possession of large stocks, controlled distribution could not be successful unless all stocks came under Government control. The policy of freezing stocks was therefore adopted in June 1942 when stocks of paddy and rice were frozen in Bombay city and Bombay Suburban District. By the end of the year 1942 stocks of wheat also were frozen and bajri was frozen simultaneously.

2.6 Control over Distribution: Districts: In order to peg prices of foodgrains at a reasonable level and to put a possible check on profiteering and hoarding Government passed a resolution on 15th June, 1942, requesting the Collectors to consider the question of opening cheap-grain-shops in the districts. Government offered to finance such shops in district towns and similar thickly populated towns. Opening grain shops was considered by Government as a valuable method of avoiding discontent among the people and specially to provide the smaller consumer with his essential requirements at reasonable prices which would just cover the purchase price and the cost of distribution.

The choice of a suitable agency depended on local circumstances and most Collectors preferred a local public committee which would be easily amenable to Government supervision. Where local committees were not available, private parties were encouraged, in case Government supervision was ensured. In order to prevent hoarding by better-off sections of the community, sales at these shops were to be made in small quantities. The Collectors were required to lay down terms on which the shops were to be run by the approved agency. The terms referred among others to (i) commodities sold, (ii) margin over costs, (iii) maximum quantity sold to a customer at any one time.

Upto September 1942, Government, where necessary, granted loans free of interest or guaranteed half the loss during the first six months subject to a maximum of Rs. 100 but not both. As the number of proposals from Collectors for opening cheap grain shops increased, it was decided

to formulate certain guiding principles in regard to financial help. Following gives the outline of the policy :—

- (1) Shops opened by private agencies were put into two classes :
 - (a) where a local government official had an effective voice in the management.
 - (b) where government had no voice.

In both cases Government might sanction interest-free loans to be repayed normally in one year.

- (2) Grant was given for purposes of weights, scales and other dead stock.

- (3) As regards the loss in running a shop belonging to category (a), Government would bear the whole loss for the first six months when the position would be reviewed.

In respect of category (b), if no interest free loan was sanctioned, Government might bear 50 per cent of the loss during the first six months subject to a maximum of Rs. 100/-.

The shops in category (a) were given priority over other agencies for supplies and facilities for transport, etc.

While recommending the opening of cheap grain shops to the District Collectors, the Adviser (Finance) observed, "The shops should serve as price guides to public. The public must feel that Government is actively associated with these shops and has an effective voice in the control of these shops". (13th July, 1942).

Bombay City: By the end of 1941 the number of Government grain shops functioning in the city was 13. With acute shortage of wheat, rice and other foodgrains in the early months of 1942 the popularity and utility of these shops increased. It was also noticed that a number of retailers had left the city with the scare of possible air attacks on the city after Vizagapatam and Cocanada were bombed. Government, therefore, increased the number of shops so as to be able to deal with any emergency. At the end of May the number of government grain-shops increased to 36 and rose to 50 in June 1942. Government had gradually realised that it would have to take up responsibility for distribution on a very large scale just as it had to take initiative in importing foodgrains from outside the Province. "The Government of Bombay had for some time been convinced that the only effective solution of the problem of Bombay city must lie in rationing. As early as June 1942 an Officer was put on special duty to work out a plan for this".⁸

8. Sir Henry Knight, Food Administration in India, p. 202.

The expansion of Government controlled retail distribution in 1942 is evident from the quantities of sales effected through Government shops shown in the Table below :

TABLE No. 2.3.

Foodgrains distribution through cheap grain shops during 1942 in Bombay city.
(Grains in bags of 24 paylees)

Month	Stores	Shops	Rice	Wheat	Bajri	Jowar	Total
March	—	13	1290	675	83	78	2126
April	—	13	1407	1582	272	129	3390
May	—	36	1617	705	242	130	2694
June	—	50	2712	1254	399	221	4586
July	—	50	15225	3524	1241	1244	21234
August	—	50	20740	3719	332	3165	27956
September	—	50	16466	5815	1204	9522	35007
October	16	65	46972	10898	755	8394	67019
November	24	39	39481	6979	165	4388	51013
December	28	32	20292	12880	—	7800	40972

Stores were bigger shops opened later on, which also catered for articles of consumption other than rice, wheat and millets which were scarce in the market (e.g. tea, matches, soap, etc.). It appears some of the shops were converted into stores after October 1942. Another important fact seen from Table 2.3 is that supplies of grains were not regular and somehow government managed to fulfil the minimum quantum by substituting one grain by another when one was short in supply. As the food difficulties increased long queues were to be seen outside these shops. The queues showed the growing popularity of the shops as also the acute shortages. Purchasers often had to stand in the queues for hours together to get the small allotments of foodstuffs. The decrease in supplies in November and December as seen in the Table above was owing to increased supplies made available to other approved agencies of distribution such as mill shops, industrial establishments, etc.

Earlier, in August 1942, the Indian Merchants Chamber had urged on the Government to open more government grain shops and to allow the wholesale and retail trades to function effectively. It also requested that the control system should be modified in consultation with trade interests.

It is to be noted that, the grain shops initially opened for the benefit of the labour and lower middle classes and as such started in their localities were becoming popular and reportedly came

to be used by the upper middle class in 1942 when shortage and scarcity became severe. The increasing clientele was reflected in the total sales which rose from about Rs. 55,000 in April to Rs. 870,000 in September 1942.

During May-October 1942, sugar became scarce in Bombay city. Maximum wholesale and retail prices were therefore fixed by the Government in June 1942. As a next step, all sugar stocks with wholesalers were frozen and disposal was regulated by means of permits to retailers and large establishments requiring sugar. Most of the retailers formed themselves into different associations. Complaints came in that retailers were not selling sugar at controlled prices during August and September 1942. The wholesalers were, therefore, requested in October to open 40 shops scattered all over the city, where only sugar would be sold to domestic consumers in small quantities. The Government grain shops also were supplied with sugar for distribution.

The Food Controller's Office was created in August 1942 to handle local bulk purchases and distribution to government grain shops, mill shops, factory shops and wholesalers, etc. The Food Controller looked after the task of building up stocks, securing adequate storage accommodation for foodgrains imported from outside the Province and even the clearance of grains at railway yards (and docks after rationing was introduced).

The unilateral action taken by various provinces in banning exports of foodgrains caused shortages in deficit areas of the Bombay province and in Bombay city proper. The critical war situation and the August 1942 political movement and consequent disturbances contributed to the unsteady situation; communications were disorganized creating added transport difficulties in movement of foodgrains. Food merchants organized a food strike by refusing to sell or keeping shops closed in Bombay and other places making the supply position worse. The strike of the food merchants "who had made considerable profit from the common people's needs gave popular support to Bombay Government's eventually taking over all supply of foodgrains in the City".⁴ The Government was therefore giving serious thought to introduction of some skeleton rationing scheme by August-September.

Measures for restraint of trade taken independently and largely without reference to one another by Provincial Governments had resulted in a scramble for supplies which occurred in many parts of the country. It was becoming more and more difficult for deficit areas to buy food and feed the people. On the background of this atmosphere, the Sixth Price Control Conference met in September 1942 to find out a solution to the problem of supplies. The Conference considered a scheme for centralized purchase of foodgrains. It was the forerunner of the later 'Basic

4. op. cit. p. 52.

Plan' which started operation from April 1943. The scheme accepted the principle of "equality of sacrifice" in calculating the export quotas from producing areas to consuming areas. The scheme itself is considered "a step in advance and an indication of the probable plight of India" by Sir Henry Knight.⁵ The scheme, however, was not implemented in the original form. The scheme was to apply only to wheat, though similar schemes were recommended for other staple commodities.

That the Government of Bombay was seriously considering plans for Rationing is evident from a confidential letter sent by the Government to some important associations and concerns employing a large number of labourers in Bombay city (e.g. G.I.P. Railway, B.B.C.I. Railway, Port Trust, Municipality, Indian Merchants' Chamber, BEST, etc.). In this letter dated 30th September, 1942 it was inquired whether a system of individual rationing in Bombay city was desirable in the event of shortage developing on a serious scale and whether preparations for a rationing scheme could be made without disturbing public morale or without arousing suspicions of conscription. This letter attempted to take the large concerns into confidence and aimed at sounding the business community and heads of organizations on the feasibility and practicability of the introduction of rationing.

2.7 Reorganisation of Control Administration: Before considering the replies received to the letter sounding the Associations and concerns on rationing, it is necessary to note one important development from the organizational point. The administration of civil supplies was transferred from the General Department to Finance Department and the new department charged with management of food-grains and other civil supplies as well as control over prices, etc., was designated Finance Department (Supply). The Secretary to Finance Department was named Supply Commissioner at the helm of Civil Supply administration. The Food Controller, Director of Civil Supplies, Controller of Prices and several Assistant Directors of Civil Supplies along with a Statistician were supposed to assist the Supply Commissioner in his task. The change-over from General to Finance Department (Supply) does not signify mere change of nomenclature but also indicates the importance, scale and seriousness assumed by food supply problems. The Finance Department (Supply) was created on 1st October, 1942 in order to handle the steadily increasing pressure of work connected with supply and distribution of essential commodities in the Province.

The multifarious duties assigned to the Supply Commissioner indicate the nature of work to be discharged by the Finance Department (Supply). The Adviser (Finance) who became the ultimate authority

5. op. cit. p. 54.

on supply matters outlined the tasks of the Supply Commissioner in a note dated 21st September.

- (1) Supply Commissioner would fix prices in Bombay city and Bombay Suburban District; advise District Magistrates on fixing prices elsewhere. The main consideration in price fixation would be a fair balance between interests of the consumer and a fair margin necessary to continue commercial trading.
- (2) Observance of controls and check on black markets.
- (3) Imports into Bombay city and province.
- (4) Information of stocks, statistics of prices, etc.
- (5) Ensuring uniformity in all the districts.

Adviser (F) emphasised that Supply Commissioner must delegate enough authority to avoid being crowded with routine work. Supply Commissioner must direct and must not go into detail.

2.8 Food Advisory Council set up: It was necessary that non-officials were associated with Government and consulted before taking any important step. Since the Controller of Prices was appointed in December 1940 he was assisted by a consultative committee in his task of running grain-shops, price fixation, etc. It was felt that the new organization under Finance Department (Supply) required a reconstituted body of public men to advise the Supply Commissioner on matters of policy as the problem of controls had tremendously increased in dimensions and volume. The Consultative Committee was no longer a suitable non-official body, it was realised. The Government activities had multiplied by a considerable extent, hence it was decided to form a Food Advisory Council whose advice would be available to the Supply Commissioner on important issues.

The views of the Indian Merchants Chamber, as expressed in 'Notes and News' in its Journal of December 1942, are worth noting in this context. Discussing the role of the former Consultative Committee the Chamber thought, "Government have been tardy in accepting the advice of the commercial community to put the control system on a more equitable and stable basis. The appointment of the Consultative Committee did not solve the problem—apparently enough (their) advice was scarcely availed of by the authorities otherwise the situation now obtaining with regard to equitable distribution could not have arisen". The Government probably held that the advice of the consultative committee was not always impartial as it was more representative of trade interests.

The first meeting of the Food Advisory Council, on which Government invited eminent public men like Mr. N. M. Joshi, Sir Purushottamdas Thakurdas, and Mr. J. C. Setalwad to serve, was held on 31st October 1942. The Adviser (Finance) who was chairman of the Council

emphasised the responsibility of Government to feed Bombay. The functions of the Council were to be advisory though Government considered itself bound to furnish explanation whenever departure was made from the Council's recommendations.

Both the Consultative Committee associated with the Controller of Prices and the presently appointed Food Advisory Council which replaced the former had no formal constitution. The Consultative Committee represented trade and industry and its functions were limited, particularly to prices and running of grain shops. The Food Advisory Council, on the other hand, had a wide scope of subjects. For instance, securing sufficient essential supplies for Bombay city, methods and agencies of distribution of supplies, control of import and export, advisability of rationing and methods thereof, prevention of profiteering formed important topics of discussion in the Council and its views also were generally accepted by Government. The Consultative Committee can be considered to have been a technical body while the Council covered a wider field and it contained representatives of important trade associations, the general public and labour

A Standing Committee of the Food Advisory Council was formed to advise the Government on day to day matters. It was intended to represent roughly the three following factors :

- (1) Administration i.e. Government in its various aspects.
- (2) General trade or business or what might be called Employers.
- (3) The Consumer who might be described as Labour.

In order to avoid waste of time involved in discussing technical trade matters in a general body, Government had asked the various trade bodies concerned in the feeding of Bombay to appoint panels of three or four of their own members. The panels were constituted for the following commodities :

- (1) Wheat and Wheat Products.
- (2) Country Rice.
- (3) Imported Rice.
- (4) Other Food Grains.
- (5) Sugar.
- (6) Groundnut, Oilseeds, etc.
- (7) Retail Grocery Trade.

These panels would be consulted by the Standing Committee and, if any need should arise, the Council, on any particular food matter with which they may be concerned.

2.9 Background of Rationing: The situation obtaining by the end of October in Bombay city was not satisfactory. Burma rice was not available at all; sugar and wheat were controlled by Central Government but transport difficulties and shortages were great handicaps in obtaining supplies. The bans imposed by other Provincial Governments were operating to hinder free movement of supplies. The result was rise in prices and profiteering, hoarding and consequent difficulty in retail distribution. The price rise as reported and as given below does not adequately reflect the profiteering as black market prices were not reported. The retail price of rice in Bombay had risen from Rs. 9-10-8 in January to Rs. 11-15-1 per maund in October 1942 while that of rice in husk had shot up to Rs. 11-1-9 from Rs. 6-15-7 per maund. Wheat did not show corresponding increase on account of the price control exercised by the Centre while supplies were not available at all at the controlled rates in primary markets; it rose from Rs. 7-1-0 to 7-6-3 per maund only. The index numbers of retail prices better reflect the price rise. Index for rice registered a rise from 156 in January to 190 in October in Bombay and from 146 to 180, 155 to 236 and 183 to 263 during the same period in Ahmedabad, Sholapur and Poona respectively. "All food articles" index rose from 153 to 188, 146 to 191, 121 to 167 and 133 to 190 in Bombay, Ahmedabad, Sholapur and Poona respectively.

From the rise in prices as reflected by the index numbers it seems that rise in prices in Bombay city was restrained as against that in the other cities. This may, perhaps, be due to the number of grain shops run by Government in Bombay city. Secondly, the Government was always more anxious and cared to take prompt action to avert any serious shortages in Bombay city than in the other cities for the obvious reason that Bombay was strategically and industrially more important than any one of the three other cities.

The features of the retail distribution in Bombay City in particular and the province in general were (1) inequality of distribution, because not all shops were having sufficient supplies for their customers' demands; some customers could get supplies because of their larger purchasing power; the poorer sections were not able to make purchases adequately on account of favouritism on the part of shopkeepers. Thus there was inequality of sacrifice in the face of shortages.

(2) black markets flourished and hoarding tendency was common because Government was unable to maintain control;

(3) retailers also were handicapped owing to the difficulty in obtaining supplies and to rising overhead costs.

The Bombay Government had concluded that the situation had to be faced squarely. The Government had anticipated some months ago the possibility of rationing being imperative but assistance from Govern-

ment of India in sending supplies was not forthcoming on account of which introduction of rationing had to be postponed. [Adviser (F)'s note, early November].

Replies were received in the first week of November by Government to the communication addressed to the industrial concerns on rationing proposals. Practically all bodies especially, semi-public utilities like GIP and BBCI Rlys., Port Trust, Municipality, BEST, etc., were in favour of rationing. The Bombay Provincial Trade Union Congress requested the Government to take the entire public including organized labour into confidence in formulating, initiating and administering the scheme. Sir Purushottamdas Thakurdas, and Mr. M. A. Master were opposed. The Food Advisory Council meeting on 14th November approved the Government proposal for introduction of rationing in the city and suggested that a scheme based on that operating in Great Britain should be introduced. Sir Purushottamdas Thakurdas had grave doubts regarding the success of the rationing programme. He was afraid that introduction of rationing would be taken as a sign of weakness, indication of scarcity and hence might affect the Government's bargaining power with other provinces. The Indian Merchants' Chamber felt that rationing as an antidote was worse than the disease. The business circles in general attributed the shortages to exports and contended that there was no scarcity as such in the country at all. Much correspondence went on and Government tried to convince the traders that there was real shortage of foodstuffs and Government meant to do something about it. The Adviser (Finance) summarized on 18th November, 1942, "It seems improbable that we shall obtain the co-operation of Trade or indeed the Indian business community in rationing The stocks are very definitely insufficient and the prospects of adequate replenishment during the season seem remote, as practically all Provinces have placed embargoes on exports of kharif crop." The instance of United Provinces was cited where a magnificent bajri crop was reported earlier but when approached for assistance the situation was described as critical.

2.10 Deterioration in Supply Position: Around this time wheat supply position was far from satisfactory. The Standing Committee of the Food Advisory Council considered the prices of wheat and wheat products but concluded that Government of Bombay was unable to do anything in the matter.

On 16th November, 1942 a conference of non-official persons in the Deccan and Karnatak was called by Government to consider the policy to be adopted in view of the difficult supply position and disappointing kharif prospects in the Province. The Conference discussed inter-district price differential, control over movement, etc. The majority of the Con-

ference was of the view that price control should continue. It was, however, realised that prices might have to be fixed at a higher level to induce imports. Price control should work on regional rather than on district basis, it was suggested, as districts were arbitrary units as far as supplies were concerned. The Conference also suggested that Government should be the sole purchasing agency outside the Province. Prof. D. R. Gadgil drew attention, in the course of the discussion, to the background of inflation in the currency in circulation and pointed out that prices must be fixed at a level which would be fair to the agricultural producer to enable him to purchase his non-agricultural needs.

The food supply position at the end of November 1942 became worse owing to failure of rains in Deccan and Karnatak. The yield of the local kharif crop was disappointing in many parts of the Province and the rabi crop was a complete failure in large areas as even sowing did not take place on account of failure of late rains. Rainfall was heavy in the early monsoon season and there was almost complete absence of late rains in districts of Central and Southern Divisions especially in Bijapur and Sholapur districts and parts of Belgaum, Dharwar and Satara districts. In Konkan and Southern areas of Gujerat rains were excessive and had caused damage to sown crops. Failure of late monsoon ultimately resulted in decrease in kharif outturn in many tracts and seriously affected rabi outturn in South Deccan and Karnatak. By November end, thus, Dharwar, Belgaum, Satara, Sholapur, Poona, E. Khandesh, Surat, Ahmedabad and Ratnagiri could be easily defined as deficit areas while Bijapur and parts of Dharwar, Belgaum and Satara were practically famine tracts.

The precarious position added to the normal deficit of the province of about 5 lakh tons of foodgrains; Government was faced with the responsibility to feed the deficit and famine areas in addition to Bombay city. Shortages developed badly in the month of December and Government was required to appeal to the Centre to send immediate food help.

At this juncture, a major policy step was taken by the Central Government in establishing a separate Food Department on December 2nd, 1942. This was a sequel to the realisation that India's food supply was likely to cause great concern in the future which demanded tackling on a wider scale. Prices alone were not the concern but finding and procuring of the grain from cultivator and middleman in order to facilitate proper distribution was the eventual task.

The Food Department immediately called the First Food Conference of Provincial and State Government representatives on 14th December to frame agreed estimates of foodgrains requirements and stocks available in deficit and surplus food administrations respectively and to draw up a quota programme for supplying deficit areas. The Conference un-

dertook to fix target figures for export from surplus provinces and for receipts by deficit areas.

The Food Department was faced with the prospect of having to provide deficit areas of Bombay, Travancore-Cochin and Madras with foodgrains, and to control the inflationary rise in prices.

Just before the holding of the Food Conference, the Adviser (Finance) apprised the Food Department (by a letter of 10th December) of the precarious food supply position of Bombay Province. He stated that on the most conservative estimate Bombay needed imports of the order of 10.5 lakh tons of cereals. He further informed that it had become almost impossible to obtain supplies from adjoining provinces and hence the province was dependent entirely on Centre. The period following the First Food Conference upto the introduction of rationing in Bombay city is marked by similar appeals from the Provincial Government to the Centre to assist the former in its distress.

2.11 Beginning of Local Purchases: But Government was not content on merely appealing for aid from the Centre. It decided to commandeer stocks in the Province wherever possible, with a view to ensuring supplies for Government and Government controlled grain shops in Bombay city and in the districts.

In Bombay city the Supply Commissioner proposed freezing of wheat and wheat flour in order to distribute equitably the available supply. The standing committee of the Food Advisory Council approved the scheme on 2nd December. Another proposal to start purchase of rice in Thana and Kolaba districts on Government account was agreed to by the Standing Committee of the Food Advisory Council on 5th December.

All District Magistrates were instructed immediately (date not found) to make local purchases of foodgrains, without disturbing the market as far as possible. The purchases would normally be from cultivators direct; the District Magistrates were asked to make suitable arrangements for the storage of foodgrains so purchased to avoid deterioration. To start with, a sum of Rs. 1 lakh was placed at the disposal of each District Magistrate and further advances were to be given as and when required. The purchase operations were aimed at bringing under control as much of harvest as possible and thus controlling prices indirectly and checking profiteering.

As to the purchasing agency, most of the District Magistrates favoured Government agency while some preferred and actually utilised trade and co-operative agencies. In the surplus districts of Central Division, District Magistrates were able to make purchases at controlled rates; elsewhere it was noticed that the purchasing activity pushed up prices in the local markets. The District Magistrates were, therefore, asked to

adjust their activity so as to obtain maximum supplies possible without pushing up prices beyond controlled rates.

In Thana and Kolaba, which are surplus rice districts, purchases were undertaken at the instance of the Food Advisory Council. But the operation was entrusted to the Country Rice Merchants Association in Thana district and to a wellknown firm (dealing previously in Burma rice imports) in Kolaba district. Subsequently Government had to effect purchases on its own account. Under these arrangements 6,500 tons of rice was purchased by the Government agency and 20,180 tons through the commission agents.

Government had endeavoured all along in the direction of procuring supplies from surplus provinces. The Director of Civil Supplies had personally approached the U.P. and Punjab Governments for supplies of wheat, bajri, rice or any other cereal. The response was stated to have been disappointing, the Governments approached putting the blame on the Central Government for their inability to give assistance (vide, Director of Civil Supplies's note dated 28th November, 1942).

By the end of 1942, all the important foodgrains were frozen in Bombay city and the total amount available for consumption was almost under the control of Government. The Government's share in retail trade had increased enormously and the only supplies that continued to be distributed through ordinary retailers were those of rice amounting to about 4000 maunds every day. The main features of the controlled distribution of foodgrains by the end of December 1942 were:—

(i) Government was releasing for distribution 1,40,000 maunds of cereals every week for the 15 lakhs of people inhabiting the city. This quantity was issued from Government stocks and stocks controlled by Government.

(ii) The labour employed in essential factories, public utilities, etc. was given an assured supply of 1 lb. per adult per day. The population so provided was 7,82,000 adults who were supplied 65,500 maunds per week.

(iii) The rest of the population was given 66,500 maunds per week, distributed through Government grain shops and through retailers. This section of the populace consisted mainly of the middle class of Government servants, private employees and some employees of unorganized sector of industry. The organized sector of industry was provided through mill and factory shops. It was claimed by Government that the city was thus *de facto* under rationing by the end of December 1942.

It appears from Table 2.3 that more than 40,000 bags of foodgrain were distributed through Government grain shops in December 1942. That

is approximately one lakh maunds in a month or around 25,000 maunds were distributed per week through Government grain-shops. The balance of more than 40,000 maunds must have been distributed through private but licensed dealers. The fact, that out of 140,000 maunds of cereals supplied to the city to feed its 15 lakh people only 25,000 maunds per week were distributed through Government grain shops in December 1942, does not support the Government claim that the city was *de facto* under rationing by the beginning of 1943. Another fact that the number of Government shops rose from 60 in December 1942 to 163 in April 1943 along with the increase in sales of foodgrains as shown in Table 2.4 does not indicate that Government control on retail distribution in December 1942 was so extensive as to take credit for a *de facto* rationing scheme. At the most, it was regulated retail distribution.

2.12 *Price situation by end of 1942:* When Hyderabad as a source for Jowar dried up by about the end of 1942 bajri came into prominence. Bulk of bajri supplies came from the Punjab, U.P. and partly from Hyderabad. Merchants in Bombay started speculating among themselves during the two months November-December 1942 and the index number of retail prices of bajri nearly doubled. It was 199 in December as against 110 in January 1942 in Bombay, whereas it rose from 93 to 174, 97 to 157 and 117 to 217 during the 12 months in Ahmedabad, Sholapur and Poona respectively.⁶ Prices of bajri were therefore controlled with effect from 31st December, 1942.

In all the districts prices of wheat were controlled by the end of the year 1942. In the case of rice and millets prices were controlled mainly in the producing areas, namely Thana, Kolaba, Ratnagiri, Kanara, Kaira, Nasik and Ahmednagar districts. In East Khandesh and Dharwar rice rates were controlled later on in February 1943. Prices of millets were not controlled in Gujerat districts. In the Central Division millet prices were controlled in the majority of districts. Control over prices was effective, generally, only where supplies were either sufficient or where Government had effective control over supplies and distribution, through Government grain shops or controlled agencies.

2.13 *Preparation for Rationing:* The Supply Commissioner wrote to the Food Department of the Government of India on 27th December, 1942, outlining the proposals for preparation of rationing. This letter informed the Government of India of the Food Advisory Council's demand for guarantee of supplies and referred to the shortages and the probable ration quantum below subsistence level. It stated, "the Council was strongly of the opinion that rationing should not be introduced unless Government were in a position to guarantee at least a subsistence ration". The Gov-

6. Bombay Labour Gazette,

ernment of Bombay endorsed the view of the Council and implored the Government of India to give the assurance asked for by the Council.

The first step in the preparation for introduction of rationing was the promulgation of the Bombay Rationing Preparatory Measures Act on 8th January, 1943. It provided for the numbering of premises and collecting information and statistics about persons.

It was followed by the Essential Articles Restricted Acquisition Order on 19th January, 1943. The Order banned acquisition of articles declared as essential above the normal quantity required by any person. The normal quantity was described as grains or other necessary articles required by a person for one month's consumption. (Subsequently when a further check was felt desirable, the Order was amended so as to restrict also the *possession* of such articles in excess of the normal quantity by a Finance Department (S) order of 26th October, 1944).

The Bombay Rationing Inquiry Order issued on 5th February, 1943 was a supplementary measure to the Bombay Rationing Preparatory Measures Act. It gave the government necessary powers for collection of information from all kinds of establishments such as catering, residential, manufacturing and animal establishments.

The final step was the issuance of the Bombay Rationing Order by a notification dated 3rd March, 1943. The Order legalised the issue of ration documents, laid down conditions which further legalised the distribution of rationed articles and prescribed the outline of the rationing scheme. Clause 12 of the Order empowered Government to make it applicable to any area in the Province, clause 2(7) provided for the determination of articles to be rationed and clause 2(8) referred to dates of commencement of rationing.

2.14 Supply and other arrangements on the eve of rationing: On 2nd January, 1943 the Government of India instructed the Provincial Governments to prohibit exports of all major foodgrains from their provinces and to continue the permits to purchases made by, or on behalf of importing governments. Later, on 27th January, the provinces were informed that the Government of India had decided that the purchasing agency for export should be the Provincial Government and not an organization set up by the Centre. Thus by the end of January, Bombay Government had become the sole purchaser of food from other provinces.

About the beginning of January 1943 the problem of feeding the famine district of Bijapur and other scarcity areas had become serious. As regards the scarcity areas in other districts, there was at least some grain which could be moved from the adjacent areas which had fairly good crops. Bijapur, however, had no good adjacent areas; in fact, it was surrounded by hungry people in adjoining Indian States which had

no price control and no arrangements to provide people with grains. A succession of lean years had already reduced the purchasing power of the population in Bijapur district.

This famine in Bijapur coincided with acute scarcity in Bombay city. There was chronic shortage of rice and imminent wheat famine in the city. Most of the surplus provinces had imposed export bans and imports on private account had virtually come to a standstill. The grain supplied in the city was of a bad quality owing to the pressing need for grain supplies, fraud and carelessness among suppliers, etc.

On 13th January, 1943 the Standing Committee of the Food Advisory Council approved a tentative scheme for distribution of foodgrains to 35,000 clerical and menial employees of commercial establishments.

The Governor of Bombay went over to New Delhi and, it seems, as a result of his personal appeal the Centre immediately sent 5000 tons of cereals to Bombay. It was also promised that another consignment of 50,000 tons would be despatched. The total cereals stocks in the city on 10th January were 26,400 tons, enough to provide the city's daily consumption for 33 days. Wheat deficit was required to be made good by leaning more on rice and millets. But the position was complicated by the necessity to provision the famine areas from the city stocks. It was expected that about 20,000 tons would be required to be despatched to Bijapur and other famine areas upto end of February. The Adviser (F) made it clear in his letter to the Government of India dated 18th January, that he could not remain satisfied with promises. "But we had so many promises of food fail to fructify, that until now we had to count on actual facts and not on possibilities," he stated. The Adviser (F) intimated further of the probable panic in the city. The people got wind of shortages and showed their nervousness and discontent by strikes, long queues at grain shops, etc. with some spasmodic looting. The necessity for more wheat supplies was once again stressed in this letter of 18th January.

By the middle of January, Honorary Visitors were appointed by Government to visit grain shops or retail stores to keep a general watch on their working. The visitors were supposed to check up the opening and closing hours of shops, service, supplies, etc. That Government was keen on getting utmost co-operation from the public in every respect of the food supplies and distribution machinery, becomes obvious from the introduction of the Honorary Visitors scheme.

By the middle of January the Grain Dealers' Association represented to Government that the margin for retail trade should be doubled and that foodgrains should be supplied to them by Government for distribution. They, however, were not prepared to give any specific guarantee

or to undertake any monetary liability for distribution of grain at controlled rates but wished Government to rely on their word of honour. The Chief Marketing officer of Bombay Government felt that the Association was not sufficiently influential to keep all its members in check. He categorically opined, "the trading community has lost the sympathy of the masses . . . the normal trade channel need not be given another chance". The Director of Civil Supplies observed, "We cannot, in the light of our past experience, rely on private agencies and must largely depend on our own grain shops and stocks". Government, after consulting the Standing Committee, decided to distribute wheat and other imported grains through its own machinery.

On 25th January the Government of India decontrolled wheat prices; the wholesales prices index (primary markets) for wheat suddenly shot up to 344 in January from 220 in December 1942. Wheat was not available at all in the city and province for some time previously on account of the unavailability of supplies at controlled rates. The wholesale prices of wheat were decontrolled in Bombay City and Bombay Suburban District with effect from 6th February, 1943 on the advice of the Central Government and similar action was taken in the districts. This step had no immediate effect, however, on the supply position. The question of decontrolling retail wheat prices came up for consideration before the Standing Committee of Food Advisory Council on 12th February but it felt it desirable to retain control over retail prices and decided that retail price of wheat should be fixed from time to time in accordance with the cost of wheat imports from outside the province. The recommendation of the Standing Committee to standardise the types of and to control the price of bread was accepted on 23rd February.

The provincial sugar quota was cut by the Sugar Controller of the Central Government in February and it became necessary to reduce the total quantity of sugar distributed in the city. Retailers were completely deprived of their sugar business and hereafter the domestic consumer could get his quota only through the special sugar shops or government grain shops.

The Government of India called the Second Food Conference on 24th to 26th February to discuss the operational details involved in the Government of India's "Basic Plan" for procurement. "Target" surplus and deficiency figures, "pool" prices, control of exportable surplus from surplus to deficit provinces, distribution of grain among deficit areas and distribution arrangements within a province were the items on the agenda of the Conference. The Government of India proposed that purchases on behalf of the Central Government cover not only "exportable surplus" but also "marketable surplus" i.e. the surplus, beyond the cultivator's requirements, that he brings forward for sale in the market. "The idea

of an equality of sacrifice throughout India had made progress, but the reluctance of some (presumably producing provinces) to accept it continued to hamper the Food Department's endeavours for a long time" observes Sir Henry Knight while commenting on the work of the Food Conference.⁷

During the two months of January and February the Food Advisory Council considered from time to time the control of exportable surplus from surplus districts, kinds of foodgrains to be controlled and arrangements for distribution. On March 1st, the Council approved the introduction of rationing in Bombay city, after the Adviser (Finance) had explained the details of rationing procedure and programme of its introduction to the Council.

The Food Advisory Council had advised the Government to open more grain shops in the city in order to control the distribution of foodgrains more efficiently (December 1942). Accordingly the number of grain shops was nearly doubled in January. Table 2.4 below gives an idea of the tremendously increased control over distribution and the corresponding expanded clientele of the Government shops, on the eve of rationing.

TABLE No. 2.4.

Government grain-shops in Bombay city and sales therein.

Month	No. of Shops	Amount of Sales of foodgrains in lakhs of rupees
January 1943	101	21.12
February	132	24.82
March	153	27.16
April	163	27.90

The Government was all along busy attempting to secure supplies from other provinces. During the three months January-March, Government received 54,000 tons of rice from Central Provinces, Sind, Punjab and Madras, about 39,000 tons of millets from Punjab, U.P., Indore, Gwalior and Hyderabad and practically no wheat at all.

Government was awaiting some assurance from the Centre relating to guarantee of supplies in the following months. In a letter of 10th February, of the Supply Commissioner written to the Secretary, Food Department of Government of India, it was urged, "We should be very grateful for information now as to what the Government of India proposed to do for us after the present allocation is finished. We should like to be able

7. Sir Henry Knight, *Food Administration in India*, p. 60.

to plan a little ahead, both as regards the rationed areas and famine and scarcity areas”.

The reply from the Government of India dated 4th March, 1943 was disappointing. The Government of India had no information in their possession regarding the requirements of India as a whole and so were not in a position to afford any indication in advance of the extent to which they could provide assistance. The Food Advisory Council was apprised, “they are unable to guarantee any specific quantity of foodgrains for so far ahead as the period upto the next kharif harvest”.

The Government of Bombay decided, nevertheless, to go ahead with the rationing scheme. The notings of the Adviser (Finance) and the Governor of Bombay in this context deserve attention. Adviser (Finance) said on 10th March “I do not think we should be unduly discouraged by it (the Government of India’s reply). I am afraid I have never thought that the Government of India would guarantee us anything upto next harvest. It is something that the Government of India anticipate supplies in excess of needs of Bombay city. I think we are in a position to go on with our rationing scheme in Bombay City (probably Poona)”.

The Governor minuted on 11th March, “I agree that the outlook is sufficiently clear for several months ahead to justify proceeding with rationing plans We must do all we can to buy up grains in the province and we should press continually for further supplies so that an adequate margin may be kept on the spot, for it is possible that the transport problem internally may become acute again after monsoon”.

An order was issued on 6th March, 1943 which required every person in the city of Bombay and Bombay Suburban District to furnish every week a statement of stocks held by him provided his stocks exceeded certain stipulated quantities (10 maunds or more for all major food-grains). The purpose of this order was (i) to know the total stocks held on a particular day and to facilitate steps for arranging fresh imports of grains and (ii) to watch the progress of weekly offtake and find out defects requiring some corrective measures.

As regards the districts (excepting Thana, Kolaba and West Khandesh) it was not found practicable to call for such declarations of stocks. The only stock returns received by District Magistrates were those under Foodgrains Control Order every month.

A number of other orders were issued during 1942-43 restricting use of food articles in different preparations. Bakers were directed for instance, to prepare bread of standard size; the use of wheat, wheat-flour, rice or rice flour as sizing material was prohibited. Distribution of eatables to fifty or more persons in Bombay and District towns was banned from 13th February, 1943. The idea behind these orders was to conserve the

slender food resources and eke out supplies as far as possible by avoiding wastage and improper use.

With all these preparatory orders, endeavours in procurement from out of the province, increased number of government grain shops and other ancillary measures the stage was set for introduction of rationing. It was introduced in Bombay city on 2nd May, 1943; initially family ration cards were issued for 24 weeks (which were replaced by individual ration cards subsequently for a period of 52 weeks upto 76th week). The catering and other establishments were given foodgrains and/or sugar ration permits in relation to the requirements of the establishments prior to the introduction of rationing. Retail distributors were classified into four classes: (1) Government grain shops, (2) Mills', factories' grain shops (3) Communal and co-operative stores, (4) Private retailers. Government grain shops obtained their grain supplies from Government godowns directly. The other three classes of distributors obtained supplies from Government godowns on ration authorities (permits) given by the Permit Officer.

2.15 Conclusion: The period covered in this chapter is characterized by a succession of calamities. With the outbreak of hostilities with Japan, Bombay province was immediately affected as a result of the cessation of imports of Burma rice. The province, which was even in normal pre-war times a net importer of foodgrains, mainly of rice, to the extent of more than 5 lakhs tons annually, was thus deprived of its rice supply. This coincided with the shortage of wheat caused by the statutory control of wheat prices in primary markets which incurred the non-co-operation of wheat traders resulting in black markets.

These two facts explain to some extent the sudden shortages of rice and wheat in Bombay province and the consequent rise in prices of these foodgrains. The almost contemporaneous bans on exports by other provincial governments made the situation worse. It may be noted that all these reasons of shortages in this province were beyond the control of the provincial Government. The position further deteriorated in the last months of 1942 when it became certain that the internal outturn of crops was going to be short on account of the failure of the season. The impact of the bad season due to the adverse monsoon precipitations of rains and failure of late rains is to be seen from the figures of area and crop outturn given in Table 2.5.

Thus, the acreage would seem to have been more than average in 1942-43 while the production had fallen below the average for the quinquennium 1936-37 to 1940-41 though it was better than in the previous year 1941-42.

TABLE No. 2.5.
Area and Outturn of Crops in Bombay Province.
 (Figures in thousands)

	Area (acres)	Production of Major foodgrains (tons)
Average for five years		
1936-37 to 1940-41	17,340	3,228
1941-42	17,249	2,933
1942-43	17,346	3,138

Thus it would appear as if circumstances conspired against Bombay province to make the food supply position worse. One more factor that contributed to the difficult situation was the political disturbances of August 1942. Though it did not affect foodgrains directly it diverted the attention of the district and provincial authorities to the movement for some time; the already unfavourable transport position was affected adversely owing to the dislocation in communications.

On the All India level the period is significant; certain steps taken by the Central Government indicate realization by Central Government of the difficult supply position. The appointment of the Wheat Commissioner, the issuance of the Foodgrains Control Order, preparation for an *ad hoc* basic plan proposed by the newly formed Food Department of the Government of India might be considered as milestones in the course of an evolution of an All-India food policy. The Central Government was faced from the latter half of 1942 by the shortages in Madras, Travancore-Cochin, Bombay and Bengal. The development of famine in certain areas of Bombay province and in the whole province of Bengal in the early months of 1943 was the test of the All-India food policy, failure in which led to the appointment of the Foodgrains Policy Committee in July 1943.

At the provincial level, the period is remarkable as a beginning of many a scheme which later on constituted the basis of a comprehensive civil supply machinery. The grain shops scheme was considerably expanded in Bombay city and extended to the districts, local purchase operations were commenced towards the end of the year 1942 and a monopoly was gradually established on imports in the province from outside. The administration was placed under a separate department Finance Department (Supply) with a full-fledged staff from the Secretary as Supply Commissioner at the top.

It may seem that in some of the important policy decisions the Bombay Government gave a lead even to the Central Government. The Food Department was established at the Centre two months after the creation of Finance Department (Supply) in Bombay; the purchase scheme

was started in Bombay Province in early December and the Government of India urged the Provincial Governments to start procurement, by February 1943.

The fact that the Government of Bombay sought the co-operation and goodwill of the public in its endeavours to face the food supply problem squarely, may not be ignored. The formation of the Food Advisory Council and the advice and consultation sought from the industrial, business and other organizations point out its efforts in this behalf.

Real shortages described above and scarcity conditions arising out of the anti-social activities of hoarding, cornering of stocks, etc., on the part of the traders and merchants resulting in rising prices, strengthened the hands of Government in its schemes of running 'fair price shops' and controlling movement of stocks.

The main feature of the period was the realisation by Government of the ineffectiveness of price control in the absence of control over supplies. This was the position in the districts during the period—prices remained within prescribed levels wherever the local supply position was satisfactory. The emphasis in the period was more on feeding the Bombay city which always depended on imported grains. It was only after November 1942, that more attention was diverted to districts owing to the short crop outturn.

The attempts of the Bombay Government to procure food supplies from other provinces did not yield satisfactory results because of the unilateral bans on exports imposed by these provinces on the one hand, and by the hesitation on the part of the Central Government to firmly direct the provinces in regard to foodstuffs on the other. While the Sixth Price Control Conference held in September 1942 marked the recognition by the Centre of the importance of distribution of surplus food supplies in certain provinces and of co-ordinated action, the state of affairs still remained nebulous. The note of the Director of Civil Supplies dated 28th November, 1942, clearly shows an absence of clear instructions from the Centre to Provincial Governments in regard to supplies. The spokesman of the U.P. Government (Sir William Roberts) told the D.C.S., Bombay, that "until he heard from the Government of India as to how the exportable surplus should be disposed of he was not prepared to deplete his stocks. . . . particularly as they had been warned by the Government of India that Provinces other than Bombay would have to be provided for. His difficulty was that he could get no lead from Delhi in spite of frantic telegrams". In the same note the Director of Civil Supplies, Bombay gave an account of his negotiations with the Punjab Government. "He (Sardar Baldev Singh, Minister-in-charge, Development) said there was no dearth of foodgrains in the Province. The trouble was that foodgrains were not coming out owing to the control imposed by the Government of

India on the price of wheat. . . . Unless, therefore, the Government of India raised the control price of wheat, hoarding would continue. . . . He blamed the Government of India for lack of expedition and inability to see realities. He had been pressing them to raise controlled prices of wheat in the interests of agriculturists who were affected by the general inflation”.

The views of the U.P. and Punjab spokesmen need not be taken at face value but they, at least, indicate the somewhat passive role played by the Centre in the circumstances. The attitude of surplus provinces at the same time was not quite satisfactory. The Adviser (Finance) commenting on the discussions of the First Food Conference held 14th and 15th December, 1942 noted, “the discussion was remarkable for the insistence of the producing provinces that estimates of their exportable surplus were excessive. . . . it was most depressing as showing no disposition to be accommodating anywhere.”

The Central control on wheat prices imposed on 5th December, 1941, did not serve any useful purpose but, on the contrary, drove wheat stocks underground. It was strengthened by the control over movement between provinces in April 1942 and the control over Futures and Option trading. As pointed out by the Foodgrains Policy Committee “it was a defective form of control, and undoubtedly, so long as supplies could be withheld, the mere control over movements was not enough. The feeling, that Government would ultimately be driven to raise the price, encouraged withholding from sale”.⁸

This left little discretion to the Bombay Provincial Government in regard to fixation of prices of wheat. Retail prices had to be related to the wholesale price plus the cost of import. The feeling in Bombay Government, therefore, was that by fixing price of wheat the Central Government had taken away the substance of power of price control from the Provincial Government. Prices of jowar and bajri, on the other hand, were either fixed by the exporting provinces or Bombay Government was compelled to purchase grains at whatever price they were available outside.

Internally, the prices of millets and rice were controlled by District Magistrates, which again depended on the local supply position.

Decontrol of wheat wholesale price in January 1943 did not materially change the position, as by then the Provincial Government was entirely at the mercy of the Central and other Provincial Governments for supplies.

It appears that the Government of India were not clear and sure on the policy to be adopted in respect of price control even in the early

8. Report of the Foodgrains Policy Committee, 1943, p. 4.

months of 1943. The difficult supply position does not seem to have been grasped by the Centre because in a letter D.O. No. 106 dated 16th February, 1943 from Food Department to the Chief Secretary of Government of Bombay, it was contended:—

“From all indications of the present kharif and the coming rabi crops the problem seems to be less one of inadequate production of the needs of the country than one of whether the normal quantities increased by the Grow More Food campaign will come out of the hands of the cultivator”. This was the judgment of the situation and the solution suggested was, “there should be the minimum of impediment and control in the way of the cultivator bringing his goods to the market and moreover the conditions in the primary commodity markets should be such as will induce him to bring the normal quantities forward.” That the cultivator was not necessarily benefitted by higher prices and that the large margin of the higher prices was mulcted by the trader was not realised, it seems. The Central Government was thus favourable to the removal of price control in the primary wholesale market and it advised “that Provincial Governments should be responsible for price control at all stages after the primary wholesale market”.

Presumably, the Bombay Government could not agree with this argument; the Supply Commissioner thought the idea of a free primary market and controlled subsequent stages of trading to be impracticable. “In Dhulia town” he gave an instance, “when cultivators sell their produce at the weekly bazars there must be no price control, but when the retailer sells what he has bought to the ordinary consumer, price control should come in. In other words, at the same time and place there must and must not be price controls dependent on the status of the seller, a completely impracticable state of affairs”.

The whole point in dwelling over the controversy is merely to emphasize the absence of a clear, comprehensive and agreed solution to the question of rising prices at the All-India level.

The Government of Bombay, however, was busy around this time in determining price levels or finding a solution of the prices problem. Reference has been made earlier to a Conference of District representatives, non-official persons, etc., held in the Secretariat on the 16th November, 1942. The consensus of the conference was that price control should be retained but modified so as to bring about the inter-district prices on a more realistic basis. Government was considering the issue of price determination throughout the year 1943. During this period discussions took place between the Statistician, Director of Civil Supplies, Supply Commissioner and Adviser (Finance) on the issues involved, a detailed account of which is given in Chapter III.

CHAPTER III

TOWARDS COMPREHENSIVE CONTROL OVER SUPPLY.

3.1 *Introductory:* Introduction of rationing in Bombay city on 2nd May, 1943 marks the beginning of a period pregnant with considerable expansion in Government responsibility and functions in respect of control of prices, movement and supplies, leading to purchase schemes and controlled distribution evolved in the following year and half. * The present chapter covers the period upto October 1944 when the Revised Grain Levy Scheme was inaugurated. The period marks the evolution of a comprehensive food policy for the whole province. Even prior to the introduction of rationing in May, Government was busy formulating and determining the principles that would underline a price policy. Rationing too was extended to a number of towns during the period and schemes for purchase and controlled distribution through the length and breadth of the province were devised almost contemporaneously. These schemes are considered in this chapter one by one for sake of convenience; at the same time historical and chronological order of developments is adhered to, as far as possible.

3.2 *Stocks and Movement Control:* On the eve of rationing, Government had issued a number of orders banning the removal and disposal of foodgrains in Bombay city and Bombay Suburban District. Exports from the city were banned to any place in the province or out of the province. On 12th May, 1943 the Bombay Foodgrains (Movement Control) Order was issued to cover all earlier orders dated 15th March, 16th October, 22nd December, 1942 and 18th and 25th February, 1943, and partially superseded embargoes placed in connection with different articles. The new order of 12th May applied to the whole province, and prohibited the export of any foodgrains (wheat, rice, jowar, bajri, pulses, barley, maize and ragi) without a permit issued by the Supply Commissioner. District Magistrates were authorised to issue licences by a later order of 4th November, 1943.

3.3 *All-India Food Position and Price Situation:* Immediately after the introduction of 'Basic plan' with effect from 1st April, 1943 the Government of India had begun to doubt the workability of the Basic plan. It was found that the 'target' surplus and deficit figures were not approximating to the facts. Procurement machinery had not been established in the majority of Provinces in the Eastern Region. The Central Government concluded therefore that supplies to Bengal would not be forthcoming in

time and in adequate quantities. It called a conference of Provincial Governments in the Eastern Region on 10th May, 1943 and informed them that two alternative proposals would be discussed: either "unrestricted free trade" between the provinces of Eastern Region or "modified free trade" giving powers of control over movement to the Regional Food Commissioner. At the conference, Orissa was for free trade, Assam preferred modified free trade, Bihar objected to both while Bengal insisted on unrestricted free trade. The Central Government, thereafter, introduced on 18th May 'unrestricted free trade' in the Eastern Region without giving the Provinces an opportunity to consider the merits of the two proposals.

Unrestricted free trade led to a virtual invasion of Bihar, Orissa and Assam by a large army of purchasers from Bengal. The purchasers went into the interiors of the districts and purchased whatever quantity was available at whatever price. Prices fluctuated every hour due to wild speculation. Again, purchases were made not only by agents of Bengal Government but also by agents of the provincial government concerned and private traders. This free trade experiment succeeded in getting some supplies for Bengal but at unconscionably high prices and causing hardship in other provinces of Eastern Region. Free trade was introduced with a view to bringing out hidden supplies in the Eastern Region by means of higher prices, in order to bring down the prices in Bengal. Removal of restrictions on movement between the Provinces was the measure taken to introduce free trade.

The result of this unrestricted free trade, however, was not satisfactory. Only 91,000 tons of foodgrains moved into Bengal from other parts of Eastern Region; "its main result was to extend famine prices and distress to provinces hitherto unaffected".¹ The effect on rice prices also was negligible. Although there was some drop in prices after free trade was inaugurated in Eastern Region, they again went upto Rs. 31-8-0 in Calcutta and Rs. 40/- at places outside Calcutta where they were around Rs. 30/- prior to free trade. The Famine Inquiry Commission appointed by the Government of India, categorically gave a verdict later on that the decision to introduce free trade in Eastern Region was a mistake. Nevertheless the policy did secure some supplies to Bengal. This apparent success of free trade and the talk of "failure" of Basic Plan led the Government of India to a decision in favour of free trade throughout India and it announced that free trade would be introduced with effect from 15th June. This decision was taken without any consultation with Provinces and States resulting in confusion and serious protests and representations from deficit administrations like Bombay Government. In view of the opposition from the Provinces, the Central Government called the Third Food Conference on 5th July, deliberations in which forced the Centre

1. Sir Henry Knight, *Food Administration in India*, p. 91.

to rescind its earlier decision of free trade. At the Food Conference, Government of India announced the appointment of the Foodgrains Policy Committee whose report was to be available for consideration at the next Food Conference in October 1943. The Third Food Conference concluded (i) that there should be no statutory fixation of maximum prices, and (ii) that rationing should be extended in all urban areas in order to secure equitable distribution and to control prices.

The Foodgrains Policy Committee in its interim resolution passed on 27th July, 1943 recommended that rationing in large urban areas had become an immediate necessity and that steps should follow in progressively bringing small urban areas under rationing. It further recommended that senior officials from Provinces and States should be sent to Bombay to study the rationing organization operating in Bombay. Accordingly, a training course on rationing and food controls was held in Bombay in August-September wherein a series of lectures on important aspects of rationing were given by Mr. W. H. Kirby, Rationing Adviser to the Government of India, the Adviser (Finance), Supply Commissioner, Director of Civil Supplies, Controller of Rationing and Statistician in the Finance Department (Supply) of Bombay Government.

Prices continued to rise till December 1943 on account of absence of adequate foodgrains reserves and absence of statutory price control. Index of 'All foodgrains articles' rose from 259 to 343, 238 to 310 and 219 to 271 in Ahmedabad, Sholapur and Poona respectively during the same period. Similar increase in prices of food articles was indicated in all district towns from 1942-43 to 1943-44.²

At the Fourth Food Conference held in October 1943, the Government of India announced the acceptance of the Foodgrains Policy Committee's recommendation that statutory control should be instituted on prices of all major foodgrains in all provinces. It was also accepted by Government of India that as a corollary to the major policy statutory price control must be preceded by (a) adequate procurement machinery (b) effective control over transport, and (c) rigorous and drastic enforcement of Foodgrains Control Order and of anti-hoarding measures.

Broadly, all the factors taken into consideration by the Government of Bombay in determining the price-level on the 'parity-price' principle earlier in August-September were thus approved by the Government of India. How Bombay Government arrived at 'parity-principle' as the most suitable method of price determination is described later. For instance, it was suggested by Government of India that statutory prices must be fixed with due regard to (i) the market price-level of the particular crop in the area concerned; (ii) the variation in prices of other commodities; and

2. Bombay Labour Gazette,

(iii) elimination of wide local variations as far as possible. The Foodgrains Policy Committee had recommended that in considering the level of prices of foodgrains, regard should be had to (i) cost of articles entering into the cultivator's cost of production, (ii) cost of articles entering into his standard of living and, (iii) cost of cultivation of marginal lands. (The Government of Bombay in its circular to Collectors had advised them to follow the 'parity-prices' principle based on 'isotims' and then adjust prices according to local conditions—Adviser (Finance)'s note dated 17th September, 1943).

Since October 1943 prices of foodgrains were controlled in the province. By an order dated 25th October, 1943, the Government of Bombay fixed statutory maximum prices in the districts. Although the Government had outlined the principle of parity-prices in determining prices at the district level, the actual prices fixed had also to be related to other factors such as the prices prevailing immediately before.

The Government of India decided in December 1943 to fix all-India statutory price for wheat with the harvesting of rabi crop. In January 1944, Government of India fixed statutory maximum price for bajri at Rs. 7-8-0 and for jowar at Rs. 7/- per maund. The prices fixed earlier within the Bombay province had, therefore, to be modified slightly. The Government of Bombay fixed wheat price on 15th February, 1944 which had to be changed slightly after the Central Government fixed maximum price for wheat in April 1944. It was decided earlier at the Fourth Food Control Conference in October 1943 that Provincial Governments could not alter or raise prices without prior approval of the Government of India.

The godown accommodation situation had become serious early in December 1943 when the Standing Committee of Food Advisory Council (SCFAC) discussed many points pertaining to it such as available godown space, time required for construction of new godowns and the primary necessity to keep the port clear avoiding congestion in the docks.

The Grain Dealers' Association complained to Government (and this was discussed by the Standing Committee of Food Advisory Council) about the suspension of licences granted to wholesalers and retailers against whom cases were pending in the Court till judgment was given. The Association contended that it was an injustice to deprive a grain dealer of his business while his case was *sub judice*. The Director of Civil Supplies told the SCFAC on 15th December, 1943 "if we were to avoid inequity to retailers, we would be guilty of a far more serious crime in allowing a profiteer or black market dealer to continue his nefarious activities until a formal conviction is recorded by the Courts. It may happen that the evidence

may not be sufficient to create a moral certainty of the offence in the mind of the Court, but it may be sufficient for taking departmental action".

With a view to economising in the use of foodstuffs and to avoid any wastage Government issued a number of orders. Following are some of the more important orders:

- (1) Ban on entertainment by distribution of foodstuffs to more than 49 persons at a time in Bombay city and Bombay Suburban District. (No. 390-II-A dated 28th October, 1943). Similar order applying to all district towns and other municipal areas (No. 390-II-A dated 19th November, 1943).
- (2) Prohibition of use of milk, cream, etc., in preparations like ice-cream, *kulfi malai* or distribution of such articles in public places (13th October, 1943).
- (3) Bombay Food (Restrictions on service of meals by Catering Establishments) Order, dated 5th February, 1944.
- (4) Undermilling of Rice: Polishing of rice by rice-mills was prohibited to prevent decrease in food content (12th February, 1944).

3.4 Extension of Rationing: With the commencement of rationing in Bombay City queues at the grain shops vanished and people were satisfied with the assurance of regular supply of foodgrains. At the outset, rice, wheat, jowar, bajri and their flours were rationed. Though the Government did make certain adjustments in prices of rice, wheat and coarser grains with regard to the supply position and the need to induce the consumption of available grain, on the whole the articles were sold at an economic rate based on the cost incurred by Government, and rationed food as such was not subsidised.

Sugar was distributed under Government control upto May 1943; on the suggestion of the Food Advisory Council it was rationed in Bombay from 6th June at 10 ounces per adult per week and raised to 12 ounces in July, when it was found that the poorer section of the population was not taking its full quota. This enabled Government to raise the quota within the same total quantity. (Subsequently kerosene was added to the ration card as a rationed article for lighting purposes with effect from 1st March, 1944 and for other domestic purposes from 1st September, 1944).

For the first six months rationing system was based on family as a unit. Afterwards, a system of ration card for every individual was introduced from the 25th week, whereupon false rationed units and undisclosed departures from the city or deaths came to light saving some 4,50,000 rations.⁸

8. Sir Henry Knight, Food Administration in India, p. 206.

Rationing was introduced in Poona City on 1st July, 1943 generally on the pattern of Bombay. Rationing was extended to municipal areas of the Bombay Suburban District on 4th August, 1943 in order to cover a large number of people working in the city, but staying outside the island proper. Non-municipal areas in Bombay Suburban District were brought under rationing later from 6th February, 1944.

In accordance with the recommendation of the Foodgrains Policy Committee, the Government of Bombay embarked on plans for introduction of rationing in towns with a population of more than one lakh in Bombay Province. There were difficulties in the way, not encountered in Bombay city. For instance, Bombay population was, more or less, glad over the introduction of rationing which was not the case in Ahmedabad. Ahmedabad is in a tract where crops are generally abundant and the public had no difficulty hitherto in getting all their food requirements. It was as a measure of comprehensive food control policy that Government had decided to introduce rationing and not out of any specific shortages arising in Ahmedabad. The Collector of Ahmedabad, therefore, emphasised the need of allowing at least the Bombay scale of ration quantum, when Adviser (Finance) suggested that Ahmedabad could have a lesser quantum. From a note written on 18th November, 1943 by Adviser (Revenue), it transpires, Government ultimately assured the Collectors of Ahmedabad and Sholapur that the ration quantum would be kept, as far as possible, the same as in Bombay. Subsequently rationing was introduced in other cities as shown below :

Sholapur	:	15th December, 1943
Ahmedabad	:	19th December, 1943
Surat	:	16th January, 1944
Hubli	:	26th March, 1944.

Schemes of rationing were patterned mostly on the Bombay model. Individual ration cards were given and the quantum of ration also was kept close to that in Bombay, allowing 50 per cent extra for those doing heavy manual work.

3.5 Pricing Policy:

Factors determining selling rates: The Conference of non-official district representatives held in November 1942 could be considered as the starting point of Government's continuous attention to the question of price determination along with control over stocks and movement barriers. The prices of major foodgrains prevailing in different districts about this time were not fixed on any economic principle. Control over prices was haphazard and un-coordinated. It was agreed in the Secretariat that price control must be more centralised but it must remain sufficiently decentralised for administrative and economic reasons. Another

significant point realised was the impossibility of effective control on prices without one on supplies. With a view to this, Government took steps in 1943 to commandeer more stocks and bring more foodgrains supplies under Government control.

Early in March 1943, it was admitted in a discussion between the Statistician, Director of Civil Supplies and Supply Commissioner that:

(i) for a centralised scheme of price control to be successful, Government must take responsibility for making large scale purchases of foodgrains;

(ii) local conditions could not be ignored and due latitude would be necessary to the Collector and Commissioner;

(iii) as far as possible uniformity should be achieved in control of price, movement and supplies throughout the province, since district as a unit had not served any useful purpose.

It was decided that prices of foodgrains in a rationed area need not be necessarily related to those in neighbouring areas, because imports and exports in a rationed area would be strictly controlled. Secondly, it was thought desirable to build up substantial reserves through a controlled purchasing agency in the relatively self-sufficient areas (e.g. East Khandesh, West Khandesh, Ahmednagar, Nasik, Sholapur). A purchasing agency under the directions of Government should also operate in the scarcity areas of Dharwar, Satara and Poona districts. The above scheme, it was felt, would provide for unity of purpose and diversity of conditions in different regions.

The only difficulty in the way of large scale purchases by Collectors was that much of the rabi grain had left the cultivator by the middle of March 1943. Presumably for this reason Government postponed the purchase operations to the next kharif season.

In a note dated 11th April, 1943, the Statistician discussed the genesis and effects of high prices. The war, as such, had not affected the food supplies or production in the country, it was contended. The shortages had developed owing to absence of imports. The inflation accompanied by the war did not correspondingly increase the incomes of all people in which case the problem of high prices would not have been serious. The problem of high prices or inflation could be described therefore as one of removing injustice done to certain classes of population in-so-far as their real incomes were transferred to those who had received the additional purchasing power. It was argued further, that the major object of policy of any provincial Government should be to minimise the injustice and to find the funds for the purpose in the most appropriate manner. In the case of commodities with an inelastic demand the prob-

lem was, therefore, to mitigate the injustice. Government had already become the sole inter-provincial trader (early 1943) in staple foodgrains which could be defined as a 'monopoly food service' for the deficit areas of the province. The problem of fixing prices in a monopoly service and that too in such an essential commodity as foodgrains was unique and hence complicated.

It was suggested, therefore, by the Statistician that Government should not rest merely by assuring that they did not want to make any profits out of the monopoly food control. Government should frame its policy regarding prices, he urged, with a view to minimising the injustice of high prices insofar as they were the direct outcome of war and inflation.

From this argument flowed the plea for discrimination in price levels to be fixed in different territories. The territorial division had the advantage of preventing transfer of grain from low price to high price markets.

The system of differential price could be worked on the basis of classification of deficit districts, towns, etc., on normal isotims. Isotims are lines of equal prices. A division of the province into regions and sub-regions was suggested so that in each region price would be the same. A particular grain would be sold in different areas and markets at discriminative prices. This was first degree discrimination on regional basis.

The policy of discrimination in prices charged could be applied to different kinds and qualities of foodgrains. Thus a better quality grain could be sold at higher price making profit on it and incurring loss on the coarser grain by selling it below cost price. This was second degree discrimination as between wheat and millets.

The regional price discrimination proposal required the following data :

(i) Prices of different foodgrains in different markets (district) in normal times, so that deficit districts and areas were classified into low, medium and high price markets. The classification was based on normal isotims.

(ii) The quantities to be purchased and the prices that would be paid in the next few months.

(iii) The quantity to be sold in different markets.

The policy of price discrimination was adopted in Bombay city with the introduction of rationing. The scheme was put up before the Standing Committee of Food Advisory Council on 26th April, 1943. As a trading concern Government should neither gain nor lose financially in the organization for distribution of foodgrains among the various consum-

ing centres. At the same time, having regard to the variation in the cost of importing foodgrains from different sources as well as to the distance between the supplying and consuming areas, it was inequitable to fix a rate for each area based on the actual cost of procurement and transport of foodgrains. Government, therefore, proposed to fix different rates for the major foodgrains supplied to the various consuming areas in the province so as to secure:

- (a) that as far as possible and practicable the normal regional price differentials were maintained; and
- (b) that foodgrains which were in absolute short supply and/or which were of a quality consumed by well-to-do sections of the community would be sold at rates higher than economic price; and foodgrains which were in ample supply and/or which were consumed by the poorer sections would be sold at less than the economic price; provided, however, on the whole Government did not make either profits or losses, in the long run.

The non-official members of the Committee were opposed to the principles of the scheme. They felt that a rate higher than economic price might be charged with a view to conserving existing short supply of a particular foodgrain and a rate lower than economic price was warranted to dispose of the existing ample stocks of a particular grain. But charging differential price on the ground of high price and low price markets according as the consuming class was well-off or poor was considered inequitable. The non-official members made a plea that Government should meet the losses incurred on the low price market out of the general revenues.

Government gave, it seems, careful consideration to the *pros* and *cons* of the proposal and to the opposition of the Standing Committee of Food Advisory Council. The Adviser (Finance) pointed out certain difficulties. "The Presidency (Province) ought to be considered as a single whole" he opined and increasing general revenue by increased taxation was not the remedy, he felt. Increased taxation would lead to increase in the cost of living, demand for goods would be affected. In the interests of the employer, middle-class salary earners and the labourers, a halt to the rise in the cost of living was desirable. This could be achieved, to a certain extent, by differential pricing. (Note by the Adviser (Finance), 28th April, 1943).

The loss incurred and borne by Government upto end of April 1943 in selling bajri at subsidised rates in the famine affected Bijapur district was estimated at Rs. 13.84 lakhs.

Fixation of Procurement Prices:

The broad limitations within which prices had to be fixed were recognised in August 1943. For instance, the fixed prices must be low enough to permit the poorest consumers to buy adequate supplies of foods and high enough to encourage the producers with marginal efficiency to contribute to the supply required.

It was also recognised that control over prices was nugatory in the absence of an effective control over supplies. In August the Collectors were asked to start local purchases of grains to the maximum. For their guidance in operating the purchase scheme, it was absolutely necessary to lay down certain broad principles on which prices were to be offered for grains in various areas and for different grains.

The prevailing prices in different districts constituted anything but a rational structure. An attempt was made to co-ordinate and integrate them by a set of principles.

Government felt that determination of prices on the most scientific lines would have been possible by finding out actual cost of production of different grains in various producing areas within the province and by allowing a fair margin of profit to the cultivator. But this solution was not practicable, since it was a longterm solution to be found only after continuous enquiries in the cost of production data.

In view of the urgency of the problem the 'parity approach, was resorted to. According to the concept of parity, agricultural 'prices' should be maintained at a reasonable parity with agricultural 'costs'. 'Prices' refer to prices received by the agricultural producer while his 'costs' refer to the prices paid by him for the goods and services entering into his cost of production and cost of living. The appropriate way to arrive at such parity would be to proceed on the basis of the relationship between 'agricultural prices and costs' which prevailed during some period in the past when such relationship was commonly accepted as fair to all the interests concerned. After a survey of prices of agricultural commodities (especially major foodgrains) and of non-agricultural commodities generally required by the cultivator, in the interwar period, it was concluded that the period 1927-29 represented a price-relationship, fair and equitable, such that no section of the community had felt that prices received by them were not fair considering all other prices. With the year 1929 as base the index number of prices stood at 200 in August 1943. In other words, the prices of articles such as cloth, kerosene, sugar, tea, salt, gunnybags, etc., entering into the cost of production and cost of living of cultivators were 100 per cent more in August 1943 as compared to those in 1929. (Note on Fixation of Procurement Prices: CSD/VIII-D).

In the instructions issued to Collectors in September 1943, it was advised that wholesale prices ruling in the districts in 1927-29 should be taken as base and an addition of 100 per cent be made to it which would give a fair price for the purchase scheme. While actually effecting the purchases, suitable reductions were to be made by the Collectors for transport costs etc., whenever the grain was purchased at the villager's place. If, however, the cultivator brought the grain to the godown the price of 1929 + 100 per cent was to be paid in full. These prices were announced as maxima.

The level of prices thus fixed by Bombay Government as fair was accepted by the Government of India as reasonable, when prices were controlled by the Government of India later on.

3.6 Purchase of Paddy and Rice: Early in 1943, it was noticed that big stockists in Thana district were holding large stocks of paddy and demanding fancy prices. With a view to check this tendency on the part of stockists and to make available the grain to the people at a reasonable price, requisitioning on a large scale was carried out in July 1943 by a special officer appointed for the purpose. As a result of the operation 20,000 tons of rice was secured out of which 10,000 tons was exported to Bombay City. The Grain Purchase Office for procurement of rice from Thana and Kolaba evolved, later on in October, out of the experience gained in this large-scale requisition work in Thana district. The Grain Purchase Office was established mainly to export surplus rice in Thana and Kolaba districts to Bombay city; once the organization was well set up, its sphere of exports was extended to Ratnagiri, Poona, Sholapur, etc., districts on Government orders.

The scheme was roughly worked on following lines. In respect of rice, contracts were entered into with rice millers to supply a fixed quantity of rice for a period of six months. The quantities varied with each miller, and were arrived at after taking into account (i) capacity of the mill, (ii) his financial resources, and (iii) quantity of paddy he could secure. All millers had to secure licences under the Rice Mills Licensing Order of 9th October, 1943. Millers were generally not allowed to mill paddy on behalf of any private party without permission from Government.

Paddy was also directly purchased from cultivators or landlords. Government buying centres were opened for this purpose at important milling centres. This was not done with any intention to compete with the millers. But it was aimed at serving as check on the activity of millers and as a stand-by to buy over all supplies, provided the millers failed to fulfil their contracts. The idea was also to guarantee a fixed price for paddy to the cultivators in case millers duped them by combining together. The buying operations were purely of a voluntary nature.

No fixed quota was laid down for any cultivator for sale to the miller or to the Government. Care was, however, taken to see that no large holder withheld his surplus from sale. The stocks purchased by government directly from cultivators were milled by millers under separate contracts.

Rice bought from millers was transported to consuming centres by Government Inspectors. All means of transport, road, rail and sea were used.

For paddy purchased from cultivators, payment was made on the spot by purchasing inspectors who were provided with funds by the Assistant Purchase Officer in the form of advances. The Grain Purchase Officer provided funds to the Assistant Purchase Officers to make payments to cultivators and millers. The GPO who was in charge of the paddy purchase scheme was credited with large amounts on his Personal Ledger Account created for the purpose by Government. The Grain Purchase Officer had his headquarters in Bombay with a Deputy and some Assistant Purchase Officers, an Accountant and a Transport Assistant to aid him in his task.

The scheme was virtually a monopoly purchase scheme as nobody except the licensed millers were allowed to purchase paddy or sell grain and they were, again, expected to sell to Government alone.

Paddy-rice proportion was fixed at 1.45 Bengal maunds of paddy equalling one maund of rice. It was calculated that out of 1500 lbs. of paddy, 1045 lbs. of rice was milled.

3.7 Voluntary Purchase Scheme: On 20th August, 1943, Collectors were informed that Government wanted to purchase foodgrains on a larger scale at the ensuing kharif harvest. Purchases would be made in all districts, surplus or deficit, it was emphasised. It was desired that purchases in rice growing areas should be at least 25 per cent of total crops. In all other districts the targets were :

- (i) 10 per cent of total crop in deficit districts;
- (ii) 10 per cent + all surplus in surplus districts.

In Gujerat, purchases would be made in local markets while in the Deccan, the market system having broken down, direct purchases from cultivators were advised. It is gathered that owing to high prices and withholding of stocks by traders, markets in many areas (in Deccan) were not operating properly.

Collectors were asked to fix talukawise targets and to take into account the estimates of acreage and normal production for every area while arriving at the target figures.

For the purpose of purchases, Government did not recommend any specific agency, but allowed District Magistrates to use discretion. Purchase through co-operative sale unions should be encouraged and the trading interests should be cautiously utilised for the purpose, it was stated.

As earlier mentioned, prices were to be fixed on the parity-price basis (prices of 1929 + 100 per cent approximately) and Collectors were advised to draw up immediately a comparative scale of prices of the main foodgrains for each important market in each district. Similarly, prices were to be fixed in between the District town market and other local bazars on the basis of a fair price relationship adumbrated in the 'isotims' scheme.

To facilitate utmost purchases of grains, exports of grain outside the taluka were banned; similar bans could be imposed by the Collector on intervillage movements if he felt it desirable. Producers of grain were not allowed to sell grain to anybody other than Government or the authorised dealer. Payment of land revenue and tagai dues in kind were encouraged.

The object of Government in attempting to secure control of large stocks of foodgrains by means of the above scheme was to stabilise prices. It was hoped that the large reserves so acquired would deter speculators. The Collectors were advised to have one agency of purchase in one area to avoid duplication and confusion, though they were given liberty to choose any agency. (*vide* circular letter to Collectors on 30th August).

The Government of India's recommendation endorsing the Foodgrains Policy Committee's views on procurement was known in September. The objective of the procurement machinery envisaged by the Food Grains Policy Committee was not only to eliminate competitive buying to the greatest practicable extent but also to acquire from the cultivator maximum amount of grains. In the conference of Collectors held on 6th September, it was emphasised that there was no question of any discussion on whether Government of Bombay should or should not purchase grains and whether it should or should not ration large towns; the Government had to comply with the Central policy. How efficiently and effectively the objective could be achieved was the problem, it was averred.

With the increase in load of work on the District Collectors it was felt desirable to carry the public with the schemes and in order to evoke support from the people, Collectors were advised to strengthen their advisory Committees. It may be recalled that Collectors were asked to constitute District Advisory Committees early in 1940 by the Government Resolution of 21st February, when they were appointed Price Controllers, following the recommendation of the Second Price Control Conference. Some Collectors took advantage of these Committees in December 1941 after Japan entered the War. Hitherto the committees were expected to advise the Collectors on local prices; the expansion in scope of the Civil

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Supply functions needed advice on other aspects of food control and distribution also. The committees would represent the consumer, producer and trade interests of the district and should represent a cross-section of the community, it was suggested.

Collectors were further asked to be equipped with information on estimates of gross yields from kharif crops, stocks of grains likely to be available in each village, location of stocks, etc. (9th September, 1943).

The whole idea in the kharif purchase operations started in October 1943 was to procure as much as possible, hold reserves, and to keep prices stable throughout the year. Government intended to withdraw from the market, once all possible surplus grain was drawn into Government reserves and to leave the trade free. The controlled stocks could be utilised whenever high prices were observed in deficit areas.

Operation and Criticism: The purchases actually started in October 1943 with the commencement of the kharif harvest. The working brought forth many shortcomings and defects in the original scheme. Prof. D. R. Gadgil in his note, sent on 10th December to Adviser (Finance), dealt with the purchase scheme at great length and drew attention to the hardship and difficulties of the cultivators. As envisaged in the Government circular of 20th August the Government wanted a complete monopoly of trade. Prof. Gadgil pointed out that once embarked upon this policy it could not be abandoned half-way through the year. He contended that the targets for purchase at 25 per cent in rice producing areas and 10 per cent in other millet crop areas were too high. As evidence, he cited the "Survey of Farm Business in Wai Taluka", a publication of the Gokhale Institute of Politics and Economics, Poona, which showed that the average farmer in Wai Taluka did not sell, in a normal year, more than 7 to 8 per cent of the total production of his millet crops and that the percentage of sale was still lower at the kharif harvest than at the rabi. The second set of figures cited by him related to the tract in and near the Godavari and Pravara irrigation systems. These showed that not more than 18 to 22 per cent of the total production of millets was normally sold by farmers in the dry areas. These were obviously upper limits for non-irrigated farms. Although the information regarding normal selling habits of cultivators throughout the Province was scanty, it appeared that Government policy of acquiring supplies would generally result in purchase of more than real normal surplus of foodgrains. Government purchases in some districts would thus entrench upon what was not real surplus, feared Gadgil.

Secondly, Government contemplated that after an amount of purchases was effected, it could allow the trade to resume its normal activity which according to Gadgil was not likely to happen.

The procedure adopted in the purchase scheme was to set a target for the district to be split up in quotas for talukas and later for villages. Gadgil felt that it was not possible to collect the share of the village from individual farmers. As, the extent to which producers part with only the genuine surplus at harvest and the extent to which they fail to make provision for their own consumption needs for the whole year were questions on which no statistical data were available, a purchase by Government which was not real surplus was burdensome on the producer and created unnecessary problems of supply later in the year. Gadgil suggested, therefore, an exemption limit, which could be defined in terms of the annual requirements of foodgrains of an average family, and which might be related to the payment of land revenue. The definition of an exemption limit below which no sale would be expected of a farmer was, in any case, absolutely essential in any purchase policy to be really useful. These considerations led to the realisation that any mechanical division of the village quota over all farmers was causing not only hardship to a large section of producers but also created fresh problems in the future for Government policy. Gadgil emphasised these considerations because reports indicated that the actual working of purchase policy acted harshly on the smaller producers, under pressure of local officials, the substantial producers escaping scotfree.

Citing some instances, where even in non-surplus districts the incidence of purchases had reached a sixth or even a quarter of the total millet production of some villages or where even non-producers of grains were compelled to contribute, Gadgil brought out the misdirection and absurd results of the purchase policy. It was evidently the result of the great emphasis placed by Government on the acquisition side. The distribution side also ought to have been emphasised strongly from the beginning which might have curbed the misguided zeal of local officials.

The absence of attention to the distribution aspect was evident from the prohibition operating in some districts against the baluta payment and wages in kind. This involved a severe upsetting of the settled economy of the artisans and labourers. As revealed by the Wai Survey of the Gokhale Institute these payments ordinarily meet rural distributive needs to the extent of 17 to 20 per cent of production of millets as against 7 to 8 per cent retained at home by producers. In view of the fixed and easily determinable nature of these payments, their prohibition unnecessarily increased Government's responsibility in distribution at a later stage.

Similarly it was shown how production of rice of a large section of producers in the 'Desh' districts was not a real surplus. Prof. Gadgil further drew attention to doubts entertained in regard to the purchases effected by private individuals as agents of Government. The producer was uncertain about the contribution expected from him and

about the particular demands of the licensed trader, whether they were legitimate or not. This, again, gave the licensed traders opportunity to trade on private account. Gadgil referred, next to the necessity of proper steps for storage of grains and emphasised the need of Government assuming responsibility for continuous and unrestricted purchases. Government should not withdraw from the market for any considerable period and should shoulder the responsibility directly for distribution also. In a large number of instances grains were not available at taluka towns or in weekly markets and the very short supplies coming on the markets were selling at prices two or three times higher than that at which Government was purchasing grains. This was a condition of artificial scarcity, Gadgil felt, and so suggested distribution arrangements for the ensuing year on the basis of certain tentative estimates regarding the volume and origin of the demand for foodgrains and its spread through time during the next 12 months. He stated that whether Government acquired the whole crop of a district or not, it was imperative for Government to keep track of the disposal of the whole crop. A continued regime of dealings in and movement of grain allowed only under specific permits was indicated as a necessary complement of Government policy of purchases.

The question of prices at which grain was purchased and sold was not possible to be dealt with in isolation. Producers parted with their stock to government on the understanding that Government would see that hoarders of grain did not later on make abnormal profits. It also left a responsibility on the Government that supplies through the year were available at prices bearing a reasonable relationship with those established by it while purchasing grain.

Lastly, Gadgil made a plea for a thorough-going large-scale policy which would need somewhat elaborate statistical calculations of estimates of local deficits, their volume, timing and arrangements for diversion of supplies from surplus areas. This could not, obviously, be achieved without some centralization of decision regarding policy and the pooling of information and handling of the statistics at the centre, as the district agencies were not equipped for handling statistical data and acting upon their indications. Continuous exchange of information within the district along with an inter-district give and take and some sort of centralization was, therefore, deemed necessary to determine uniformly the broad lines of policy for all the districts in a region.

The above note was considered in the Secretariat. The Statistician, Mr. Sankpal, agreed with a majority of points made by Prof. Gadgil. But he thought there was a sufficient margin for small sales or barter available in the villages even after the targets for purchase were allowed. Generally supporting Gadgil's plea for a comprehensive food plan, the Statistician pointed out the inadequate information, absence of trained staff and defec-

tive statistical data on the food habits of the rural population as the main handicaps in the way of the implementation of a food plan envisaged by Prof. Gadgil. (Note by Statistician dated 16th December, 1943).

In a second note discussing in more detail the problems of "Purchase and Rural Distribution" sent to Adviser (Finance) on 7th January, 1944, Prof. Gadgil averred "The solution of the problem of distribution is at the core of a successful Government policy; without it the policy of purchase cannot hope to succeed". The supply position had distinctly worsened since October, 1943. On 3rd January, 1944, for instance, which was a market day in Wai, a taluka place in Satara district, the only foodgrains brought into the market were some pulses and pulse grains; there was not trace of any cereals. This position had persisted in the town since October and the only grain available was in the black market at substantially higher prices than those ruling in Bombay and Poona. The non-producer population was living for about 3 months on pulses, sweet potatoes and very scanty quantities of cereals obtained surreptitiously from local cultivators. This was Gadgil's personal information when he visited the Wai area in the first week of January, 1944. He thought that the position could not be remedied unless Government directly accepted responsibility for distribution of supplies of essential foodgrains.

He urged that all marketable surplus should be brought under Government control; restriction on movement of grain outside the village must be maintained even after completion of Government purchases; only sales for consumption within the village should be permitted. Unless this was done, it was apprehended, a considerable portion of the surplus would get into hands of traders and substantial consumers, the moment restrictions were removed. Simultaneously with the policy of keeping all available supplies under Government control, must be framed a policy for their orderly distribution. He advocated the immediate introduction of a quasi-rationing scheme for all rural areas pending the further development of a system of full-fledged rationing. It was necessary to develop and strengthen the available system in taluka towns, as soon and as thoroughly as possible, in view of the contingency of a number of other articles being brought under conditions of controlled supply. He envisaged a modified rationing mechanism wherein registration would not be compulsory but declaration of stocks would be a condition for any registration. There need not be a full ration as in cities where alternative channels of supply were completely closed, Gadgil felt. He detailed out a scheme for distribution of foodgrains in rural areas which was patterned after weekly markets. At a particular village, grain would be distributed for a group of surrounding 8 to 15 villages; the unit of purchase by every family would, however, remain fixed. There would be a distinction between producer and non-producer families, lists of which would already have been made in connection with Government purchases of foodgrains.

The central village shops would preferably be run by Government or by co-operative organizations, private traders as far possible being excluded from the distribution agencies. Prof. Gadgil felt that though the suggestions made were somewhat elaborate, they were the minimum necessary for a system of quasi-rationing to cover fully the entire rural population.

Secondly, Gadgil urged that the scheme of purchase of foodgrains should be explicitly known in detail to the local officials and to the public. He put forward a method by which the contribution of each cultivator could be calculated. The actual measurement of production of crop for the season, of each cultivator was obviously impossible and it was unsatisfactory to rely on the statement of the cultivator as regards his production. Nor was it desirable to leave the matter to the judgment of local officials. It was, therefore, suggested that the quota of purchase could be related to the acreage under a particular crop, but this would not allow for the considerable differences in yield per acre on different types of land. The revenue paid in respect of land under cultivation of a particular crop was ultimately felt to be a satisfactory basis. With revenue assessment as the basis of the quota the main relation necessary to ascertain was that between the average dry crop assessment and the average yield per acre. This relation could be determined on the basis of each taluka. After determining the exemption limit, the grain contribution by each cultivator was proposed to be related to per rupee of assessment. The tentative scheme was drawn up only for rabi crops and took into account the crop-share practices.

For the next year's crops, Gadgil was aware, there might be a reaction on the acreage under foodcrops. It was feared that if contribution in grain were strictly related to the revenue payment only of lands under grain it might lead to a diminution, in some areas, of such acreage next year. With a view to obviating this possibility it was suggested that Government might consider the linking of grain contributions in future years to total revenue payments, and not merely to revenue payments in respect of lands under foodgrains. (From this suggestion, of Prof. Gadgil it would be obvious, was born the later idea of compulsory foodgrain production embodied subsequently in the Growth of Foodcrops Act.).

The idea of a calculated grain contribution was put forward because Prof. Gadgil felt that the problem of Government purchase and distribution was not confined to one year only. The normal working of the trade channels and the economic society was so considerably disturbed and upset in the recent past, that it would take some time, even after the passing of the war economy, to be able to count upon normal working. It was imperative to put the policy of supply of essential foodgrains on something more than a make-shift basis.

As a corollary to these proposals, formulation of policy and direction of control were necessarily to be more centralized. At one time, in December, the Poona Rationing Authority had only a few days' supply of jowar and bajri on hand, Gadgil stated. Such a contingency could not have arisen if the pooling of information regarding supplies and their direction had been a provincial responsibility undertaken by an organization at the provincial centre. That is why Prof. Gadgil stressed the need of a central food organization at the provincial level to co-ordinate the purchase mechanism and the distribution of supplies throughout the province and to keep a constant watch on the supply position in different areas. The situation under which District authorities were conducting negotiations with each other led to considerable friction, dissatisfaction and loss of efficiency in handling supplies. Unnecessary transport costs involved in bilateral district arrangements, wastage in handling, and loss of time could be avoided if these matters were taken out of the hands of district authorities and placed under central responsibility at the Provincial level.

In his reply to Prof. Gadgil on 10th January, 1944, the Collector of Poona admitted that there was some confusion between the intention of Government and the effect of policy as actually pursued. According to him it was never the intention of Government to monopolise trade in foodgrains. The only idea in purchases was to facilitate price control. What, however, happened was "that a well-intentioned effort to avoid monopoly has resulted to some extent in our being unable for the time being to control the situation which we ourselves set up". The Collector also agreed that the control would have to last as long as the War and post-war conditions rendered it necessary. The question of distribution of the grain actually purchased by Government agency also had not received proper attention. The purchase operations did lead to the disappearance of local-petty trade in village shops and bazars, the Collector confessed.

In his subsequent notes to Government Prof. Gadgil elaborated his scheme for grain purchase with an exemption limit for producers having just sufficient land under cultivation. After taking into account the crop share as rent and the cases where land is irrigated and so is capable of yielding much more produce than indicated by the dry crop assessment, the actual grain contribution from producers could be calculated in a particular tract. The procedure of arriving at the grain contribution figure, thus, considered the following factors—(i) area, (ii) revenue assessment minus the water share, (iii) mode of cultivation, (iv) details of rental, and (v) whether irrigated or not. The scheme took into account also the produce-rent-receivers and provided for their grain contribution according to the mode of cultivation, the proportion of share rent, and the area of land.

In January, 1944, Government was faced with a situation in which normal trade did not function and the ordinary landless labourer was not able to obtain grain in the mofussil areas. Government, therefore, decided to eliminate the possibility of black markets and to remove the temptation for the large holder to hold on to his stocks. The kharif purchases were not satisfactory owing to various factors, main among which was the non-co-operation of large holders, that is, failure of Voluntary Purchase Scheme. From this emerged the revised plan of local procurement.

3.8 *Revised Plan of Local Procurement (Grain Levy Scheme)*: Although, the scheme of "Voluntary Purchase" introduced in October 1943 to acquire as much amount of kharif crop as possible met with some success, the quantity bought fell short of the target aimed at. The scheme depended largely on the willingness to co-operate by big landlords and cultivators. It was found that expected co-operation was not forthcoming and that there was a tendency to pass on an undue share of the aimed purchase to the smaller holder or tenant. Private trade was inclined to join hands with the bigger producers to create black market and profiteer out of it. The results of the voluntary scheme were thus:

- (1) It was not reliable to depend on voluntary sales by large holders.
- (2) The discretion allowed to petty village officials was not properly utilised.
- (3) Government could not remain satisfied by acquiring part of stocks; it should control the whole surplus.
- (4) Purchase of part of the surplus led to black-marketing.

Though the results of the Voluntary purchases were not satisfactory, it revealed that there was public support to Government's purchase of grain and holding of large stocks. It was thought necessary to improve on the Voluntary Purchase Scheme by eliminating its defects. A sort of legal levy was felt to be preferable to one imposed by village officials at their discretion. One advantage of a legal levy would be that it would bestow some certainty of purchases as Government would be able to anticipate the collections.

The proposal was then referred to the Remembrancer for Legal Affairs (RLA), who advised that the levy demand would be legal under Rule 81(2)(a) of the Defence of India Rules. The portion to be sold to Government should, however, be clearly ascertainable and enforceable, the RLA cautioned. Accordingly, Government decided to proceed ahead with the formulation of a compulsory levy scheme. On 24th February, 1944, the Government informed all District Magistrates that it intended to introduce comprehensive measures under a new local purchase, control, and distribution policy. The four elements of the new policy were

(i) Government monopoly of purchase, (ii) a graded levy on produce, (iii) control of movement, (iv) organized distribution.

Finding that all surplus grain with the cultivator was not forthcoming, Government thought it necessary to curb the trader and have a monopoly of purchase. This would gradually tighten the ring around the black markets and reduce profiteering. On the basis of previous experience, the elimination of trader and consequently of competition in the primary market was felt to be imperative and so led to the assumption of monopoly over purchase.

The genesis of the graded levy on produce was in the experience that the smaller producer was burdened more by purchase operations letting off the larger producer of foodgrains. It was aimed that undue weight should not fall on the smaller cultivator. The taxation principle of 'ability to pay' was, therefore, applied to purchases. Every cultivator should contribute according to his ability, that is, production or stocks. From this arose the idea of 'graded levy', the principle of which was simple: one who holds more would give a higher percentage; the person with a smaller holding would give a lesser percentage of his produce. The share of each was so graded that while, on the one hand, no one retained less than his minimum requirements, on the other, a higher share was demanded from the bigger holder.

A circular order No. 719/II was sent on 1st March, 1944 to all District Magistrates giving in detail the Revised scheme of local purchase. The proposed levy applied to all cereals and pulses. But the proportion of minor cereals and pulses to be accepted from any holder as part of the levy was not to exceed 20 per cent. The District Magistrates were instructed to fix prices for minor cereals and pulses grown in the district. Purposely, the prices to be notified should be less than market prices so as to discourage substitution of these minor grains for the cereals, it was emphasised.

The new scheme of graded levy was introduced legally only in three rabi districts of Ahmednagar, Sholapur and Bijapur.

Both for the graded levy and monopoly one thing was essential, that stocks should not disappear. With this end in view Government decided to impose control of movement. Till March, 1944, there was in existence a monopoly of inter-district trade. To facilitate the new scheme and to make a concerted attack on the problem of black markets prohibition of inter-village trade was enforced. Government asked the District Magistrates to prohibit any movement of grain out of the village. Sales in very small quantities of one paylee at a time to an individual for his bonafide personal consumption, baluta or other customary payments were allowed within the village; otherwise the producer had no other alternative but to

sell all produce over and above his family needs to the Government. The object of restriction was to prevent grain getting into uncontrolled trade channels.

The contribution from a holder to the Government demand, which was levy, was a percentage of yield. The levy was graded in relation to assessment. It was arrived at by taking into account, (i) the proportion of area under foodgrains to the assessed area in a taluka, (ii) quality of the soil and, (iii) the rates of assessment in different tracts. The normal requirement for an average family of a cultivator was estimated to be 27.5 maunds. All assessments at or below the figure corresponding to an out-turn of 27.5 maunds were exempted altogether from the levy scheme. On higher assessments the graded levy was so designed, as to claim progressively more grains for Government demand.

To allow for the consideration of condition of the crop in a particular season, the Mamlatdars were empowered to modify the levy demand in accordance with the *annevari* of the crop.

3.9 Scheme for Rural Distribution: In January-February 1944, in spite of the operation of Government monopoly over inter-district trade since October, 1943, large part of grain coming to the market within each district was left to pass through private trade channels. This meant great difficulty in some areas for the small consumer in obtaining supplies. It became apparent to Government that in order to avert any agrarian distress and discontent due to high prices and scarcity of supplies, Government should assume responsibility to feed the non-producer and the cultivator producing inadequate grain. Government confessed that it "cannot rely upon trade channels working independently to distribute grain to consumers. It has, therefore, become necessary to arrange for the retail distribution of the main foodgrains through Government or Government controlled agencies in all parts of the Province". (Appendix IX: page 10, Circular Order No. 719/II dated 1st March, 1944, issued to all District Magistrates).

On 14th March, a circular was sent to Collectors instructing them to commence rural distribution forthwith. The main features of the proposed scheme were :

- (1) Each district to have a certain number of rural shops to be opened at selected centres.
- (2) While selecting a new centre for distribution preference was to be given to a well-managed co-operative credit society. Preference next in order was to be given to local public committees, municipalities and village panchayats.
- (3) As a rule, there was to be a rural distribution centre within a radius of not more than five miles from any village.

Talathis were asked to prepare consumers' lists; persons shown on levy lists as liable to levy were *prima facie* self sufficient. It was emphasised that extreme care to restrict the consumers' lists to insufficient producers and persons having inadequate stocks of grains was necessary.

The beginning and end of the distribution scheme was to ensure that the non-producers and landless labourers would get a fair quantity of foodgrains throughout the year. The scheme was put into action immediately; it was proposed to cover every taluka with a chain of grain shops, about 8 or 10 or 12 in number, as the needs demanded. The Supply Commissioner told the first meeting of the Food and Commodity Advisory Board on 4th April, "At these distribution centres, the needy population would get such modicum of supplies, so that they will not be left to the mercy of either the tradesmen or landlords". Rural distribution centres were opened in all districts in which levy had been applied legally and where it was not applied legally.

Commission for purchases and distribution :

(i) *Purchases*:—In November 1943, the District Magistrate, Kaira informed Government that he had entered into a contract with a private agency to effect purchases under the voluntary purchase scheme at a commission of 3½ per cent. Government, thereupon consulted the Registrar of Co-operative Societies and the Director of Civil Supplies (Accounts) who opined that the commission fixed by the District Magistrate, Kaira was decidedly too high. The Supply Commissioner asked him, therefore, to reduce the rate of the commission to 1½ per cent and if that were not possible at all, to fix it at 2 per cent.

The Registrar of Co-operative Societies firmly stated that a rate of 1 per cent over and above the incidental expenses was fair for the co-operative societies, as they presumably were distributing kerosene, sugar etc., also.

On 29th January, 1944, Government advised the Collectors that 1 per cent commission was reasonable and fair enough to get reliable agents.

(ii) *Distribution*: By a Finance Department (Supply) circular dated 14th March, 1944, Government stipulated the following factors to be considered while fixing commission to distribution agents :

- (a) approximate cost of running a shop;
- (b) loss due to possible deterioration and shortage of grain through recleaning or causes beyond control of management;
- (c) profits earned by the agent in other controlled articles such as sugar, kerosene, cloth, etc.;

- (d) whether given interest-free capital or otherwise;
- (e) cost of transport from a godown within one mile of shop (subsequently added on 29th May, 1944).

The following additional conditions were suggested subsequently by a circular to Collectors dated 4th August, 1945 for fixation of the rate of commission :

- (i) Standard rates should be paid on quantity and not on value;
- (ii) rate must not ordinarily exceed one rupee per 16 paylees by measure or 12 annas per maund (82-2/7 lbs.);
- (iii) where turnover was generally small or small in a particular season the District Magistrates might consider giving a minimum amount as commission;
- (iv) in the case of flourishing shops having large turnover, the District Magistrates should fix the commission on a sliding scale.

3.10 Food and Commodity Advisory Board: The idea of having a Provincial advisory body was mooted by the Adviser (Finance) sometime in July-August 1943. He thought that district was a suitable unit for discussion of details of distribution and other supply problems, as the members of the district committees had intimate knowledge of local problems; but a provincial body was equally necessary to keep the public informed of the food situation of the Province as such. From the middle of 1943, Government aimed at bringing about uniformity in price and supply control to the maximum extent. This necessitated a consultative body on the pattern of the Food Advisory Council, which normally devoted more attention to problems of Bombay City. One of the Commissioners, approved of the idea, but wanted the proposed council to be a really hardhitting critical council capable of making suggestions. He did not relish a mere advisory body. The Adviser (Finance) observed on 17th August, 1943, "Everybody is so interested in the food position that the more we can keep public opinion in touch, the better". After the District Price and Supply Advisory Committees had been strengthened in October-November, 1943, by making them more representative of the whole district, the idea of a provincial council came up once again for consideration. The Supply Commissioner was afraid that the advisory council would serve as a forum for the complaints, inconveniences and grievances brought about in the wake of controls. These, moreover, were likely to be exaggerated. He posed a question "is it worthwhile going out of our way to provide a forum for voicing the views which might well lead to united indignation and opposition?" (27th November, 1943). He, on the other hand, suggested that special expert members with knowledge of supply position could be co-opted on the War Committee which could well discuss the problems connected with civil supplies.

Ultimately it was decided to constitute the Food and Commodity Advisory Board on which the Collectors were asked to send representatives from their Committees. Government also invited some other persons of repute like Sir Purshottamdas Thakurdas and Prof. D. R. Gadgil, on the Board. The first meeting of the Board was held on 4th April, 1944, in the Secretariat. The Board was constituted with a view to establishing a link between the Secretariat and the non-official element of the District Advisory Committees. The formation of the Board was an endeavour to cultivate a Provincial rather than a district or city mentality regarding the food problem. It would also enable a few able and experienced non-officials to explain food matters in their districts, it was thought. In the first meeting, the Adviser (Finance) explained the purpose and functions of the Board and the Supply Commissioner dwelt on the food position, the new levy system introduced in rabi districts, and the measures taken for control of movement and rural distribution.

3.11 Rationalisation of Grain Levy Scheme: After the Grain Levy Scheme for rabi crop was announced on 1st March, 1944, Prof. Gadgil prepared a formal set-up of statistical assumptions on which could be built up a skeleton framework regarding the levy and the distributive arrangements. The earlier scheme of compulsory grain contribution by the producer was somewhat *ad hoc* and had its origin in the past experience and defects of the 'voluntary purchase scheme.' It seems Prof. Gadgil thought it desirable to provide the levy scheme with a formal and scientific basis. Investigations in Ahmednagar, Satara and Nasik districts conducted by the Gokhale Institute of Politics and Economics, Poona, in the non-irrigated lands showed that about 20 per cent of the total outturn was paid out in kind by a producer of jowar and bajri. Of the 20 per cent, 12 per cent were payments to balutedars and wages in kind while the remaining 8 per cent were the share of crop given to landlord. For levy purposes, the latter purpose was not relevant. About 12 per cent, in addition, had to be earmarked for seed supply. But Prof. Gadgil stated that it was difficult to generalise in respect of seed supply. In the case of bajri a proportion of as low as 3 or 4 per cent could, in certain circumstances, be considered as sufficient while in the case of wheat the proportion would be very much larger. It was, however, noticeable that where the required seed supply was considerable, as in wheat, the proportion of produce paid out in kind was usually smaller than the average for jowar and bajri. In view of this an overall average of 8 per cent was deemed sufficient to cover seed requirements and a little wastage for all main cereals. Thus the proportion of produce required on the business side of farming was placed at approximately 20 per cent (12 per cent payments in kind for baluta and wages + 8 per cent, seed requirements, etc.).

In the grain levy scheme, Government had laid down 27.5 maunds as the basic exemption limit. From the above analysis, 5.5 maunds would be subtracted as 20 per cent of the produce for the baluta, seed and wage requirement group described above. The rest of 22 maunds at 1 lb. per adult per day for an average family of 5 persons was considered adequate for yearly food consumption needs of an average producer.

Secondly, it was found that as regards the total sales effected by farmers in various areas, 8 per cent of total produce of jowar and bajri represented sales by a farmer in Wai area and 20 per cent in dry farming areas of Nasik and Nagar. To this was added 5 per cent of the crop share appropriated by landlord which he generally sold. The baluta and wage payments were normally used by the earners for their household consumption. Thus the proportion of sale was put at 13 per cent in Wai and 25 per cent in Nagar-Nasik. After computing the food requirements of the rural population and the produce of grain generally sold by farmers in villages, Prof. Gadgil arrived at the conclusion that it was justifiable to distribute through Government shops in rural areas half the normal ration and to depend on the other half being obtained by rural population through payments in kind and miscellaneous village sales. Taking the 1941 census figures as basis, he calculated that about 12.25 lakh tons of foodgrains would be necessary to be handled by the distributive system out of which 4 lakh tons could come by way of basic plan imports while 8.25 lakh tons should be the target for collection by provincial authority through the Government procurement.

Regarding the scale of the levy, he wanted to be very careful. The estimate of production of an individual cultivator was made on the assumption of a series of averages such as ratio of food to non-food acreage, the district average of estimated yield per acre and the nature of crop season. These basic averages were obviously of doubtful validity and covered non-homogeneous areas. He would, therefore, allow a rather wide range of dispersal from the average figure of estimated production. He wanted to avoid any hard cases arising out of strict adherence to the estimated production figures for cultivators. So he suggested that an allowance of 20 per cent of dispersal was necessary to make the levy figures appropriately applicable to a large majority of contributing cultivators. With all these considerations, the levy demand should never exceed a maximum of 50 cent of the estimated production. On the basis of the statistical assumptions made above, Prof. Gadgil suggested the grading of the levy somewhat on the lines indicated below.

As stated above, Prof. Gadgil proposed a progressive rise in the contribution of grain from cultivators in relation to the acreage of holdings under foodgrains. Another device by which the levy could be kept at practicable levels was the basis of a uniform *annewari* of Annas

Estimated production	40 maunds	—	levy 8 maunds
"	50	—	" 12 "
"	75	—	" 22 "
"	100	—	" 35 "
"	150	—	" 60 "
"	200	—	" 90 "
"	250	—	" 120 "
"	300	—	" 150 "

6 in all areas. This was because, Gadgil contended, that there was generally an overestimation of 15 to 20 per cent in agricultural outturns in Bombay province. This probably was due either to an average overestimation of normal yields or of the *annevari*, or a combination of both. If this fact were not considered, it was likely that levy estimation would be pitched too high. An allowance for this was, therefore, necessary which could be done by assuming a uniformly low *annevari* of 6 annas. This would also justify the omission of areas under minor cereals and pulses.

Once again, Prof. Gadgil emphasised the need of setting up a highly centralized machinery for the levy and distribution purposes. Because of a uniformly applicable levy procedure and a comprehensive distributive organization, there would be no necessity for discretion to local officials and latitude for their judgment. A centralized control of the whole scheme would bring about efficient operation. In view of the new policy of compulsory levy and government monopoly of purchase, on the one hand, and uniform ration to be distributed in the rural population, on the other, it was imperative that district as a unit became irrelevant; only climatic, transport or seasonal regions retained importance. For all these considerations, Gadgil urged the centralization of control of procurement, distribution and movements of stocks.

Similar proposals for lower *annevari* and 50 per cent as maximum levy contribution were later on made by the People's Provincial Food Council and the Collector of Ahmednagar respectively, in July 1944. These proposals are referred to later, in this chapter.

3.12 Growth of Food-crops Act: In continuance of the measures taken by the Government of India in respect of the Grow More Food Campaign, it amended the Defence of India Act in January 1944 to give powers to Provincial Governments for controlling and regulating agriculture. Rule 80-B empowered the Bombay Government thus, to regulate crop areas, to prohibit or restrict the growing of particular crops, to compel cultivation of waste lands, etc.

It seems, that pursuant to this new power, Government thinking had been geared in the direction of controlling and directing food pro-

duction for some time. In his tour of Jalgaon and surrounding areas Adviser (Finance) sounded the people on a compulsion in respect of cultivation of food crops. The suggestion met with general acceptance. When fear was expressed that as a result of increased food grains production, prices might fall disastrously, Adviser (Finance) reassured the people that Government would be prepared to buy up whole of the grain at a fair price in East Khandesh if compulsory growing of food crops were introduced. While Government was buying up foodgrains at a controlled price under the compulsory levy, the difficulty of the cultivator in obtaining his other consumer goods at a fair controlled price was brought to Adviser (Finance)'s notice in his tour of the East Khandesh district. Adviser (Finance) accepting the difficulty as right, admitted the Provincial Government's inability to enforce price control in other matters. On the whole, he was convinced of a favourable reaction to a proposition requiring compulsory cultivation of food crops (Note by Adviser (Finance) on his tour to Jalgaon; dated 3rd March, 1944).

The Grow More Food Bill was placed before the Food and Commodity Advisory Board for consideration in its second meeting on 26th April, 1944. Prior to that, on 15th April, Prof. Gadgil submitted a note to Bombay Government commenting on certain provisions of the Bill. The burden of the note was mainly on the enforcement of the Grow More Food Act. Its enforcement could be attempted by linking its administration with the calculation and collection of the compulsory levy contributions. The main problem regarding enforcement of the provisions of the Act, as Gadgil saw, was apt to arise on account of the difficulty experienced by bulk of the producers to know their exact liability. The assumption that the producer knew (i) the exact size of his holding and (ii) the exact size of each parcel making up the holding, was likely to make the cultivator liable to prosecution under the Act if he failed to calculate his holding correctly. To avoid the possibility of a large number of cultivators infringing the provisions of the Act, though only technically, or making them entirely dependent on the talathi, Prof. Gadgil suggested the idea of linking the food crops proportions to levy contribution. In the large majority of cases, knowledge that food administration was going to proceed on the basis of these proportions would induce compliance with them. While thus it was proposed that the declared percentage under clause 4 of the Bill should be taken as the basis of calculations regarding grain contributions, for purposes of clause 3, instead of individual calculation of previous year's food-crop-area-proportion, an average for taluka was suggested. The latter taluka average was proposed in order to obviate the eventualities described below: (i) Previous year's individual percentage might be either accidentally or because of seasonal or rotational circumstances specially high or low; (ii) the holding of an individual cultivator is not necessarily identical in composition from year

to year; and (iii) the individual basis would yield a percentage differing from cultivator to cultivator and would have to be calculated from village records for each cultivator.

On the other hand, the average for a taluka was easy of calculation, administration and implementation of the whole policy better. It was suggested, therefore, that the Bill should be made applicable to the whole of the province on the basis of taluka as a unit.

Lastly, Prof. Gadgil drew attention to the comparative fairness of the economic results of compulsory direction of productive enterprise and to the manner in which and the degree to which compensation for possible losses would become necessary. Controlled production and controlled prices necessarily implied that opportunities of making profits of various enterprises would not be disparate. In order that some semblance of equality of treatment as between all agricultural enterprise was attained, Prof. Gadgil proposed two ways in which action was imperative. One was through control of prices—by a parity between prices of foodcrops and non-food-crops. He cited the relationship between cotton and groundnut prices on the one hand, and jowar and bajri prices, on the other. The Provincial Government should aim, therefore, at a price level of these non-food crops which was higher, to the same or even slightly less extent, as the statutory price of jowar and bajri, he proposed. But as all of the major agricultural products were not controlled by the Provincial Government and as in some of these enterprises very high profits were being made, it was suggested, all such enterprises should be made subject to a Provincial sales or processing tax (e.g. on sugar or gur) the proceeds of which could be distributed as specific compensation or be built up in a fund for rural reconstruction. This was the second course of action. Though this would not, possibly, make for immediate compensation to farmers bringing about the change-over from non-food to food crops, it would, at least, indicate some attempt at equitable treatment allround, Gadgil averred.

The Government of Bombay, thereafter, drafted the Growth of Foodcrops Bill and placed it before the Food and Commodity Advisory Board in its second meeting on 26th April, 1944. Adviser (F) said that it was largely meant as an emergency measure for the next season. Taking into consideration the unsatisfactory account of the Grow More Food campaign the proposed legislation was not considered as “anything more than an unscientific attempt to drive the districts to make the utmost effort to grow more food for the next year”, he stated. In the course of discussion, Mr. R. G. Saraiyya urged the necessity of crop-planning in the present crisis on an all-India basis. Prof. Gadgil drew attention to the problem of prices of agricultural commodities. The situation was unsteady. Pointing out that agricultural prices were likely to remain con-

stant, while agricultural costs would continue to rise, he thought that agriculture would become more and more unremunerative in the context of the price differential. He urged, therefore, postponement of price fixation. The proposed remuneration at one or two annas in the land revenue as compensation for shifting to food crops, he felt, was inadequate in certain areas. He pleaded for Government undertaking the distribution of agricultural implements, seeds etc., at controlled prices. Prof. Gadgil obviously wanted the Government to shoulder the responsibility of recouping the cultivator his loss in growing more food crops.

The Second meeting held on 26th April, 1944 approved the Growth of Foodcrops Act. It prescribed maximum proportion of non-food crops and minimum proportion of foodcrops to be sown by a holder. It empowered prohibition of growing of non-food crops in successive years. It accepted Government's obligation to purchase all foodcrops.

The objectives of the Act were to ensure that, in future, greater areas would be devoted to foodgrains, to maintain the progress so made and to guard against diversion of areas from food to non-food crops in future. The origin of the Act was in the fact that the Grow More Food campaign had not secured a sufficient area under foodgrains in the province.

The Act was notified on 20th May, 1944.

Bombay Irrigated Crop Regulation Act, 1944 :

To aid the Grow More Food campaign, Government decided to take up emergency irrigation works. But the experience in the case of the existing irrigated lands was not good. It was found, that the cultivator preferred to gamble in rains, and assured supply of water was, very often, not utilised, except for heavy crops like sugarcane. The Government of Bombay passed the Irrigated Crop Regulation Act on 24th August to provide for maximum cultivation and maximum use of water in lands under command of irrigation works. It also objected to increased cultivation of foodcrops in such lands. The Act was designed to provide for taking over of lands for cultivation by Government in the event of failure of owner (i) to take water from irrigation works and (ii) to grow specified foodcrops in the area under irrigation.

3.13 Coordination of Price Policy: With Government monopoly of not only inter-district but intra-district trade in foodgrains, regulation of movement and controlled distribution, Government was becoming aware of the necessity of a fair relationship between the prices fixed in rationed areas and those fixed in other mofussil areas. When, on the one hand, Government had fixed prices for purchase of grain under the levy system, it was imperative, on the other, to fix reasonable prices for grains sold under Government aegis.

As regards the co-ordination of prices of grains sold in rationed towns and other areas, Government of Bombay after considerable discussion issued the following instructions for guidance of Collectors in fixing retail prices of grain imported in districts under the Basic Plan or bought under the local purchase scheme, by a Circular Order No. 737/II, dated 5th May, 1944.

Prices in Rationed areas and for controlled distribution :

“ (1) In formally rationed areas in the districts the price to be charged for grain will be the economic cost. This will be calculated on the actual cost of the grain delivered in the town godown plus a fixed percentage for overhead charges and godown losses (these are at present 6 per cent and 1 per cent respectively) plus whatever may be fixed as retailer's margin, according to local conditions.

Where the same type of grain is derived from different sources at varying rates a pooled rate should be worked out as the economic rate to which percentage additions for overhead charges, etc., should be added.

(2) In urban areas, other than formally rationed areas, where distribution is made through Government or Government controlled grain shops to persons entitled, the retail price shall be fixed at a flat rate of 12½ per cent above the purchase price. Where the grain has been imported from another taluka the purchase price should in addition include the cost of transport from the godown where the grain was bought.

(3) In other areas where distribution is made through Government or Government controlled grain shops to persons on the entitled list, the retail price should be fixed as follows :—

- (a) where the grain has been bought in the taluka, the retail price shall not exceed the price at which the grain was purchased at the Government godown by more than 5 per cent.
- (b) where the grain has been imported from outside the taluka, the retail price shall be fixed at a rate not exceeding the purchase price of the grain at the godown where it was bought plus the actual transport charges from that godown to the retail shop plus 5 per cent.
- (c) where the grain has been imported from outside the district, the retail price shall be the *economic rate*.

(4) In rice growing areas where rice has been purchased for export, other grains-millets, minor cereals, or barley—are being imported for sale. Where such imported grain is sold at Government controlled shops outside the rationed and/or other urban areas, the price shall not exceed the rate at which paddy of medium quality has been purchased at godowns in the taluka plus 5 per cent.

Transport costs can be roughly calculated according to the distance grain has been carried".

These instructions incorporated all modifications or changes thought necessary and possible by the Government. The rates thus fixed in May 1944 remained generally in force and continued till 1947 when controls were abandoned. The structure of prices remained more or less the same except for few minor changes effected from time to time in subsequent three years, like addition of some new varieties of grain or in an attempt to approximate the rates to those proposed by Government of India.

Differences with Government of India: The quality and rates of wheat received from United Provinces under the Basic Plan were not satisfactory. The Government of Bombay addressed the Secretary, Food Department, Government of India, therefore, on 3rd March, 1944 complaining that the price of U.P. wheat was higher than that of Punjab wheat. The Government of India stated in its reply of 20th March, that it was not possible to guarantee either the quality or rate of wheat "so long as there is no price control" and that it was impossible to satisfy every deficit Government by allotting the whole of its quota from the cheapest sources.

Rationing quanta allowed in Calcutta and Karachi cities were higher than the one available in Bombay. At the instance of the Food Advisory Council, Bombay Government requested the Government of India to bring the quanta allowed in the three cities on par. Government of India replied that in order to maintain industrial peace in Calcutta it was necessary not to disturb the position. With a view to obtaining public support to rationing in surplus areas (presumably Karachi) it was necessary to give them higher ration quota and to allow free latitude to Provincial Governments in fixing their ration allotment. Government of India further stated that "it was not the primary object of rationing to guarantee an individual ration considered satisfactory on a hypothetical basis but to ensure an equal share of available food resources to every individual". The Food Advisory Council meeting (held on 24th March, 1944) in which the views of the Centre were placed, expressed dissatisfaction at the above explanation.

Prof. Gadgil in his note dated 15th April pleaded for a margin of profit in production of non-food agricultural products being comparable with that in the production of the main cereals. This was a precondition for cultivators' adhering to foodcrops production. It was felt in Government that prices of cotton (for instance) were not within the control of Provincial Government and so it was helpless to fix cotton prices. Government of India had the powers to fix ceiling for cotton prices but that would lead to control of textile price, which the Government of India would not be prepared to do. (*vide* Adviser (F)'s remark on Gadgil's views).

Guaranteed Prices : As a corollary of the Growth of Foodcrops Act prescribing certain minimum proportion of landholding to be put under foodcrops, it was urged in the second meeting of the Food and Commodity Advisory Board that Government should guarantee prices for the next kharif and rabi harvests. Government had agreed that mere fixation of prices of foodcrops was not adequate. The level of guaranteed agricultural prices in relation to the levels of present and expected prices of other commodities that would encourage or discourage farmer's effort to get more foodcrops from his land was also equally important, it was realised. Government was also considering the question of prices of fodder and cattle. (Note in May 1944).

The Bombay Government by a letter of 7th May, informed the Central Government of its intention to fix prices in advance for the next kharif and rabi crops. Prices were expected to remain stable and in no case, to fall below the present level. "Our present controlled prices of cereals are below parity with prices of other commodities used by the cultivator and it is often urged that they are in the circumstances unfair". It is obvious that Government was not taking any risk in guaranteeing prices when it announced later in June 1944 current prices as the minimum at which Government would be prepared to purchase foodcrops in the following year. This announcement was made in respect of bajri, jowar and maize.

3.14 Extension of Controlled Distribution: By the end of March 1944, rationing had been introduced in the six principal cities of the Province with a population of one lakh or more (viz. Bombay, Ahmedabad, Poona, Sholapur, Hubli and Surat). The Government then decided to introduce rationing in all towns with a population of more than ten thousand as well as to such other places having larger proportion of non-agricultural population, like railway centres, industrial townships, hill stations etc. It was thought necessary not to have the elaborateness and rigours of statutory rationing in the small towns. A simplified rationing procedure was, therefore, adopted in small towns. The Small Towns Rationing Scheme took shape by end March 1944 and preparatory work was started in 65 towns in April. Among the difficulties in having a full-fledged rigorous rationing scheme in small towns, main were the absence of suitable personnel and need for economy. Some shops were selected for distribution in each town and a number of households or particular areas were allotted to each shop for distribution. The quantum to be available was determined by local authorities having regard to stock position. In September 1944, thus, 65 small towns were brought under rationing besides the six cities. The total urban population covered by rationing schemes was about 13.46 lakhs, exclusive of the six cities of Bombay, Ahmedabad, Poona, Sholapur, Hubli and Surat having a population of 43.75 lakhs. Under the Rural Distri-

bution Scheme about 2000 distribution centres were catering to the needs of the inadequate producers, landless labourers and non-agricultural population. The total number entitled to buy at these centres was estimated to have been about 66.3 lakhs. In September 1944, thus, over 123 lakhs or about 60 per cent of the Provincial population was dependent on foodgrains supplies controlled by Government.

In June 1944, six Rationing Inspecting Officers were appointed to inspect the proper working and guide the Rationing Officers of the small towns.

3.15 *Supply Position (April 1943—October 1944)*: The food position between April 1943 and March 1944 was not satisfactory. The deficit was approximately 6,10,000 tons and most of this deficit had to be met by imports from outside. [The Basic Plan of Government inaugurated in April 1943, had made an inauspicious start. The 'free trade' episode of May-June 1943 had played a destructive role in upsetting the confidence in the Plan on the part of the provinces and States. The Foodgrains Policy Committee brought out the defects of the Basic Plan and suggested a revised formula for determining the targets. The Committee pointed out that readjustment of the figures from time to time was not 'failure' of a plan. In view of the defective and conjectural figures based on inadequate information, the Plan would need constant readjustment and review, the Committee suggested and hence recommended bi-annual stock-taking of the food stocks position in April and November. The Basic Plan, thus, it would be obvious, did not work properly till the F.P. Committee revived confidence in its working.]. Anyway, against the deficit of 6,10,000 tons the Government of Bombay received only 5,40,000 tons of foodgrains out of which rice and millets were 1 lakh and 2 lakh tons respectively, rest of 2.4 lakh tons being wheat. Arrivals of this allotment were slow and disappointing.

The supply position improved after March 1944 partly due to the better crop in the province in 1943-44. The total out-turn of cereals and millets was 3620 thousand tons, 347 thousand tons more than the previous year. Fairly good kharif crop (October-November 1943) and rabi harvesting (April 1944), timely release of Government stocks and last but not the least, controlled distribution and extension of rationing to small towns—all these factors helped improve the food supply position by August-September, 1944.

In June 1944, the quantum of basic ration in non-rationed areas was $\frac{1}{2}$ lb. per adult per day and half of that quantity per child under 12 but above 2 years. In July the standard cereal ration was made uniform in the small towns and non-rationed areas, viz. 26 lbs. and 13 lbs. per month for an adult and child respectively. The supply position as described above was better in August, 1944. It was suggested, therefore, by Prof.

Gadgil and accepted later on in the 6th Meeting of Food and Commodity Advisory Board that instead of frittering away supplies by increasing rations to all classes, special categories like children or heavy manual labour should be given the advantage of better supply position. Consequently in September full ration was allotted to all persons above the age of six and half quota to all children below age of six inclusive of infants below two. With effect from 1st October the ration quantum was raised to 28 lbs. and 14 lbs. for an adult and child, respectively. Extra ration for heavy manual labour, however, was being given only in the six cities.

3.16 Experience of the Grain Levy on Rabi crops: After the compulsory grain levy scheme was implemented in the three rabi districts of Ahmednagar, Sholapur and Bijapur with effect from 1st March, 1944, Government was contemplating application of the levy scheme all over the province. The Collector of Ahmednagar detailed his views on the conduct of levy in his district in a communication to Government on 1st July, 1944. It appears that Government had called for reports from the Collector on the working of the levy in general and on particular points in regard to the basis of levy, form of levy, gradation and incidence of the levy in his district. The reply of the Collector of Ahmednagar (1st July, 1944) throws a good deal of light on some aspects of the levy system. Following are some of the important points.

“(1) The revenue assessment was a satisfactory guide to the relative productivity of different soils assuming the existence of following factors:

(a) that there has been no unequal deterioration in the productivity of the different parcels of land after the Revision Survey classifying soils was conducted under the Land Revenue Code in 1886;

(b) that the standard of husbandry and rainfall are constant and uniform for all different parcels of the land. If these two assumptions were correct then the coefficient of assessment reflected the coefficient of actual productivity properly and the levy based on assessment was equitable between different khatedars holding soils of different value.

(2) Roughly irrigated land produces three times as much as dry crop land of the same classification value. But with this reservation that the land is supplied with manure and it is industrially looked after. Mere admission to water benefits is not enough to show the multiple. Second caution was regarding the presence of a well—mere presence of well in a survey number is not a proof of irrigation. The well may or may not be used or may not be in good condition.

(3) Pulses should not be bought under levy because storage and preservation of pulses is very difficult; but there should be restrictions on

export of pulses so that a regular supply of pulses through traders could be possible.

(4) Generally the public reaction to levy is satisfactory; they co-operate with Government in grain purchase scheme and are willing to sell their grain to Government rather than to merchants. They, however, are not satisfied with the basis of the scheme and its incidence on them individually. They want that incidence must be fixed after taking into account individual cases. They are not satisfied with the law of averages. Nothing will satisfy the cultivators except the verification of individual surplus. Anything worked on average basis, whether acreage or assessment, will not satisfy them.

(5) The maximum percentage of the levy should be 50 per cent instead of 70 per cent. Smaller khatedars are generally able to fulfil the levy whereas the medium and the large khatedars find it difficult to meet it; because (i) the coefficient of assessment does not necessarily reflect the coefficient of actual productivity. Thus a person paying Rs. 70 as land revenue does not get yield 7 times as much as a person paying Rs. 10 as land revenue; (ii) the person paying Rs. 70 land revenue has to give a levy of 60 per cent of his produce while the one paying Rs. 10 land revenue has to contribute only some 3 per cent in the levy. The scale of progression should be a bit less steep....."

Early in July, 1944, the People's Provincial Food Council, a non-official body headed by the Mayor of Bombay informed the Government of Bombay by a resolution, that the hardship and harassment hitherto caused to the agriculturists by the operation of the levy scheme during the rabi crop season, had resulted from lack of confidence in the intentions and efficiency of the machinery of Government. The Council urged that disciplinary or legal action should be taken against those local officials who had exceeded the authority vested in them. The Council further suggested that handling of the levy contribution of grain by cultivators should be done by officers of Food department and not by revenue officers. It felt the Revenue Department was unsuitable and undesirable an instrument for execution of food policy; and that the functions of storage, transport and distribution of foodgrains in rural and urban areas should be entrusted entirely to the Provincial Food Department and should be managed by it on uniform lines throughout the Province. Among the other recommendations made by the Council following are some of the more important points: (1) In cases of khatedars having more than 5 members in their families additional 4.5 maunds per year should be allowed for each additional individual in a family. (This was accepted by Government as late as in 1948 when levy orders for the year 1948-49 were issued). (ii) The pitch of the levy should be lowered by means of assuming lower *annewari* for crop yields. (iii) The quota fixed for

irrigated lands at three times that of jirayat lands was too high, it should be lowered to twice the latter. (iv) Prices should be so controlled that the cultivator got the requisite producer and consumer goods at reasonable prices.

These recommendations, it would seem, generally endorsed the proposals put forward by Prof. Gadgil in his notes independently.

In a discussion between the Statistician, Director of Civil Supplies (Districts), Commissioner for Central Division and Adviser (F) held on 21st July, 1944, proposals for modification of the levy scheme were considered. Experience gained in the operation of compulsory levy scheme during the rabi crop season was obviously taken into account. Following are some of the important conclusions arrived at, which were, to a certain extent, forerunners of the later Revised Grain Levy Scheme implemented in October 1944.

(1) In Section 4 areas (defined by the Growth of Foodcrops Act), the area which was to be put under foodcrops was easily calculable from Village Form VIII by taking two-thirds of each holding. In Section 3 areas, a statement would be necessary showing for each holding the area under scheduled foodcrops in 1943-44, comparing corresponding area in 1944-45.

(2) If the cultivator said he had not got so much area under foodgrains, he would be liable to prosecution in section 4 area, for not putting two-thirds area of his holding under foodcrops; in Section 3 area, he should have to prove that Village Form VII-XII for 1943-44 gave wrong area under foodgrains.

(3) Even if a cultivator put more than two-thirds area, in Section 4 area, under foodgrains, the levy would be assessed only on that area; similarly in Section 3 area, though a cultivator put more than last year's area under foodcrops, he would be liable for levy on the basis of last year's records in VII-XII.

(4) Likely objections to the scheme were anticipated as (i) inaccuracy of Village Form VII-XII, but that had to be risked; and (ii) scheduled foodcrops according to Growth of Foodcrops Act included in addition to main cereals, pulses and minor grains also, while the levy scheme required only main cereals. But it was thought desirable to take pulses and minor cereals also in the levy demand, if offered. If these were offered in large quantities, the tendency could be halted by dropping the prices of pulse and minor cereals.

(5) Experience had shown the necessity of easing down the scales for the higher assessment. Government would have to risk the lower total yield of the levy; but it was hoped that lack of difficulty in collection and

higher voluntary purchases above the levy demand would compensate the loss.

Some of the conclusions generally reached by August-September, 1944, regarding the Food Policy in general and the compulsory graded levy scheme in particular were (i) rationing and foodgrains distribution should be continued throughout the Province as a Government onus, (ii) monopoly purchase and control of movement were necessary, and (iii) compulsory levy should not be given up in favour of voluntary purchase.

The points on which there were some differences of opinion pertained mainly to the working of the levy. Though the basis of the levy viz. rupee assessment, was not without defects, the area basis as adopted in Madras was even more unsatisfactory, it was agreed. Regarding the manner of determination of levy, it was not practicable to calculate levy per cultivating holding; it had to be based on village as unit. The taluka or settlement group as basis also was considered to create many difficulties. About the pitch, the most important conclusion was, that in view of the working of averages, it could not be put very high. That was why Professor Gadgil had earlier suggested that even in the case of larger holdings the levy should not exceed 50 per cent of the estimated gross outturn. Any attempt to collect the whole of the surplus by means of compulsory graded levy based on assessment was, therefore, out of question. As a result of this limited acquisition of foodgrains on the part of Government it was felt impossible for Government to attempt rural distribution on the same lines as that in towns. Professor Gadgil termed the former as rural "provisioning" as against any attempt at rural "rationing".

3.17 Revised Grain Levy Scheme (October 1944): The Grain Levy Scheme was applied from March 1944 in the three districts of Sholapur, Bijapur and Ahmednagar having predominantly rabi crops. All other District Magistrates also were requested at the same time to purchase as much grain stocks as possible. They were authorised to requisition from producers quantities, which would have been due from them had levy scales been applied formally but were not forthcoming. In the three rabi districts, Prant Officers, Mamlatdars and Mahalkaris also were authorised to requisition. On 6th May, 1944, the imperative necessity of commandeering as much stocks of grain as possible was emphasised by a circular memorandum to Collectors.

After six months' experience of the working of the scheme and examination of the possibilities of applying the same system in other districts a revised scheme was evolved and made applicable in all dry crop areas of the Province.

(1) The new scheme differed from the original one in that the levy demand was based on the area cultivated with foodcrops, as interpreted

by the Growth of Foodcrops Act. The levy demand was calculated on the basis of the proportion of area under foodcrops in a holding stipulated by the Act. In order to allow for the productivity of different soils the levy order provided that the average assessment on the holding should be one of the factors used to determine the levy demand. In each settlement group the Collector published an Order showing the grain levy table applicable to each step in the average assessment.

(2) The levy demand was given top priority in respect of payments to be made by the cultivator to landlord by way of rent or interest or instalment of loan to money-lender, etc. Levy demand was made the first claimant on the total produce of the cultivator.

(3) In order to ensure that tenants themselves retained sufficient grains for their maintenance it was provided that landlords would not be entitled to compel tenants to pay the full amount of rent due.

(4) Price at which Government purchased grains was fixed for delivery at the godown. If delivery was made at the village, the price would be somewhat less to cover the transport cost of the grain from village to godown.

(5) The scheme primarily applied to main cereal crops i.e. wheat, rice, bajri, jowar and ragi. Collectors were authorized to notify other grains also for levy purposes.

(6) In areas where rice is the main crop and so levy was not applied, Government relied mainly on voluntary purchases of paddy. Lists of holders of land were prepared in rice growing areas to prevent evasion of sale of paddy and in order to enforce the government monopoly of purchase.

The number of Government godowns in the Province was considerably expanded and ordinarily within a distance of seven miles from any village, there was a godown.

The revised grain levy scheme was made applicable to whole of the Province, except paddy growing tracts, by a Finance Department (Supply) Order dated 11th October, 1944.

3.18 *Miscellaneous:*

(1) *Dock Explosion in Bombay* : One important event in 1944 was the Dock explosion of 14th April, 1944. It destroyed about two-thirds of the total storage space in Bombay City. A special organization had to be set up to isolate all doubtful stocks, test and grade them on scientific lines and to process them when necessary. Thus two-thirds stocks of foodgrains in the affected area were salvaged for human consumption. Immediately after the explosion, the Finance Department (Supply) had

to improvise and issue ration cards and emergency rations to people who had lost their households in the affected area.

(2) *Milk Supply*: Milk had always been in short supply. Government took measures to divert available short supply from non-essential to essential purposes. Among the steps taken were:—

- (i) prohibition of use of milk, in manufacture of articles other than tea, coffee, curds, etc.;
- (ii) closure of tea-shops, restaurants at 11 p.m.;
- (iii) prohibition of distribution of milk products beverages at large parties; and
- (iv) prohibition of supply of milk in catering establishments.

As a positive step, Government introduced on 17th August, 1944 the subsidised Milk Distribution Scheme under which milk was made available to milk-ration card holders at half the market rate. Milk ration cards were first given to children under 2 years, but later on, the scheme was extended (with effect from 22nd April, 1945) to children below 10 years of age and expectant and nursing mothers.

(3) *Payment of bonus etc., to talathis and kulkarnis*: In the machinery of local purchase of foodgrains in districts these village officers had to play an important part and do great deal of work beyond their ordinary duties. Government, therefore, decided by a Resolution F.D.(S) dated 19th November, 1943 to give special rewards to those officials who did their additional work diligently. It was advised that talathis might be given a maximum bonus upto two months' current pay, according to quality and volume of work done. Commissioners were empowered to sanction the amount.

Similar benefits were sanctioned by a subsequent resolution on 19th August, 1944 to village officers and the practice was continued upto 1949-50. The idea behind these extra payments was that the work expected from talathis and kulkarnis was just superimposed on their normal revenue duties which had already grown by other additions on account of war effort. The work involved was of the nature of preparing food-crop registers, levy bills, effecting levy demand, preparing consumers' lists and granting permits, etc.

3.19 *Conclusion*: As described in this chapter the period was a very crucial one and remarkable for the more and more complicated measures taken by Government to control price, movement, supply and distribution of foodgrains in the Province. It was a formative period.

Rationing was introduced in Bombay city as a result of acute shortages and high prices. While Government had already introduced ra-

tioning in Poona and was thinking of extending it to other industrial areas, the Foodgrains Policy Committee, in recommending the same, endorsed and approved the Bombay Government's steps. It was, however, realized that rationing was not the end but the beginning of an overall control. The slow and undependable process in which supplies arrived in Bombay Province from the Centre's allotments had made it clear that it was no use relying entirely on Government of India.

The purchase of paddy and rice in Thana district started as early as in July-August 1943 to check the tendency to hoard supplies and to demand fancy prices for the sale of foodgrains from the stocks. From this grew the Grain Purchase Organization of Thana and Kolaba districts the main objective of which was to commandeer as much stocks as possible. It is to be noted that in these paddy purchases no compulsion was imposed though there was a monopoly of purchases. The Voluntary Purchase Scheme also, which started in October, aimed at securing control of large stocks of foodgrains in order to stabilize prices. It was expected that large stocks in possession of Government would deter hoarders and speculators. The aim of the Voluntary Purchase Scheme was to keep prices at reasonable levels by holding reserves, which could be utilised to feed people in deficit areas. The defects in the working of this scheme were clearly brought out by Prof. Gadgil in his notes. These defects were admitted by the Supply Commissioner when he explained the food control work to the FCAB on 4th April, 1944, "(i) the progress of the purchases was not quick, (ii) the larger holders were not willing to sell and (iii) complaints came in that the pressure of the purchases fell largely on the small holders".

The hardship and difficulties experienced by the small holders necessitated improvement and modifications in the purchase scheme. Attempt was made in the Rabi purchase plan inaugurated on 1st March, 1944 to remove these defects. The incorporation of the principle of legal levy, and that too graded according to produce of each holder, marked a step forward inasmuch as it was recognized that leaving decision to petty officials was harmful to the small cultivators. The graded levy scheme also took cognizance of the important fact that not all cultivators could be subjected to levy. Exemptions on the basis of the holder's family requirements, seeds and baluta payments were given to small holders and a regular system of purchase was made applicable. This also did not prove foolproof as the exemptions were based on assessment on the cultivated land of the holder. The defect in regard to total holding was eradicated later on by linking the assessment to the proportion of land under foodgrains as stipulated by the Growth of Foodcrops Act. Thus by October 1944, the scale of levy was made more reasonable than it was for Rabi crop in March 1944. It was pointed out that the excessive

incidence of levy on small holders was due to taluka as a basis for assessment on different modes of cultivated lands and suggestions were offered that this could be avoided by assessing *annevari* at a uniform rate of six annas. But this suggestion, it appears, was not accepted by Government.

The brief account of the development of levy scheme given in the above paragraph does not indicate any preconceived and detailed study of procurement as an operation. It betrays a trial and error method, the difficulties of which were not visualised at the outset nor were the objectives of the purchase scheme based on a broad set of principles. As expediency demanded, new ideas were incorporated. What is sought to be pointed out is that the system of the grain levy scheme as worked at the end of period covered in this chapter, was not a planned evolution but a result of experiments.

The compulsory levy which formed the main plank of monopoly purchase made it incumbent on Government to provide foodgrains to insufficient producers and non-producers in the districts. The controlled distribution which had to be undertaken in March 1944 was, thus, a corollary of the principle of procurement and not a new scheme by itself. It was linked up automatically with the purchases, or was just the complementary aspect of the principle of commanding all marketable surplus in the Province.

Compulsory levy on the cultivators was not possible without control over movement. The latter made it incumbent on Government to accept the responsibility, to feed the landless labourers, inadequate producers, etc., in the rural areas through the Rural Distribution Scheme.

On the other hand, the Growth of Foodcrops Act and the Bombay Irrigated Crop Regulation Act signify the attempts of Government to control and direct production of foodcrops. Both measures were intended to aid the Grow More Food Campaign.

Thus, the year and a half, that followed after rationing was commenced in Bombay, signifies expansion of Government control over supplies, movement and distribution. Though at the end of the period the expansion would appear to have been a preconceived and systematic one, it was not so. In fact it was a period marked by experiments and improvisation. For instance, when the Voluntary Purchase Scheme was launched, it was not foreseen that the larger producers would not cooperate and that much of the produce would go into unauthorised trade channels. The conclusion is unavoidable that the picture of controls obtaining was not visualised as a whole in May 1943 but a start was made in the direction and gaps were filled as and when they occurred to Government. It must be admitted, however, that once Government assumed the responsibilities of food control and distribution there was no hesitation in extension of the field.

The problems encountered in the process were more due to lack of realization of the gravity or complex nature of the situation than due to reluctance to face the situations squarely. The Government did not take a proper perspective of future problems in the beginning in spite of some experience in the past. It will be interesting to find, in this context, that an extract from the Report of Food (Defence Plans) Department for the year ending December 1937 in Great Britain was considered by the Food Advisory Council in November 1942. To quote the report, it was known that "if control is to be effective in maintaining supplies and holding prices it must be introduced before and not after a shortage has arisen and prices have begun to get out of hand." But there is no evidence of any lesson taken from the experience in Great Britain. Only when prices had become skyrocketing and supplies scarce, did the Government take measures for large-scale procurement and distribution.

The events of the period once again underline the fact that the steps taken by Bombay Government were emulated by the Government of India afterwards. In respect of rationing, procurement, movement control, and price determination it would seem that the Central Government did not give a lead, nor encourage but was merely a passive spectator of happenings in this Province. When the experiments proved fruitful, the Government of India followed Bombay's example. In April 1944, Adviser (F) had aired similar views in respect of control over prices of cotton. Commenting on Prof. Gadgil's suggestion to bring cotton prices under control, so as to remove the temptation to the cultivator to divert land from foodcrops to cotton, Adviser (F) thought that control over prices of cotton without one on cotton textiles would not be welcomed by agriculturists. The Government of India would not be willing to do the latter. He noted further "It is well known that we cannot control the Government of India. Our only hope is by acting, getting something going and then perhaps Government of India may follow our example".

Another important measure taken by Bombay Government was the inauguration of the milk distribution scheme subsidised by Government. Though its immediate object was to channalise short milk supply to really essential needs of children and mothers (expectant as well as nursing), it was hoped, that it would "outlast the war and come to stay as an important step in the transition as a wartime expedient of food control to a peacetime measure of planned nutrition".

To sum up, the year and a half under review showed the efforts of the Provincial Government to husband domestic resources as far as possible by (a) increasing food production by means of compulsion *via* (i) Growth of Food-Crops Act and (ii) Irrigated Crop Regulation Act and (b) bringing supplies under control of Government through the purchase schemes, modified and improved into Revised Graded grain levy

scheme. On the other hand, the extension of rationing to small towns, etc., and controlled distribution throughout the province underline the acceptance of the principle of equality of sacrifice in all areas.

Within the limitation of data and circumstances, the pricing-policy formulated by Bombay Government was reasonable and endorsed by the Foodgrains Policy Committee. There is not any virtual difference between the factors taken into account in fixing price by Bombay Government and those recommended by F.P. Committee and accepted by Central Government.

It is interesting to note in passing that the Government was somewhat aware of the necessity of rationing and monopoly of control on supplies in 1941-42. But, in accepting the huge responsibility then only, the handicap of an enormous staff for the control of civil supplies was felt insuperable and that is why Government avoided rationing. The question of an efficient staff, it seems, did not, however, cause as great difficulties later on, as it was anticipated. Had Government taken the steps a year or so earlier anticipating the breakdown in supplies, the prices could have been arrested in time and the phenomenal rise in cost of living witnessed in 1943-44 nipped in the bud.

It may not be unfair to conclude that the situations Bombay Government had to face were not of its own creation, a number of them being beyond its control either under that of the Central and/or other Provincial Governments or owing to the severe congestions on railways. Given the circumstances, Bombay Government acted promptly and that is why any scarcities or famines of the dimensions in Bengal were averted here.

CHAPTER IV

RAMIFICATIONS OF CONTROL AND EXPERIMENT IN DECONTROL

4.1 *Introductory:* This chapter covers a fairly long period from October 1944 to December, 1947 when controls on foodgrains were lifted as a result of a Central Government directive. During the period of more than three years examined in this chapter two events of great political and economic significance took place. The Second World War was officially declared to have terminated on 1st April, 1946. Though control on foodgrains and other essential articles was originally imposed as a result of shortages and other conditions mainly created by War, it had to be continued in a peace-time economy. Another event of great significance and import was the achievement of Independence on 15th August, 1947. Although these two landmarks during the period under discussion did not directly greatly affect the food controls, the changes and modifications which had to be effected in the control mechanism as an indirect result are of no less importance for the purpose of the present study. As such it is necessary just to make a note of these events.

In Bombay Province, it may fairly be remarked that, by October 1944, the different parts of the control machinery were installed, in their main essentials. In the subsequent period, to be studied now, various measures were taken to improve the machinery, to smoothen its operation and to increase its efficiency.

4.2 *Food and Supply Position, 1944 to 1947:* The Foodgrains supply position as on 1st February, 1945 was considered satisfactory. In Bombay city Government had in its possession 1,59,200 tons and in the rest of the Province 2,46,600 tons of foodgrains stocks. Taking into account the estimated purchases upto November, 1945 and the imports in sight, Government decided with the approval of the Food and Commodity Advisory Board to raise the quantum of ration to one pound a day in all rationed and non-rationed areas. The proposal was given effect to on 1st March, 1945.

But the food position did not show good prospects later in the year. As the War came to a close in August 1945, hopes were entertained in certain quarters that imports of rice from Burma would be soon resumed, but the supply position became worse as time passed on. That the food situation would take some time before it became normal was clear to the
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Government of India is evident from the warning of the Food Member of Viceroy's Executive Council, Shri. J. P. Shrivastava, when he addressed the Central Food Advisory Council on 13th September, 1945, "the food situation in India will need utmost vigilance in 1946. As any relaxation of food controls is likely to have an unsettling effect on food administration, decontrol is undesirable".

The rainfall of 1945 was irregularly distributed. In South India it was both inadequate and irregular. In Bombay province rain in Satara, Sholapur, Bijapur, Dharwar and Belgaum was short in September, October, November. The crisis had arisen mainly as a result of the failure of north-east (winter) monsoon on which the principal grain-crops of Southern India depend. The kharif crop was badly damaged, the hopes of a fair rabi outturn were ruined in Bombay and shortage of 4 lakh tons was estimated. On the other hand heavy floods in Gujerat did much damage. Michael Brown in his article "India faces famine" in the Economist, London dated 3rd February, 1946, described the situation as "a worst drought for 30 years on the Eastern coast The Bombay provincial grain monopoly is unlikely to be able to purchase more than one-tenth of the normal amount in the Deccan millet areas". Speaking about India's position *vis-a-vis* world powers, Michael Brown stated "India has no voice on the Combined Food Board, Washington. As one disgusted Adviser to a Provincial Governor said—'It is almost unbelievable that India's voice should be so little heard compared even with the pygmy nations that sit on the Board'".

In the standing committee of Food and Commodity Advisory Board held on 16th January, 1946, the grave situation in the province created by scarcity in 7 districts was considered. It was pointed out that the average economic retail price of imported millets in these districts was expected to be about Rs. 10/8/- per B. maund as compared with the selling rate of locally purchased grain in rural areas which was about Rs. 7/- per maund. It was agreed that the actual cost of imported grain would have to be recovered from the consumer. A proposal from the Collector of Poona; that wherever wheat had got to be put for sale instead of jowar, owing to lack of jowar supply, wheat should be sold at the price fixed for jowar; was discussed and sanctioned by the committee.

In the Food and Commodity Advisory Board meeting of 16th January, Prof. Gadgil speaking on the food budget drew attention to the meagre private stocks in rural areas. He said, "In the early days when the present somewhat inadequate ration was fixed, there were classes of agriculturists in rural areas who had some stocks on hand by means of which the inadequate ration could be eked out. After a year and half of the working of monopoly procurement and the ration system, we have now definitely come to a stage when the rural stocks have been completely

depleted. As evidence, I would refer to the increase in the offtake of ration in rural areas". Any proposals, therefore, for reduction of rural ration would cause great hardship to people.

The prospects of wheat crop in Punjab were none too satisfactory due to inadequate winter rains in December and January; consequently procurement of wheat for export to other parts of the country was very low. Due to all these natural conditions making for a serious food position, Government of India sent a delegation to Great Britain and U.S.A. to explore the possibilities of additional imports of foodgrains from overseas. Mr. Gorwala, Supply Commissioner, was a member of the delegation. India's case for additional imports rested mainly on the following points :

- (i) Even in pre-war days India was an importer.
- (ii) Steady growth of population.
- (iii) The distribution of landuse in India was such that there was not any considerable scope for additional acreage being brought under foodgrains cultivation. Because (a) cereal and pulse acreage was considered as already very high in India; (b) acreage under oilseeds group had to be maintained, reduction of which, below a particular level would have adversely affected industrial needs; (c) similar considerations applied to sugarcane, jute, cotton; (d) milk and meat output was already low.
- (iv) There was not much scope immediately for intensive cultivation due to shortage of artificial manure supplies resulting from cut in imports.
- (v) The standard ration of 1 lb. per day per adult was itself inadequate and lacked nutritional values also.
- (vi) The supplementary foods like meat, eggs, milk, potatoes were already low in supply and their prices especially of milk, eggs, etc., were beyond the purchasing power of the poorer section of the community.
- (vii) Pulses were, to a certain extent, a supplementary food but its consumption had already risen in non-agricultural rural population in the recent past.

The food position in January 1946 was causing great concern in Bombay Province. The requirements from 1st January to 30th November, 1946, for distribution to be made from Government stocks on the current scale of ration, were placed at 13.05 lakh tons. Government were actually in possession of stocks of 2.66 lakh tons while the local purchases were estimated to be 3.17 lakhs. Imports expected from other provinces were of the order of 5.15 lakhs. This made up 10.99 lakh tons leaving a deficit of 2.06 lakhs tons. To eke out the short supplies Government reduced the cereal ration from 1 lb. to $\frac{3}{4}$ lb. with effect from 21st February, 1946;

the supplementary ration to heavy manual labour was also reduced from 8 ozs. to 4 ozs. Despite this cut in ration Government was not sure that it would be able to cover the deficit upto 30th November, 1946.

The Food and Commodity Advisory Board recommended in its meeting held on 20th February, 1946 that the Government of Bombay make a strong representation to the Central Government against the injustice, of Bombay having to reduce the cereal ration unless and until all provinces had introduced rationing and procurement on the same scale and with the same strictness as Bombay Province. The indignation caused by some areas' reluctance to fall in line with Central Policy as regards rationing, monopoly procurement, etc., was so strong that the Board recommended that "Government of Bombay should prohibit the export to such areas of such of Bombay's main products as might be decided".

Secondly, the Board wanted to know whether in view of the curtailment of ration as expressly directed by the Governor General (Viceroy), the public of Bombay could presume that Government of India assumed responsibility for supply of foodgrains to Bombay.

The Standing Committee meeting on 21st February made a number of recommendations in pursuance of the need to economise the use of foodgrains in the province.

The reply received by Bombay Government from Government of India, regarding the critical food situation and the reluctance of other food administrations to enforce strictly rigid controls, was not at all satisfactory. The Board was not satisfied, when it met on 20th March, with the guarded and non-committal way in which the Government of India accepted certain responsibilities which the Board wanted the Centre to assume explicitly. Members criticised the Government of India for its policy of lenience towards surplus Provinces and demanded "this Board would like to know from Government of India what exactly are the steps they have taken to enforce our demands with respect to U.P. and Punjab". Prof. Gadgil aired the apprehensions, the Bombay public had in mind as regards the Government of India policy in no uncertain terms, "that the Government of India, while it controls commodities like cloth in which Bombay is surplus on All-India basis and has a uniform policy, does not directly control commodities like foodgrains but allows unilateral action to be taken by Provincial Governments and allows surplus provinces to get off easily; that the Government of India has declared, it had a uniform policy but we have complete evidence that actually there has not been a uniform policy which has given rise to a great deal of ill-feeling in this province". Considerable resentment was felt in the province owing to the widespread impression that people in other parts of the country suffered much less onerous control than they did here.

Due to the scarcity conditions obtaining in certain parts of the Province and especially in Ahmednagar, Poona, Sholapur, Satara, Belgaum, Bijapur and Dharwar, the operation of grain levy scheme had to be suspended in these areas. The crop condition was very poor and the compulsory levy demand was not insisted on in these areas between November 1945 and October 1946. In some other areas levy demand had to be reduced to suit the crop-position.

The serious scarcity was reflected in the local purchase operations. Thus the total cereals purchased between 4th November 1945 and 23rd March, 1946 had been 258,221 tons as compared to 328,713 tons for the last year's corresponding period from 29th October 1944 to 24th March, 1945. On 1st April, 1946, Government held only 391,500 tons of food-grains stocks. The allotments from the Government of India were not coming according to schedule; there were defaults also. Taking into account the defaults, balance of estimated allotments from the Centre upto 1st September was put at 2.31 lakh tons; but considering the past performance and present promises, the Centre's allotments were put at only 1.47 lakh tons. The additional procurements within the Province were expected to be 1 lakh tons upto 1st September. On account of scarcity it was feared that off-takes might increase. The position was disturbing, thus, inasmuch as the supplies calculated above were expected to last upto 1st September and provision had to be made upto at least end of November when new kharif harvest would start coming in provided the monsoon was favourable.

The short supply was also obvious from another aspect. The imports for 12 months from 1st November, 1944 to 31st October, 1945 were 5,37,000 tons. Actual imports from November 1945 to April 1946 had amounted to 2,93,400 tons while credit taken for future allotments was only to the extent of 1,47,000 tons. Even if compared to previous year's figures there was a shortfall of 96,600 tons. It would be obvious how difficult was the situation to be faced when the outside imports also were less than normal imports of the previous year. (*vide* Statements submitted to the FCAB).

Results of Food Debacle 1945-46 :—The appeals for increased food allotments to Central Government from the Food and Commodity Advisory Board supported by Bombay Government and the attempts to secure as much stocks as possible within the Province by local purchase have been described above. It appears that Government did not put up price to induce more procurement as originally proposed owing to the apprehensions of an even less favourable reaction. The Government of Bombay was able to import 2,51,000 tons of foodgrains between April and August 1946. The Government faced the situation within the Province with determination. As early as in February the ration quantum was reduced from 1 lb. to $\frac{1}{2}$ lb.

per adult per day throughout the province. All local resources are stated to have been mobilised, distribution arrangements were tightened up, austerity measures to avoid wasteful consumption of food were enforced strictly and Government, thus, came out of the period without any serious breakdown. How difficult was the period confronted by Government would be obvious from some figures given below.

Although the figure of local procurement rose from 276,000 tons by end of March to 423,000 by beginning of September 1946, the procurement was far less than previous year. (The total imports into Bombay Province under the Basic Plan amounted to 6.46 lakh tons in 1945-46 as against 5.37 lakh tons in 1944-45). The total purchases of cereals in 1944-45 stood at 6.26 lakh tons out of 31.95 lakh tons, while in 1945-46 the amount of purchases was 4.33 lakh tons against a production of 27.81 lakh tons. The percentage of purchases to production dropped from 19.6 to 15.6. The fall in procurement was due mainly to substantially low purchases in Deccan and Karnatak districts as shown in Table 4.1.

TABLE No. 4.1.
Percentage of Purchases to Estimated Production.

	1944-5	1945-46
Ahmednagar	21.7	5.3
Poona	16.3	6.6
Sholapur	29.3	21.4
Satara	7.7	1.7
Belgaum	16.9	4.4
Bijapur	23.8	13.7
Dharwar	19.7	14.8

The Konkan districts and Surat growing paddy were the only areas showing a small increase in purchases over the previous year. The percentage of purchases rose from 20 to 21.7 in Konkan districts and to 27.4 from 23.4 in Surat.

While the local purchases had declined appreciably, the off-takes in rural areas had increased during the period. The figure rose from 329,293 tons to 384,286 tons from 1944-45 to 1945-46. The small decline in off-takes from 742,391 to 741,211 tons in rationed areas during the same period was probably due to intensive check-up of ration cards carried out by Government by means of weeding out dead units. Simultaneously, it is to be noted that the rationed population had risen from 74,06,723 to 79,87,283 between October 1945 and October 1946. These figures, it can be concluded, show that Government efforts to reduce consumption in rationed areas by strictly watching the ration cards were successful to some extent.¹

1. *vide* Tables I(a), III(a), IV(b) and V(b) given in Food Statistics of Bombay Province, published by Civil Supplies Department in 1949.

The agricultural season July 1946 to June, 1947 was disappointing. At the end of October a good kharif crop was expected, however, the late rains in November and December affected the standing crop of late varieties of paddy and harvest crop of paddy and kharif jowar lying in threshing yards. This marred the prospects of a good kharif crop throughout the central, coastal and northern regions of the Province. Both the quantity and quality of these grains were badly affected. Heavy late rains in December worsened the situation along with the widespread prevalence of rust affecting the entire wheat crop. As a result, the total production for 1946-47 was 28,30,900 tons against 31,94,700 tons in 1944-45 and normal estimated yield of 32,58,000 tons though slightly better than that in the previous year (1945-46) of 27,80,600 tons.²

The Grain Levy Order was being constantly criticised for the reason that it did not leave enough with the marginal producers. So executive instructions were issued to District Magistrates empowering them to make adjustments in levy demands in respect of marginal producers with large families.

The food position continued to be serious. As on 1st July, 1947, the total supplies taking credit for imports in sight of 49,500 tons and expected local purchases of 8000 tons, were 255,100 tons. The total requirement for the three months July-September was placed at 335,000 tons thus indicating a positive shortage of 79,900 tons. The usual necessary carry-over equivalent to two months at the end of September was required to be 210,000 tons. Thus there was a net shortage of 289,900 tons on 1st July. The Minister for Civil Supplies told the Food and Commodity Advisory Board on 30th August that the position would be increasingly difficult in future months.

He observed in the next meeting held on 29th September, 1947 that the food situation had deteriorated. The procurement within the Province was disappointingly low as would be evident from the following figures. Purchases of total cereals amounted to 406,973 during the procurement period 3rd November, 1946 to 20th September, 1947. The figures for corresponding period in the two previous years, viz. 1945-46 and 1944-45 were 426,165 and 618,373 tons respectively. It is to be noted that 1945-46 was a year of famine in the province and still the purchases for the period were higher by 20,000 tons in that year than in 1946-47. The food position was particularly difficult on account of the very meagre stocks in Ahmedabad, Surat, Dharwar, West Khandesh, East Khandesh and Satara districts and the Minister stated that a careful watch was being maintained on the day to day supply position of all districts in the Province. The Minister for Civil Supplies stated that the two months ahead would

2. op. cit.

probably be the most difficult in the history of food administration in Bombay Province.

4.3 *Procurement.*

Paddy Purchase : Following the revised Grain Levy Scheme described in the last chapter, Government of Bombay issued instructions in October 1944 to Collectors having paddy-growing tracts in their districts. Such areas were the whole of Kanara and Ratnagiri districts and parts of Surat, Ahmednagar, West Khandesh, Nasik, Poona, Satara, Sholapur, Belgaum and Dharwar. There was a separate scheme operating in Thana and Kolaba districts under the control of Grain Purchase Officer who had his headquarters in Bombay. It was stated that, generally, paddy should be purchased directly from villagers through the Revenue staff. Except under very close supervision, employment of agents or direct purchase by millers was not desirable, it was categorically stated. Arrangements for purchases were generally to be made on the same lines as millets-purchase. As a supplementary measure, ban on inter-village movement was felt desirable; but discretion was given to the Collectors concerned in the matter. In order to keep a check on sales by producers, Collectors were advised to make lists of producers in each village, which were to be drawn in the general form of levy list. As government had already imposed a monopoly of purchases, requisitioning where necessary was also recommended. To encourage sales of paddy, Collectors were asked to keep the rural distribution centres in paddy growing areas fully supplied with millets during the paddy season, so that paddy growers could give paddy in exchange for millets. Government promised to send supplies of millets especially bajri and nagli in case these millets were short in the area. The maximum prices for paddy fixed in the previous year were generally continued. Collectors were allowed, however, to make minor modifications where prices so fixed were excessive. It was emphasized that no formal levy demand was to be made in these rice areas. Government intended to rely mainly on voluntary sales, the minimum amount to be taken out of the total estimated produce was however to be determined on the basic levy scale.

The system of rice procurement in Thana and Kolaba districts was entirely under the charge of the Grain Purchase Officer. It was a mixture of voluntary and compulsory methods. There was a Government monopoly, in the sense that nobody else was allowed to buy or sell to anyone except to Government and its authorised agents. Nevertheless the scheme of purchase was voluntary in the sense that nobody was compelled to part with any fixed portion of his total produce as in the levy areas. In 1944-45 the Grain Purchase Officer was entrusted with the work of distribution of rice to all distribution centre shops in the two districts.

In a draft Press Note discussed by Mr. J. Booth the Director of Civil Supplies (Districts), with Prof. Gadgil in March, 1945, it was stated that though purchases of paddy or rice were voluntary in the surplus districts of Thana and Kolaba the producer was under an obligation to dispose of all his surplus by sale only to Government. Every person in possession of more than 25 B. maunds of paddy or 15 B. maunds of rice or more had to declare his stocks every month. In the deficit districts of Ratnagiri and Kanara different methods were adopted for purchase centres opened by Government. The following scale of purchases was followed to induce sale from producers or landholders :—

Producer of 2 khandis or less	— nil.
Between 2 and 3 khandis	— 20 per cent or the excess above 2 khandis; whichever was less.
Between 3 and 5 khandis	— 33 1/3 per cent or excess above 2 khandis, 8 maunds; whichever was less.
Between 5 and 8 khandis	— 50 per cent or excess above 3 khandis, 7 maunds whichever was less.
8 khandis and above	— 75 per cent or excess above 4 khandis; whichever was less.

It is obvious that the same principle of graded demand was applied as in the levy areas.

In Kanara district, the levy scales were conformed with, as far as possible, in calculating the amount of grain expected to be purchased from a landholder. Intervillage movement was controlled in all the above four districts of Ratnagiri, Kanara, Thana and Kolaba.

In other areas, where some other grain was commonly consumed. Government depended for purchases mainly on the declarations obtained from paddy growers and other landholders. Government had encouraged producers to part with rice or paddy produce by means of opening rural distribution centres for exchanging bajri or other grains with paddy or rice to be purchased.

Levy Areas : In the levy areas the scheme applied to rice, jowar, bajri, wheat and ragi; but power was given to Collectors to notify other grains in their districts. Collectors were asked by a circular dated 4th October, 1944 to make arrangements for taking delivery of grain due under levy by erecting adequate number of godowns and purchase centres with an adequate staff. The basic yield for a taluka, which was the basis of levy demand, was fixed after discussion with the Collectors. About 80 per cent of the average yield reported over the last ten years for the main cereal crops was taken as a standard yield, after allowing for part of each

foodcrop acre cultivated with pulses, which were included in the Growth of Foodcrops Act definition but dropped in the levy demand.

In spite of the attempts on the part of Government to define the levy demand as precisely and definitely as possible and the precautions taken to estimate the foodgrains produce of the levy khatedars with allowance for pulses, seeds, baluta, etc., it appears that the levy scales applied to some parts of the province were heavy. In its January 1945 newsletter 'Our Food', the People's Provincial Food Council urged the Government to consider the question of revising levy scales sympathetically in Surat, Panch Mahals, West Khandesh, Belgaum and Dharwar districts from which there was a general complaint of the levy khatedars. The Council contended that levy scales were likely to have been on the higher side as the assessment under the Bombay Land Revenue System was fixed on a number of factors besides the productive capacity of the land, such as (i) state of communications, (ii) marketing facilities, (iii) extent of money crops grown, (iv) existence of rural industries and so on. The Council recommended, therefore, that the scale of levy should not be prescribed by depending too much on the level of assessment for any region. It suggested that in order to reduce the hardship to the cultivators to the minimum, the levy demand should be determined by means of fixing the Annewari at a uniform rate of six annas.

During the month of January, 1945 Government exempted from the area under foodcrops, the acreage put under jowar for fodder purposes. Government also issued orders regarding the collection of levy in instalments according to kharif and rabi crops.

From another note sent to Prof. Gadgil by Mr. Booth, Director Civil Supplies (D), on 8th March, 1945, the Government would seem to have been seriously considering different methods for levy remissions wherever seasonal crop conditions required it. Such percentage remissions had already been given in greater parts of Ahmedabad, Kaira and Surat districts. Percentage remission given in Ahmedabad district exceeded 20, while that in East Khandesh even touched 25, not on account of the condition of crop but due to high proportion of pulses in the latter case.

Government had also accepted the principle that wherever remission of more than 25 per cent in levy demand would be necessary levy tables would be altered to suit the crop condition. Such revised tables were made applicable in parts of Surat and Belgaum districts.

Government had also been thinking that the gradation of levy scales at 70 per cent was too high and maximum demand would be better fixed at 50 per cent of the gross production.

During the years 1945-46 and 1946-47 no significant modifications were made in the procedures adopted for voluntary purchases of paddy

rice and for the compulsory grain levy in the levy areas. It seems in these two years Government did not experience any specific difficulties as regards procurement; the low quantities of procurement in these two years as compared to 1944-45 as seen in Table 4.2 below, were due rather to the seasonal factor and not on account of any shortcomings in the system of procurement as such. Following are the amounts of purchases effected in the voluntary and compulsory procurements in the three years 1944 to 1947.

TABLE No. 4.2.
Total Cereals : Production and Purchases.

Year	Production (’000 tons)	Purchases (’000 tons)	Percentage of Purchases to Production
1944-45	3195	626	19.6
1945-46	2781	433	15.6
1946-47	2831	420	14.8

Total cereals: rice, kharif and rabi jowar, bajri, wheat and minor cereals.
(Source : Food Statistics of Bombay Province, 1949, Civil Supplies Dept., Bombay).

Grain Levy Order 1947-48 : By a circular order to Collectors dated 7th October, 1947, it was stated that the main lines of procurement of foodgrains would remain the same as in the previous year; the levy would remain the main plank of purchases, it was emphasized. Government stressed the need on the part of Mamlatdars and other officials to exert fully in respect of levy purchases to fulfil the demand. It is to be noted that owing to the Government policy of lifting up of controls in early December the Grain Levy Orders were automatically repealed.

Experiment of Compulsory Levy in Paddy areas: An experiment in two paddy growing talukas of Mahad and Umbargaon talukas of Kolaba and Thana districts respectively is of some interest. The Grain Purchase Officer, in charge of procurement of rice/paddy in these two districts, found that purchase in the two talukas was unsatisfactory mainly due to smuggling of paddy and rice to adjoining States. With the object of checking this smuggling, he felt it desirable to introduce compulsory levy instead of procurement on voluntary basis. Compulsory levy was introduced in 1946-47 and purchases were made both by the rice millers and the staff of the Grain Purchase Office, as in other talukas of Thana and Kolaba districts. No data were, however, available about levy recoveries, and even the figures of levy demand from several villages in the Mahad and Umbargaon talukas were not accurate, stated the Grain Purchase Officer and the Statistician. The levy system was tried mainly with the hope of

checking smuggling to the adjoining areas. The levy was not properly enforced, it was stated, and hence no definite conclusion could be drawn regarding its effects on smuggling. The Director of Civil Supplies felt that the revenue organization in Thana particularly, was very weak and unable to work the levy system successfully, the Talathis not being conversant with supply procedure. The compulsory levy system was abandoned for 1947-48 after a discussion between the Grain Purchase Officer, Statistician, Director of Civil Supplies and Supply Commissioner and it was decided to revert to the original method of purchase on voluntary basis in Mahad and Umbargaon talukas. Greater Police vigilance and calling for stock declarations would serve the objective of checking smuggling, was the conclusion, ultimately reached in the above discussion. (Notes of Director of Civil Supplies dated 25th October 1947 and file containing comments by Statistician, Grain Purchase Office, etc.).

Raising Procurement Price : It has been described earlier how the food supply position continued to be serious in June-July 1946. The procurement under the compulsory levy and voluntary purchase schemes, amounted to 390,633 tons for the period 4th November 1945 to 25th May 1946. For the corresponding period of 1944-45, it was 572,711 tons between 29th October 1944 and 26th May 1945. The months of August, September and October, usually lean months for purchases, were not expected to bring in substantial purchases. The Supply Commissioner, therefore, wanted the Statistician to consider if some way could be found to procure about 50,000 tons of more grain in September and October.

The procurement figure had actually risen to 415,985 tons by 20th July. The production was low, resistance to more procurement was increasing and tendency to hold back in view of the grave all-India food position was strong. The Statistician was not able to see how higher prices or preferential supply of cloth would induce more procurement of 50,000 tons in two months. Assuming that there was a small class of landlords holding appreciable quantities, the chances of this class being induced to sell for a small higher price it was felt were remote. Hence instead of inducement, requisitioning would be the proper recourse, opined the Statistician.

Another point against inducement through offering higher price was the reaction it was likely to have on procurement during the next year in the two months of September and October. Cultivators would expect similar attraction; and tendency to withhold stocks would be reinforced next season.

The Statistician suggested an economy in oftakes as the other aspect of procurement. He recommended a thorough check up of ration cards which was expected to lead to some reduction in offtake if dead units were weeded out. (Note by Statistician dated 15th August, 1946).

The proposal for special inducements to part with grain was assailed by Prof. Gadgil in his note dated 21st August, 1946. The Konkan districts as also those affected by scarcity could not have appreciable stocks. Stocks of any significant size could be found only in Gujerat and Khandesh. Proceeding from the location of likely stocks, Gadgil went on to suggest how the size of the stocks was likely to be small, basing his argument on the statistical data relating to :

- (i) estimates of production in 1944-45 and 1945-46,
- (ii) total procurement by levy and voluntary purchases during 1944-45 and 1945-46,
- (iii) volume of defaults on levy demand,
- (iv) volume of procurement for each month from July to December 1945 and volume of offtake for the same period.

It was also felt that owing to bans on movements, stocks would be held as (i) insurance against failure in current season and (ii) for obtaining extra income by selling locally at higher prices than those given by Government. The inducement price was suggested to be 15 per cent higher than the prevailing one. But this would not induce sales to Government on a considerable scale. If anything, again, it would merely involve transfer of stocks from private individuals to Government, meaning thereby double transaction and transport, as Government would have to supply those local consumers who otherwise would have purchased directly from the local stockholder.

Offering higher price for the new crop would merely cause it to be sold earlier and might even affect the maturity of the crop, Gadgil contended. Premature harvesting would, probably, reduce the total output and the net effect would be just to get hold of the stocks earlier. Another point made by Gadgil was that an inducement of extra 15 per cent would be most effective where outturns were good. If kharif yields were bad, the cultivator would be still apprehensive to sell and with good yields, rural offtakes would fall everywhere, and would remove the very cause for any inducement price.

Gadgil concluded that the policy of inducements was, thus, unlikely to achieve substantial or significant results. Apart from these pros and cons and any practical results coming out of an inducement policy, he was principally against the policy of offering inducement via price. By Government monopoly of grain trade, the compulsion to sell, the restrictions on movement, Government had imposed strict control and undertaken management of food. The producer was offered a fair price. By adhering to these principles it had been possible, in the past, to stave off disaster in Bombay province. The slightest deviation from these principles would mean an ultimate breakdown of the structure so carefully

built, by setting up psychological reactions and expectations which would make it impossible to work the system. Once the cultivator felt that the condition offered to him by Government depended on whether he sold at a particular time or not, a disastrous reaction would be set up. It would be dangerous to put up the price for part of the season. "Cultivators might well argue that if Government can be forced in a particular emergency to offer more it may repeat its action under another. This is almost to invite them to create emergencies", Gadgil averred and warned the Government, "Emergencies justify appeals or requisitions but not bribes. And a Government that takes to bribing or bargaining will be expected and will be forced to follow that slippery path for ever".

4.4 *Distribution:*

In January, 1945, 3283 rural distribution centres were operating in the province out of which 1093 and 2064 were run by co-operative societies and local committees respectively, the rest being run by municipalities, village panchayats, Government employees or traders.

On 25th January, 1945, all Collectors were directed by a Government circular to review the commission of each agency, either co-operative or otherwise, managing a rural distribution centre in the light of accounts of the past six months' business and refix it at a fair rate. If the shop management was required to incur any expenditure on the transport of grain from Government godown to the shop then the commission was to be refixed to cover this expenditure, it was advised. Collectors were asked to pay special attention to the margins so as to avoid losses as well as excessive profits, particularly in the case of co-operative societies.

Encouragement to Co-operative as rural distribution agency: Government was considering for some time the importance and the place to be assigned to the co-operative societies in the rural distribution system. The Director of Civil Supplies (Districts) felt that either when trade channels failed or where it seemed in the interests of the community generally to try and transfer part of the middle-men's trade in a particular commodity permanently to co-operative societies it should be done. The amount of work to be expected from the latter depended, however, on the strength or weakness of the local co-operative movement. The Registrar of Co-operative Societies endorsing the above view emphasised, "notwithstanding the efficiency or otherwise of the normal trade channels, the co-operative societies should be given every encouragement to take up distribution work" of controlled commodities. The advantage of the co-operative society was that it was free from the temptation (which never quite leaves the trader) to see any opportunity of making any extra profits. In view of the fact "that the building up of a strong consumers' co-operative organization is for the general benefit of the whole community, full advantage should be taken of the present opportunity to foster the growth of

these organizations" said the note circulated among members of Food and Commodity Advisory Board, for consideration. The Reconstruction Department opined, "the ordinary trading channels should come in only where these (co-operative) organs are not in a position to manage the work properly'. The Supply Commissioner felt rather strongly about the policy when he stated, "Post-war economy will in all probability retain several of the existing controls and private trade cannot be allowed to revert to status *ante*". After all this discussion in the Secretariat which was obviously strongly in favour of the co-operative movement the Chief Secretary gave a somewhat conservative verdict on the issue. He was not "in favour of any artificial stimulus". He observed, "the inroads which the co-operative societies should make on the business of ordinary traders should, therefore, be ideally limited to the extent of the position which co-operative societies will clearly be able to retain permanently after the war". The Chief Secretary's view was, it seems, based on his opinion that "economic controls should be so managed as to do the least possible damage to the country's economic structure".

After this discussion in the Secretariat the Board's recommendation to give preference to co-operative societies as against private traders in the rural distribution work was circulated to the Collectors on 27th April, 1945. Apparently the Secretariat officials expected a clear directive laying down Government policy on the point. But the circular to Collectors was vague and just indicated the Board's recommendation. It did not candidly direct the Collectors to take certain steps; again the matter was left to their discretion. The Director of Civil Supplies (Districts) attempted to draw attention to this fact; the Secretariat policy-makers, however, it transpires, did not take any further action. (D.C.S.(D)'s noting dated 2nd May, 1945).

Security Deposits: The question of taking security deposits from rural distribution shops managed by Village Panchayats or co-operative societies had engaged Government's attention for some time. After consulting the Food and Commodity Advisory Board, the Government issued a circular on 21st May to Collectors advising them that it was not ordinarily necessary to ask for a deposit from an established and reputable society or panchayat. Government ordered, therefore, that whenever the management of a centre was not satisfactory or slow, the Collector should issue a formal warning to the management to improve matters. The warning should be issued after informing the District /Taluka Advisory Committee. If the warning did not prove effective then only the Collector should ask for a security deposit upto Rs. 200/-, it was ordered.

Increased Commission for Co-operative Societies doing distribution: The question of higher commission to the co-operative societies running distribution centres was raised in the F. C. A. Board by Mr. Bedekar of

Kolaba district. He drew attention to some special difficulties of the co-operative agencies for example.

“(i) Societies are unable to make profits out of grains not drawn by consumers in the way ordinary traders are suspected of doing;

(ii) societies frequently undertake to maintain shops in remote areas where they are not economic;

(iii) societies have to maintain staff for supervision;

(iv) traders often have other interests and business in a village to reimburse their losses in other transactions.”

These points were considered in the 21st meeting of the Board and Government agreed to circularise the Collectors to take into account the above difficulties while fixing the commission of co-operative agencies doing rural distribution. Accordingly a circular was sent to Collectors on 2nd January, 1946.

Prof. D. R. Gadgil put forward a plea for more encouragement to co-operative societies as rural distribution agencies, in view of the likelihood of controlled distribution going on for a long time perhaps four years or more. He thought a time had come for a more positive policy in encouraging the co-operative agencies. The Registrar of Co-operative Societies supported the view and even pressed for an adequate margin for co-operative societies in this connection, since they provided better and more honest service. This recommendation was accepted by Government when a circular was issued to Collectors, later on, for compliance.

In this circular to Collectors issued on 18th February, 1947, Government directed that Gram Mandals or Local Committees and any other similar organizations, not subject to statutory control even though discharging their distribution functions satisfactorily and efficiently, should be replaced henceforward by registered co-operative societies such as multi-purpose, consumers' or producers' societies or sale and purchase unions. Collectors were, however, cautioned to see that such co-operative organizations did not consist of merchants or persons having commercial interests or profit-motive. It was also stipulated that such organizations coming forward to take up distribution of controlled commodities must be registered under Co-operative Societies Act and certified by District Co-operative Officer or Assistant Registrar to be financially sound, well-organized and suitable for management of a distribution centre. In the absence of co-operative societies, village panchayats were next to be given the opportunity to replace private traders. The effect of the circular can be seen from Table 4.3 below.

Pricing Policy: In the 20th meeting of Food and Commodity Advisory Board held on 21st November, 1945, the question of pricing policy was

TABLE No. 4.3.
Rural Distribution Agencies.

	February 1947	September 1947
Total No. of rural distribution centres actually operating	3856	3910
<i>Authorized :</i>		
Co-operative societies	1284	1531
Municipalities	13	13
Village Panchayats	177	171
Local Committees	1868	1663
Government Employees	297	258
Traders	480	446

discussed when the Supply Commissioner said "we are trying to maintain prices at reasonable levels everywhere as compared to pre-war prices. Where prices are above those levels, it may be that in some districts we are making a profit while in other districts we try to reduce prices so as to cover up the profit but, not necessarily in the same district."

Quantum of Ration: In the first meeting of the reconstituted Food and Commodity Advisory Board held on 31st January, 1947, after a gap of six months, the question of disparity in quanta of wheat ration allowed in rural and urban areas was raised by Mr. Raojibhai Patel. The Minister in charge of Civil Supplies Department explained the necessity of supplying urban areas with imported commodities of which wheat was one in view of the fact that rural areas were able to retain sufficient from their own production of indigenous foodgrains. Several members suggested that Government procurement prices should be raised. It was stated by the Minister that it was inadvisable to raise prices for the province depended heavily on imports and would suffer by having to pay higher prices elsewhere if prices were raised internally.

The Standing Committee of the Board, meeting on 23rd June, 1947 considered the question of a cut in ration quantum in view of the grave food position in the Province. All the members felt that no such cut should be made for the present as it would mean the collapse of the whole food control system. Mr. Saraiya strongly criticised the failure of the Central Government to adopt a firm line with regard to certain administrations which had made very little progress in the way of procuring surplus grain and had, moreover, not introduced a very rigid system of rationing compared to that prevailing in Bombay. It was also pointed out that in certain other areas, millets though locally grown were available to supplement the 12 ozs. ration whereas Bombay had included in the ration quan-

tum all cereal grains and the percentage of unpopular grains had gradually increased owing to the meagre rice and wheat allotments.

The general feeling in the committee was that despite the great sacrifices made by Bombay province and the efficiency with which it had administered food control, the Central Government had not treated it fairly in the matter of allocation of foodgrains.

In the full meeting of the Board held on the same day (23rd June), Supply Commissioner Mr. Bakhale explained that owing to failure of certain administrations to procure even a reasonable amount of their surplus, the absence of a rigid system of rationing in certain Provinces and the comparatively meagre allotments received from overseas, the Government of India were unable to make any increase in the allocation to Bombay Province. The Chairman of the Board (Minister for Civil Supplies) earlier observed, that percentage of unpopular grains in ration quantum would have to be increased.

4.5 *Progress of Controls.*

Fifth Food Conference :—In a note prepared in the Secretariat for the Fifth All-India Food Conference held in January 1945, it was stated that statutory control over production via the Growth of Foodcrops Act and the statutory monopoly over purchase by means of the Grain Levy Order were the two new measures of importance characterising the progress of Bombay Food Administration. The Growth of Foodcrops Act was based, it was stated, on recognition of the principle that a deficit province must help itself to the utmost before turning to others for help. On the same principle of husbanding domestic resources first was based the scheme of Government monopoly of purchase. By the end of the year 1944, there were nearly 3000 rural distribution centres in the Province as part of the controlled distribution scheme taken up as a corollary of the monopoly over movement and purchase of foodgrains; it was further stated that rationed areas covered about 9/10th of the total urban population of the province.

The conference began on 29th January, 1945 and discussed the progress of Grow More Food Campaign. The discussions at the conference were concentrated more on the problems of overproduction and little attention was paid to the possibility of bad seasons ahead and the danger of shortages. The Provinces, it appeared, had not fully appreciated the real food situation in the country and the urgency of rationing. The U.P. representative, for instance, felt that they were dealing with a temporary emergency and so as a matter of improvisation, he did not think it necessary to go to total rationing for sake of the theory of total rationing. The Punjab Government representative even categorically stated, "Punjab Government were not convinced, nor are they convinced

after experience of rationing that rationing is at all necessary in urban areas of a surplus province like Punjab".³ It seems that in view of this reluctance of surplus provinces, the Conference did not firmly advise monopoly procurement aided by compulsory levy and compulsory acquisition of surpluses of individual producers. It merely recommended "acquisition by Government of grain offered for sale voluntarily" and compulsory levy was left 'where it is deemed advisable' to the discretion of Provincial Governments. As regards rationing, the Conference recognized, "the present burden of an overall deficiency of foodgrains should be shared evenly by all parts of the country" and with this object in view recommended extension of rationing in accordance with Recommendation No. 46 of the Foodgrains Policy Committee (*vide* Resolutions passed at the Fifth All-India Food Conference).

Standing Committee of F. C. A. Board: The Government thought it helpful to seek more frequent advice from the Food and Commodity Advisory Board in between its monthly meetings, so a Standing Committee was appointed which met twice every month. The first meeting of the Standing Committee was held on 1st August, 1945 in which the system for controlled distribution of millmade cloth in the Province was mainly discussed and the progress of local purchase was reviewed.

*Survey of Crop Conditions :—*At the 11th meeting of Food and Commodity Advisory Board held on 8th February, 1945, Prof. Gadgil suggested that a much more detailed survey of rabi crop conditions, than was done normally for revenue Annewari, was necessary. Prof. Gadgil was informed that Government had issued special instructions to Collectors to make an adequate number of crop cutting experiments in June 1944 and again in October 1944. (Similar instructions were repeated in August by a circular dated 30th August, 1945. The results of such experiments or any impressions of the surveys were not, however, to be found in the records studied).

Irrigated Lands: The Deccan Agricultural Association in a communication to Government pointed out certain difficulties in connection with cultivation of irrigated lands. "The areas under foodgrain crops such as bajri, jowar, wheat and gram vary widely from year to year as people generally prefer to wait for rains. If rains are favourable, irrigation is not resorted to and the area (under foodcrops) then goes down appreciably In the kharif season of 1946, it should be made compulsory to irrigate all foodcrops for which Irrigation Department can make water available As an inducement for sowing crops in time, no charge for the water should be made". The Association further suggested the formation of influential irrigators into local committees to assist in this effort to increase food production. Prof. Gadgil in his letter of 29th March,

3. Sir Henry Knight, Food Administration in India, pp. 127, 189, 190.

1946 to Mr. Booth, Director of Civil Supplies (Districts), supported the suggestions of the D. A. Association and urged the consideration of a long term policy regarding the irrigation waters so that the canal system could work effectively against famine.

In the Standing Committee meeting of F.C.A. Board held on 4th April, the question came up for consideration when the Secretary, P. W. D. (Irrigation), said that a scheme for Pravara canals had been prepared last year but had failed for want of co-operation from irrigators. The Committee suggested that immediate steps should be taken to prepare schemes particularly for Godavari and Pravara canals so as to ensure that the maximum use was made of water for growing foodcrop. In the Board's meeting of 24th April, the Chairman (Minister for Civil Supplies in the popular Government which had assumed charge recently) promised to consider whether the Irrigation and Agricultural Departments could jointly prepare a scheme to utilise canal waters as intensively as possible to grow foodcrops.

In the same meeting the Supply Commissioner explained the food position and stated that the available supplies would be hardly sufficient upto August; next crops would not be available till December-end; there were shortages of supplementary foods such as milk, fish, etc. and so it was absolutely necessary to get imports in adequate quantities.

4.6 *Certain Aspects of Control:* The system of procurement and controlled distribution had been working fairly smoothly in 1945 and 1946 and there were not any problems of fundamental importance. The Government was paying attention to specific difficulties of different areas and details of administrative and operational problems were being particularly discussed and hence some account of particular items of general importance is given below.

(i) *Question of entrusting procurement work to non-official agencies:* The procurement was not entrusted to private agencies except in Thana, Kolaba and Bombay Suburban districts. The solitary case was the work done by the Varna Valley Purchase and Sale Union of Islampur in Satara district; but it was revealed later on that the Union took assistance freely from Government staff in its work. The question was reconsidered in April 1946 when the Registrar of Co-operative Societies was requested to consider whether co-operative societies could be entrusted with procurement of foodgrains. The Registrar in his reply dated 29th January, 1947 stated the difficulties in the way of the co-operative societies' undertaking the work. Firstly, the societies would be required to employ additional staff for the purpose. Secondly, they did not possess godown facilities for storage of foodgrains. Thirdly, lack of trained staff was a handicap to overcome which Government would have to subsidise the societies. The cost to Government by entrusting procurement work to

co-operative societies was likely to be heavy. The Registrar was, therefore, of the opinion that "it would not be desirable for Government to entrust at this stage the work of procurement to co-operative societies". He, on the other hand, recommended transfer of distribution work on a more substantial scale to societies. The prerequisite of undertaking purchase work, was the necessity of a society having a strong organization with a large capital and security. This was generally absent in societies run by consumers and/or producers unless they consisted of some merchants or vested interests, presence of whom was apprehended to bring in profit-motive which was not at all desirable. Moreover, the problems of godown construction, owned and efficient transport, other accessories for a godown such as cleaning and weighing machines and supervision were important aspects of the question debarring the co-operative societies from undertaking procurement work. A note on this issue, was placed before the Board on 26th April, 1947; it seems the Board appreciated the points made in the note and no further action was taken.

(ii) *Control over Gur (jaggery)*: The province is a deficit one in production of gur. In pre-control days it largely depended on the supplies from United Provinces, Madras, Mysore and Central India. The average deficit of 20,000 tons increased subsequently owing to conditions created by War. Ban on export of gur out of the Province was first imposed as early as on 25th February, 1943. But this did not result in preventing undue rise in prices of gur in the producing districts. Gur prices were, therefore, controlled in all districts from 22nd December, 1944. By a Government memorandum to Collectors dated 22nd December, 1944, stocks and prices of gur were controlled in the main producing areas of the province. Three orders formed the base of control on gur: (i) an order fixing maximum prices of the first quality gur in producing areas; (ii) an order requiring returns of stocks to be made in producing districts; and (iii) an order prohibiting export of gur from producing to deficit areas except under the Collector's permit. Movement of gur was restricted between districts; subsequently from 1st February, 1945. In the beginning, Gujerat districts, the main consuming area, were cordoned off and supplied with U. P. gur. For other districts quota system was followed by making regular allotments to deficit districts from producing districts. This scheme was stated to have worked satisfactorily on the whole, but owing to heavy production in 1944-45 season considerable congestion developed in producing markets of Ahmednagar, Poona and Sholapur. With the consent of the Gur Controller of India, permits were therefore issued for export of gur to Hyderabad, Central Provinces and Berar and Gujerat States.

The whole position was reviewed in November 1945 and the Bombay province along with Deccan States (including Kolhapur), Gujerat

states and Western India states was constituted into a 'Bombay Zone' demand of which could be adequately met from locally produced gur. With the idea that prices would adjust, once movement was free, control in deficit districts was removed in November 1945. This led to higher prices and shortages in Gujerat area. Merchants took undue advantage of the freedom given to them and profiteering started. The scheme of 'Bombay Zone' was, therefore, abrogated in April 1946 and attempt was made at quasi-rationing of gur between the months of April and October 1946, at the rate of 1 lb. per head per month. This resulted in bad quality being available in producing districts. Control over distribution and prices of gur was given up from 6th September, 1946, followed by a sharp rise in prices accompanied by scarcity of supply. Government once again imposed control over prices and movement of gur throughout the province with effect from 1st January, 1947; the trade was allowed to operate on licences issued by Government. Wholesalers were allowed to do inter-district trade. The production of gur for 1946-47 season was expected to be low and to fall below the previous season by 15 per cent. A Gur Purchase Officer was appointed at Kolhapur to despatch 20,000 tons of gur quota, given by Kolhapur State, to the deficit districts. This quota was tentatively allotted to divisions as given below, to be sub-divided amongst districts by the Commissioners in consultation with the Collectors. Bombay city and Suburbs: 6,000 tons; North Division: 5,500 tons; Central Division, 3,000 tons; and Southern Division: 5,500 tons.

(iii) *Control over pulses*:—Under the Bombay Foodgrains (Movement Control) Order, 1943, export of any kind of pulses and their products was banned from this Province while the Basic Plan of the Government of India covered only tur, mung, udid (kharif) and gram and masur (rabi). Inter-district movement of pulses was restricted by orders issued by District Magistrates under the Defence of India Rules. Collectors were advised also to impose taluka bans whenever and wherever deemed necessary. In 1944 pulses were accepted in the Voluntary Purchase Scheme. There was no general price control except that gram prices were notified in all districts in April 1944 at the instance of Government of India. Prices of tur and turdal were later on controlled in West Khandesh district in 1946.

The question of price control and restrictions on movement of pulses was discussed in the Standing Committee of the F.C.A. Board on 7th December, 1945. The opinion of the Committee was that statutory control of prices of pulses was not necessary for the time being nor was it necessary for Government to undertake local purchases of pulses. At the same time, the Committee suggested that a careful watch on the trend of prices of pulses was necessary so that shortages if any, could be detected immediately. Local shortages could be relieved partly by the allotments of pulses under the Basic plan and partly by allotments of quota from surplus

districts in the Province, held the Committee. In February 1946, Government decided to levy all outstanding quotas of Basic Plan pulses on Government account and prohibited their imports on private account. The controlled distribution of pulses actually started in Bombay city in July 1946.

In the Standing Committee meeting held on 20th March, 1946 it was agreed that Collectors be given discretion in consultation with District Advisory Committees to decide whether any of the locally produced pulses should be purchased on Government account on voluntary basis purely for consumption within the district or not. The Collectors were authorised to fix the retail prices. It was also decided that control of stocks should be effected through stock returns and freezing orders. The Standing Committee cautioned that extreme care should be taken in bringing pulses under control as it was desirable to allow the normal trade to continue functioning side by side. Generally, there was no uniform policy for the whole province as executed by Government. The zonal scheme came into force in December 1946. Zone I comprised of Bombay city, Bombay Suburban District, Thana, Kolaba, Ratnagiri and Kanara, while the rest of the province made up zone II. Imports and exports of gram and other Basic Plan pulses into and out of Zone I were prohibited and movement within the district in this zone was also prohibited except under permits. The Collectors' Conference was held on 8th February, 1947 in which the position in Zone II was modified as free movement did not facilitate procurement and gave scope for hoarding and profiteering. Therefore, inter-district bans on tur, turdal and products thereof were imposed with effect from 8th February, 1947. The changeover did not lead to any improvement and procurement even in surplus districts like Kaira, Sholapur, Ahmednagar, Panch Mahals and West Khandesh was proving extremely difficult. Government, therefore, decided to resort to monopoly procurement in these five districts in pursuance of which decision, taluka and village bans were imposed on 14th March, 1947. A bonus was offered in the above five districts to induce sales. Still the procurement of gram and tur continued to be unsatisfactory till the middle of June 1947, it was stated.

In Bombay city and Bombay Suburban District, Government distributed tur, mung, procured on government account, through Authorized Retail Distributors whenever supplies were available; in the districts supplies were arranged through rural distribution centres and Authorized Retail Distributors whenever stocks were available.

The situation was far from satisfactory in June, 1947. The whole debacle in respect of pulses was attributed to (i) absence of any reliable information as regards production and consumption requirements; (ii) the meagre allocations by the Government of India and the fact that even

these were not materialising according to schedule; (iii) the fall in provincial production owing to a bad season; and (iv) absence of any effective response to Government's procurement drive.

The Government sought advice of the F.C.A. Board in its meeting held on 23rd June whether the time had arrived to decontrol pulses. Government confessed its inability to make pulses available to the consumer or to allow him to procure it from any source on his own account. Government felt, "decontrol may perhaps enable stocks to come out." The Government of India also was, at this time, considering the question of control of pulses, past experience, its feasibility, etc. All-the-same, it was admitted that the effect of decontrol was difficult to forecast in view of many unknown factors likely to affect supplies such as the total stocks held by hoarders and the possibility of attracting supplies from other provinces.

(iv) *Plea for decontrol*: The Indian Merchants' Chamber, Bombay, expressed concern over the grave food situation in the Province and made a representation for reorientation of the policy in respect of controls in June 1947. The Chamber suggested that except basic cereals—rice, wheat, jowar and bajri—all other articles of food such as pulses, chola, peas, etc., should be decontrolled. The Chamber also urged the removal of control and restrictions on inter-provincial movements of foodgrains other than main cereals. These restrictions resulted in obstructing the free flow of supplies from producing and surplus areas to centres of consumption, was the Chamber's contention. Secondly, traders were receiving offers for supply of foodgrains other than cereals from foreign countries which they could not avail of owing to official policy of controls, stated the Chamber. Government felt that it was "certainly desirable to encourage such imports by every possible means". The matter, however, merited consideration at the Government of India level in particular cases, it was felt in the Government.

The question of decontrol of cottonseed, matches, pulses, etc., (articles other than main cereals) came up for discussion in the F.C.A. Board meeting held on 23rd June, 1947 when Prof. Gadgil pointed out that it was "being discussed from too parochial a point of view" and pleaded that, in respect of commodities which were generally scarce, the problem of decontrol should be considered on a provincial or perhaps even on an all-India plane. The discussion was inconclusive.

The Government of India had referred the question of pulse prices to the Commodity Prices Board whose comments on the control on pulses in its report dated 21st June, 1947 are worth noting here, in connection with the decontrol plea. The Commodity Prices Board firmly held that decontrol would not lead to a more equitable distribution of short supplies. Distribution and movement of short supplies was "bound to be

haphazard and inequitable under the influence of price motive. Equitable distribution can most rationally be done only under control by a Central authority which fully employs its powers and good offices", opined the Board.⁴ Citing the instance of the monopoly procurement of pulses and movement ban imposed in four pulse producing districts in Bombay Province the Board stated that it enabled "the surplus of these districts to be bought by Government at reasonable prices for use in other needy parts of the Province". The Commodity Prices Board concluded, "De-control would mean the abolition of these barriers imposed for the benefit of both the producing and deficit areas and more especially, for that of the poorer sections of the people".⁵ The C. P. Board warned the Government, ultimately, that the time was not proper for relaxation in any direction.

4.7 Some Administrative Changes: A change of some administrative significance was brought about in March 1946. The Finance Department (Supply), which was dealing with controls on price, movement, supplies and distribution of foodgrains, cloth and other civil needs, was converted into a Civil Supplies Department from 1st March, 1946. Controls were inevitable and would have to be continued for some time in post-war years, it was felt. The Finance Department and Finance Department (Supply), which were practically two wings hitherto, were now separated and Civil Supplies Department was recognized as a full-fledged administrative Department. Apparently controls were treated hitherto, more or less, as emergency measures arising out of war conditions. Probably, it was considered desirable now to deal with the problems of shortages on a different footing, as economic controls warranted continuous and specific attention and handling on account of the peculiar transitional conditions which the country was expected to undergo. A popular ministry was expected to assume office shortly, hence, Adviser (F) remarked on 20th February, 1946. "As regards the financial powers, Finance Department and Finance Department (Supply) will work as at present in practice till the Department is separated and thereafter, with as great co-operation as might be possible. After the Ministry takes charge, it will depend on the Ministry to decide what financial powers will be actually delegated to the Finance Department (Supply) that is Civil Supplies Department."

The Government, it seems, thought it desirable to make the obligations in respect of declaration of stocks more regular. The Bombay Foodgrains (Stock Declaration) Order, 1946, was therefore, issued in February 1946 whereunder every person in a non-rationed area was required to make a declaration, on or before 8th March, 22nd May and 8th December in each year, of the stocks of foodgrains (main cereals,

4. Reports of the Commodity Prices Board, Edited by N. V. Sovani, p. 120.

5. Ibid, pp. 121, 122.

pulses etc.) held by him on the preceding 1st March, 15th May and 1st December respectively, if such stocks amounted to or exceeded 25 maunds. The object of these declarations was to enable Government to maintain information regarding the existence of stocks and did not mean that any declaration by itself would lead to any acquisition, compulsory or otherwise, of foodgrains outside the normal operation of levy procedure. The order was issued in February 1946, presumably to reinforce the Government intelligence on stock position of the province particularly as it was undergoing a bad scarcity and famine period.

The war was officially declared to have closed on 1st April, 1946. The Defence of India Act and rules were to expire six months afterwards that is on 30th September, 1946. The Bombay Essential Commodities (Movement Control) Act, 1946 was passed to replace the various orders, issued under the Defence of India Act, to control and regulate the movements of commodities essential to the life of the community.

The principal statutory basis for the system which was set up during the War by Government was Rule 81 D and other rules under the Defence of India Act, which gave Government the power to control supplies at all stages from their production or import to consumption for meeting the essential requirements of civilian population. The operation of the Defence of India Act and rules terminated with effect from 30th September 1946 after which the Central Government promulgated the Essential Supplies (Temporary Powers) Ordinance followed by the E. S. (T. P.) Act, 1946. This Act gave more or less similar powers to the Central and Provincial Governments, as under the Defence of India Act. Under the Defence of India Act and rules, the District Magistrates had powers to issue direction in the exercise of their powers; but under the E. S. (T. P.) Act, only the Provincial Governments enjoyed the authority of issuing directions and that too subject to previous approval of Central Government. The Central Government would appear, therefore, to have desired to have more uniform and centralized controls than exercised under the Defence of India Act and rules.

Absence of F. C. A. Board:—The Food and Commodity Advisory Board was reconstituted in June 1946 but no meetings were called from July 1946 to January, 1947. The first meeting of the reconstituted Board was called on 31st January, 1947. The absence of any consultations with public opinion through the medium of the Board was considered a handicap in the Secretariat. The Director of Civil Supplies (Districts), Mr. Booth observed in this connection, that this gap "has deprived the Department of an important aid to efficiency I am sure the standing committee of the Board would have given most valuable advice and probably saved some errors (the meetings) kept us informed about public reactions. Without such a forum, there is far more danger of mistakes and

misunderstandings (and) the danger of the Officer in the Secretariat losing touch with public opinion". The utility and service of the Board in assisting the Food Administration during the crucial days, of Control from 1944 to 1946 for nearly two and a half years became, thus, more conspicuous by its absence in the period when the Board's advice and help was not sought by Government.

4.8 *Foodgrains Policy Committee:*

Background: At the time when the production for 1946-47 was low in the Province and consequently the procurement was lower than in the previous years, there was a talk of decontrol of minor cereals from the middle of 1947. A plea was being made also for raising procurement rates. In the August meeting of the F. C. A. Board a resolution was moved by a member recommending a rise in purchase prices. (It may be recalled that a similar proposal was being considered exactly a year ago in August 1946 to stimulate and accelerate purchases in the face of acute shortage of stocks of foodgrains). The resolution for price-rise was discussed in the Board's meeting held on 29th September, 1947 when Shri. Raojibhai Patel observed that present prices fixed by Government were not sufficient to cover the cost of production of principal foodgrains and a feeling was gaining ground that Government was not alive to the interests of agriculturists. Prof. Gadgil wanted thorough investigations to precede any action. He doubted Patel's plea and thought that the latter's statement was non-proven. Gadgil emphasised that price fixation and controls merited consideration as a whole problem "so that a proper relationship between prices of essential commodities may be maintained". The resolution was withdrawn at the request of the Minister. Members were requested to communicate their views to Shri. D. S. Bakhle, Supply Commissioner, who was a member of the Foodgrains Policy Committee appointed by Government of India.

The Foodgrains Policy Committee was appointed by Government of India on 27th September, 1947. The Committee was asked to examine the foodgrains position of the country generally, and to advise Government of India on the policy to be adopted with reference to (i) domestic production and procurement (ii) modifications in the present system of controls.

Before going into the interim recommendations of the Foodgrains Policy Committee which were communicated to Provincial Governments on 18th October, 1947, it would be helpful to refer to some recommendations of other expert committees on the background of which the report of the F. P. Committee would seem to be in sharp contrast.

A. Famine Inquiry Commission: The Famine Inquiry Commission in its report submitted in August, 1945 recommended—"in agreement with the Gregory Committee a central reserve of 5 lakh tons of foodgrains as essen-

tial. (p. 58). (i) The process of relaxation of existing controls is bound to present difficult problems which require to be studied in advance and preparations for their solution must be made before they arise. (ii) The return to normal conditions must be a gradual, regulated and co-ordinated process; otherwise, the chaotic price and supply conditions, which prevailed in many parts of the country in the summer of 1943 and in the greater part of 1943, may recur. . . . (iv) The organization of food administration during the transition period should be designed, not with a view to securing most expeditious return to pre-war conditions, but so that it can evolve into a system of regulation of prices in normal times. (v) The transition period . . . its probable duration is unpredictable; it may last until 1951-52." (pp. 67-68).

The Famine Inquiry Commission put forward the principle of State responsibility for feeding the people and stated "in India the problems of food supply and nutrition are fundamental and must at all times be one of primary concern of Central, Provincial and State Governments. It is abundantly clear that a policy of *Laissez faire* in the matter of food supply and distribution can lead nowhere and would probably end in catastrophe." The Commission further felt, "In times of emergency, such as the present, the satisfactory distribution of available food supplies is an essential task which must be undertaken by Governments In an emergency, rationing on a wide scale is also necessary to ensure equitable distribution". (pp. 113-114).

B. Special Cereals Conference, Paris : If it were suggested that the Famine Inquiry Commission's recommendations were appropriate for the circumstances obtaining in 1944-45 and not applicable to October, 1947 it was not true. The food situation was serious, not only within Indian Dominion but the world position also was grave. The Special Cereals Conference, held in Paris on 9th and 12th July, 1947, at which India was represented, held that "there will be a very serious world deficit in cereals in 1947-48 which cannot be met by any foreseeable increases in production in exporting and importing countries above current estimates". The Special Cereals Conference, therefore, recommended "that importing countries undertake,

- (a) all appropriate measures necessary to maximise the quantities of indigenous grain supplies
- (b) to adopt all measures with respect to collections, distribution and conservation of such indigenous supplies".

The Conference believed that the urgency of the food problem demanded resolute action and so recommended :

- (i) that the organization for collection of principal cereals should be improved and intensified both in surplus and deficit countries so as to

provide maximum supplies for indigenous consumption or for export to deficit countries;

(ii) that all importing countries take steps to ensure that their cereals principally used for human food are delivered solely to officially recognised collecting agents....”.

It was not denied by Government of India that there was physical shortage of food in the country and that stocks held on Government and private accounts were alarmingly low.

C. Commodity Prices Board : The Commodity Prices Board in its note “Controls and their continuance” dated 19th April, 1947, pointed out, “what results decontrol will yield is somewhat uncertain today; but the presumption is that, at least immediately, the situation in decontrol would resemble the situation existing after the inflationary trend in 1942 began and before the systems of controls were slowly brought into existence. Therefore, whatever the difficulties in working, control would be preferable” (p. 65). Referring to the scarcity and stress, the Commodity Prices Board observed, “conditions are definitely worse today than they have ever been that the present is not a time for relaxation in any direction”. (21st June, 1947. Note on Pulses, p. 123).

It is not necessary to go in for a detailed consideration of the F. P. Committee’s recommendations. It is just to provide a proper perspective that the observations of the Famine Commission (1945), Special Cereals Conference (1947) and Commodity Prices Board (1947) are quoted above, so that the F. P. Committee’s views would need no comment.

Recommendations of F. P. Committee : Broadly, the F. P. Committee headed by Sir Purushottamdas Thakurdas, recommended :

“(I) Acceptance of policy of reduction of Government Commitments under rationing and controlled distribution;

(II) An increase of procurement prices for controlled foodgrains;

(III) Ceiling on imports from abroad at 2 million tons during 1948;the government of deficit province or state concerned to accept responsibility for management of its food affairs, without making larger demands on the Centre and to endeavour to reduce its requirements from the Centre as much as possible;

(IV) Central Government’s reserve to be 1 million tons;

(V) (a) Control on inter-provincial movements to remain; intra-provincial restrictions on movement of foodgrains to be generally removed;

(b) Apart from the liability to deliver either on a monopoly or a compulsory levy basis at a fixed price, control over price to be removed.”

The minority of the F. P. Committee was against any relaxation of control in 1948 and would not lay down any ceilings for imports from abroad.

Comments of Bombay Government: The Supply Commissioner, D. S. Bakhle prepared a note (23rd October, 1947) on the F. P. Committee's recommendations which generally gives the view of Government of Bombay which did not agree with the proposed decontrol policy. Some excerpts from Bakhale's note would, probably, be enough to represent the Bombay Government's views on decontrol.

" 1. The imposition and announcement of any ceiling (on imports) is likely to affect internal procurement (it is noteworthy that in 1943 wheat in the Punjab started coming out on the market as soon as the first few shipments of wheat from Australia had arrived.) It is estimated that the total imports from overseas necessary to meet our current liabilities under rationing would be of the order of 4 million tons. The immediate objective should be to import as much as we can, not only to meet the current requirements but also to introduce an element of stability through a sizeable reserve.

2. The allocation proposed for Bombay is woefully inadequate, whether comparison is made up with pre-war imports or with the basic plan imports during the last five years. [The F. P. Committee recommended 350,000 tons as quota for Bombay province, while the latter's pre-war imports amounted to 487,000 tons for the quinquennium ending 1941-42. Imports under Basic Plan were,

1943-44	:	496,000 tons,
1944-45	:	527,000 tons,
1945-46	:	568,000 tons,
1946-47	:	401,000 tons upto 25-9-47.

The two years 1943-44 and 1944-45 had, moreover exceptionally good crops.] It is merely in the nature of an arbitrary allocation of availabilities, equally arbitrarily determined.

. (As pointed above) the consumption of rationed cities is estimated at 580,000 tons. As against this, our availabilities under the basic plan will be 350,000 tons only. We shall therefore, have to cut the ration or to attempt procurement in the countryside to meet the deficit. The reduction in ration will have to be of the order of 4 ozs. and it will not be disputed that a ration of 8 ozs. per adult per day is unthinkable. To make an attempt to procure grain from the rural areas for meeting the deficit in the rationed cities would probably fail. Even if it were to succeed it would only amount to starving the poorer sections of the rural areas in order to maintain a 12 ozs. ration in the urban areas: that would merely amount to aggravation of the already precarious condition to which they will be reduced after the removal of control over prices, supplies and distribution.

3. It is unfortunate that the recommendations of the Majority (of the Committee) have already received publicity in the press. That will have serious repercussions on the food position in our Province our ability to procure is likely to be greatly decreased by the creation of hopes that decontrol is in the offing and prices might be raised.

4. Nature and extent of the control to be retained :—

(i). It is necessary to emphasize that any decision to deration the countryside would involve, as a corollary, in the circumstances of this Province, giving up of procurement altogether. (again) (a) with the removal of movement control it will be impossible to collect any compulsory levy; (b) default on the levy will be further accentuated by the removal of control on prices except on the quantities tendered in satisfaction of the levy; (c) any collections made in the countryside under the levy system would merely reduce the availabilities for the derationed areas, which would be barely self-sufficient.

. (ii) The Committee also recommends that control over prices of specified foodgrains should be removed except as respects the quantity deliverable to Government under monopoly or compulsory levy basis. If removal of movement control makes procurement difficult, removal of control over prices will make procurement impossible. So long as the producer is aware that he can sell his grain to whomsoever he likes, whenever he likes and at whatever price he likes, he is unlikely, without coercive measures, to surrender to Government even that part which is leviable from him.

Even assuming that the producer plays the game, it must be emphasized that the removal of control over prices for the balance of grain left over after meeting the levy demand is likely to hit the non-producers and inadequate producers in rural areas and the urban consumers very hard viz : firstly, on a rising market the tendency on the part of the cultivator will be to hang on to his stocks in anticipation of better prices. In that case, even if control over movement is removed, there will be no flow of grains from the producer to the consumer and an acute shortage may result. Secondly, movement may take place, if not smoothly, at least intermittently but prices demanded will be so high as to be beyond the capacity of non-producer and the partial producer to pay.

.5. It will be observed that the majority as well as the minority take the view that increase in the procurement prices of controlled foodgrains is necessary. the Committee was undoubtedly influenced by the necessity to mobilise resources, particularly, in surplus provinces, to the maximum possible extent and the emphatic statements made by the Premiers and Ministers of surplus as well as deficit provinces that without an increase in procurement prices procurement itself during the next year might become impossible, let alone there being any improvement on previous figures. The inference is obvious that the rise and the extent of the rise asked for is more as a reflection of the prevailing feeling among the producers than a result of any statistical examination of the price structure.

. the necessity for enhancement of procurement prices is justified with reference less to statistical data than to a contingent threat of producers' strike.

[The question of the extent of rise in procurement price was discussed by Bakhle in great detail here. The rise asked for by various Provinces was far less than the ceiling of Rs. 2 suggested by the Committee. Bakhle was afraid that in the circumstances, the Committee's recommendation was likely "to encourage the provinces to ask for higher increases and other provinces to pitch their demands more or less to the level of ceiling mentioned by the Committee."

Adverting to the procedure for sharing the subsidy, consequent on the cost of increasing the procurement prices, Bakhle pointed out that "the State will have no alternative but to subsidise the consumer price of controlled commodities in respect of all consumers" as no discrimination between industrial and non-industrial consumers was advisable or possible; in actual practice the State would have to bear the entire burden to avoid industrial unrest and inflationary tendencies, apprehended Bakhle.]

6..... I venture to doubt whether reintroduction (of supplementary foodstuffs like vegetables, groundnuts, sweet potatoes, etc., on ration) would bring about a reduction of cereal offtakes. For the fact of the matter is that bananas, sweet potatoes, carrots, turnips are supplementary and not substitute foods.

7. —(Assumptions underlying the recommendations of the F.P. Committee)—

The Committee appear to advise the Centre not to have a uniform policy but to wash its hands off food as quickly as possible. Its recommendation No. V regarding modified control is calculated to destroy the All-India price structure and let each unit follow a course which is suited to its own requirements.

It is possible to take the view that this development is of a retrograde nature and should be resisted. If we are going to have control, it should be on a uniform basis throughout India. If we are going to have decontrol, it should also be on a uniform basis throughout India. The Centre moreover should take a positive line in enforcing control or decontrol. It would be a sad state of affairs if the Centre were merely to sit back and enforce compliance with its wishes by regulating the issues from a reserve to be built up out of imports. In other fields, for instance, cloth and sugar, the Centre takes a far more positive line than it has taken so far with regard to food and has been advised to take in future by the Committee in regard to food.

8. Honourable Minister for Civil Supplies has always taken the view that between complete decontrol and full control there is no half-way house in the shape of partial control. The recommendations of the majority of the Committee are in the nature of partial control of foodgrains. They have all the disadvantages of a *via-media* and none of the advantages of a clearcut course.

9. It is noteworthy that none of the Prime (Chief) Ministers or Food Ministers who gave evidence before the Committee advocated decontrol or the taking of steps towards decontrol during 1948.

If the Government of India is nevertheless committed to decontrol as a policy for immediate realisation we would fall in line only on condition that,

(a) the bans on inter-provincial movement of foodgrains are removed;

(b) out of imports planned for the year 1947-48 we are given a quota of about 6 lakh tons with which we can feed our rationed cities and hold a small reserve to meet local shortages caused either by hoarding or by the dislocation of transport arrangements. It is very doubtful whether the Government of India and the surplus units in the Union would agree to such a policy.

In that case there is no alternative to the maintenance of status quo during the year 1947-48, as the minority of the Committee have pointed out.....”

Decontrol: A joint meeting of the Standing Committees of the Food Advisory Council and the Food and Commodity Advisory Board was held on 3rd November and was followed by the Conference of the Provincial Food Ministers on 5th November, 1947.

Despite the Bombay Government's resistance to and disagreement with the F.P. Committee's recommendations, in principle as also in practice, it had to yield and the revised foodgrains policy was announced on 10th December, 1947. The following steps were taken:

- (1) Statutory rationing was discontinued in 115 urban areas with effect from 1st January, 1948; while the four cities continued under rationing.
- (2) Rural distribution also was stopped from 1st January, 1948.
- (3) Control over prices of foodgrains in non-rationed areas was lifted from 16th December, 1947.
- (4) Control over movement of foodgrains was removed throughout the Province with the exception that the districts of Ahmedabad, Kaira, Broach, Panch Mahals and Surat were constituted into a zone within which movement was made free but imports into and exports from the zone were allowed on permits only.
- (5) Compulsory levy was abolished from 16th December 1947. Government however guaranteed to purchase upto 31st October, 1948 paddy (rice), wheat, jowar and bajri at Rs. 1-6-0 per maund of paddy and Rs. 2/- per maund of other grains above the purchase rates in force prior to decontrol policy was announced.
- (6) Licensing of retail and wholesale dealers in foodgrains was resumed in free areas of the Province.
- (7) Control over prices, sale and movement of grain in whole of the Province was removed from 16th December 1947.

While announcing the above steps on 10th December, 1947, the Government informed the District Magistrates in a confidential circular that it was aware that “the revised food policy entails risk. But in the circumstances . . . there is no alternative but to take it. Government would continue to watch the developments carefully and would be prepared to impose more stringent controls or take any other measures that might be necessary if maintenance of supplies in any area within the Province is jeopardised by hoarding, profiteering or other anti-social activities.”

4.9 Conclusion: Curiously the period covered in this Chapter completes a full circle. Beginning with the introduction of an overall kharif and rabi purchase plan for 1944-45, it closes with the experiment of decontrol,

By October 1944, the desiderata or requisites of the food control system were filled in; in contrast with the earlier years of 1942 and 1943 which were characterised by improvisations and trials and errors, the period following October, 1944 gives an impression of firm policy based on certain principles and objectives underlining the controls. Extension of rationing, controlled distribution, monopoly of purchase supported by compulsory levy demand and last but not least the direction of agricultural production by Government were not merely the pillars of the control structure; they represented something more. What was it? Government had ultimately accepted the responsibility to feed all people in the province at a fair price. Was the objective achieved? The reply will be in the 'affirmative' if the qualifications of the objective are not lost sight of. The aim was not to guarantee an ideal-hypothetically—ration quantum to every adult. Under the circumstances, equality of sacrifice and equality in availability of howsoever short supplies of foodstuffs was the aim in rationing and controlled distribution in Bombay. To that extent the purpose of controls was definitely served. That there was no uniformity in the composition and quantity of ration allowed in urban areas and between different urban and rural areas was a fact; but that was a fact imposed by the circumstances. On account of the deficit character of Bombay Province, the Government had to depend on the Central Government's allotments under the Basic Plan. In the very difficult food supply position in 1946 and 1947, the Government avoided any catastrophe and supplied all the population with food supplies, howsoever meagre, is itself an achievement and a fairly satisfactory result of Control. This is not to say that there were no black spots. For instance, the vasillation and unsteady policy in respect of control over pulses, gur, etc. as described earlier were not in keeping with the otherwise firm policy on main cereals followed by Government. Probably, the wavering policy in respect of supplementary foodstuffs was also due to the Central Government's indecision and lack of clear directives. Anyhow, the half-hearted measures taken for controlling prices and movement of gur and pulses were not quite complimentary to Bombay Controls in 1945-46-47.

On the operational side, levy was the crux of the procurement of foodgrains. The data on levy demands and collections against them were not quite accurate at any time. The following figures, however, indicate the extent of response to compulsory levy:

<i>Year</i>	<i>Demands</i>	<i>Collections</i>
1944-45	3,52,000 tons	3,00,000 tons
1945-46	1,96,000 tons	1,60,000 tons
1946-47	2,59,000 tons	1,77,000 tons

Government would appear to have been careful to see that no hardship was inflicted on any individual holder. That is why orders

were issued in 1945-46 to Collectors to see that whenever the family of a particular holder was larger than average his additional food requirements should be taken into consideration while fixing levy demand. Sometime in 1947, Government carried out a survey of 84 villages by random sampling. The aim of the survey was to get some scientific data regarding the operation of levy and the basic assumptions underlying it. The results of the survey throw some light on the levy method under monopoly procurement. It was defined for sake of convenience that a Khatedar whose production did not exceed 45 maunds was a small Khatedar. Following are some of the important conclusions of the Survey:

(i) That although the number of small Khatedars was about 47 per cent of the total number of Khatedars liable to levy, their levy demand was only 7.5 per cent of the total demand.

(ii) The number of total defaulters was more than expected for small holders while it was less than expected in the other two classes of medium and big holders. Also the number of cultivators who defaulted in part was less than expected among small holders while reverse was the case for the other two classes. This fact was interpreted as that the small holder did not withhold the grain levy in part because the demand in his case was so small that he either paid in full or could not pay at all. The medium and big classes of holders were found to withhold in part more than defaulting totally.

(iii) The average size of the family came out to be 5.6 persons per Khatedar. (Government had assumed 5 Khatedars in every case. Presumably because of the above disclosure, Government subsequently allowed higher quantum to be retained by a Khatedar in relation to his family size and incorporated this principle in the Grain Levy Order itself (dated 15th November, 1948) issued for 1948-49).

(iv) A majority of defaulters occurred generally among 'small holders'. But this group had very few partial defaulters and total non-defaulters in fact exceeded the defaulters of this class.

It was concluded roughly that any convincing evidence of the inappropriateness of the levy scale for any particular class of cultivators was not furnished by the survey. The levy scheme was theoretically sound, it was emphasised.

Apart from the above survey there is no measure by which the levy scheme can be assessed. It was not denied that the scheme did not take into consideration circumstances of every Khatedar. But within the circumstances, it was not possible to better over the method of assessing the surplus of the larger number of Khatedars.

Unfortunately, just when the control system had somewhat stabilized and entrenched itself, in spite of the scarcity condition of 1946

and 1947, talk of decontrol started in different quarters. As this involves questions of fundamental outlook and approach it is dealt with from a different aspect.

The question of relationship of Provinces with the Central Government somewhat coincides here. The inability and reluctance of the Central Government to persuade the surplus Provinces to follow measures of strict rationing and rigid enforcement of procurement as recommended by the Foodgrains Policy Committee, 1943, the fifth All-India Food Conference held during February, 1945, and the Famine Inquiry Commission, 1945 have been brought out earlier in this chapter. The Bombay Government was always dissatisfied in this period with the Centre's attitude of being a helpless spectator of the loose controls adopted in surplus provinces. In its letter to Government of India dated 23rd February, 1946, consequent on the Centre's directive to reduce the ration quantum in Bombay Province, the Bombay Government pointed out that "the tendency to hold back supplies or to part with them only at extortionate rates is already evident in certain supplying areas" and urged that "all available foodgrains are shared equitably among all the provinces". That the Bombay Government went to the extent of warning that "unless other administrations intensify their procurement and introduce full-fledged rationing they will be compelled to consider withholding to such areas exports of vegetable products and onions" is itself indicative of the very strained relations between surplus and deficit provinces on account of the non-cooperative attitude of exporting administrations. In the face of this the Centre merely did nothing but exhort Bombay to tighten its belt.

In a memorandum submitted to Famine Commission by the Food Department of Government of India late in 1944 it was admitted, "the relations between . . . Governments were not always easy where local interests did not coincide with the wider needs of the whole country. . . . Nevertheless the Central Government's position is far from satisfactory". The memorandum attributed this to the constitutional position meaning that constituent units must be allowed due scope in the exercise of the responsibility with which they were charged. The Famine Commission was not prone to take an unduly serious view of the differences which manifested in the past and was conscious of the satisfactory character of the relations existing when it submitted its report. Granting that the relationship had somewhat improved as a result of the disastrous famine of 1943 in Bengal, the relationship between provinces in early 1946 was definitely unsatisfactory if some inference is to be drawn from the Food and Commodity Advisory Board's appeals and the Bombay Government's letter (cited above) to Centre. It will not be unfair to conclude that the surplus provinces persisted in their attitude and that the Centre also could not do anything about it.

The period was remarkable for Bombay's struggle to eke out on limited supplies and its attempts to make the most of the control mechanism. The approach to control as an expediency, however, would seem to have changed after assumption of power by the popular ministry in the province. That the Government of Bombay was expecting the controls to last longer to facilitate a smooth transition from war to peace economy and was prepared to administer controls as long as necessary is evident from a draft-reply to Famine Commission, in which it was stated "if the promise of the present planning proposals is borne out at all and shortly after the War the country is not allowed to relapse again into *laissez faire*, the likelihood of control disappearing is very little. The future Government of India if it is to do its duty of feeding the people even on the minimum scale that has now become established as a standard and with necessary nutritive elements, must undertake agricultural planning on an extensive scale". The wording of the reply implies the sense that Government was prepared to shoulder the responsibility of feeding people and that it had no faith in normal trade.

On the other hand, the *raison d'être* of control was stated by the popular Government in 1951 in its brochure on Civil Supplies in the series 'Bombay Marches On'; it explained "the policy of controls is being treated as an emergency measure, which must last as long as does the emergency itself. . . . the Government has no intention, nor has it ever tried, to take the place of the normal trade" (p. 2).

The Bombay Government was not prepared to decontrol foodgrains in 1947, not because it wanted to use controls, especially on prices of agricultural commodities, as a tool for agricultural planning but it felt that the time was not proper for lifting up control. The Bombay Government of 1945 as reflected in its draft reply to Famine Commission would have used price-control as a tool for bringing about changes in the structure of agricultural occupation. It stated, "According to one view if and when controls go, the guarantee (of prices) too should disappear. The argument is that when farmer can grow what he chooses and sell when he likes, there is no longer a case for giving a fixed price. This view, however, seems to be based on a misconception of the predominant place agriculture occupies in the economy of the country. The importance of giving a reasonable standard of living to the largest section of the population must override purely logical considerations. Moreover, a reasonable price maintained with suitable adjustments over a series of years is the best method of ensuring the growth of needed crops and of bringing about improvement in agriculture".

This broad perspective of price-control mechanism was obviously absent in the food-policy followed by the popular Government as evidenced in the quotation cited above from "Bombay Marches On". The exactly

similar narrow view of the Centre, viz. of using control merely to face shortages, was the cause of giving up control in 1947-48 and for the Centre's eagerness to handover the responsibility for food to Provinces and ultimately to traders who were expected to play the game. Here, therefore, we find the genesis of the decontrol policy adopted by the Government of India in December 1947.

CHAPTER V

REIMPOSITION OF CONTROL

Immediately after the decontrol policy was announced by the Government of Bombay on 10th December, 1947, it was felt imperative to take certain measures to keep a continuous watch on the general situation. This chapter describes such measures taken in the period of decontrol upto October, 1948 and the subsequent steps taken to reimpose control and to restore the controlled economy. Before the pre-decontrol structure of foodgrains control was effectively resuscitated, it took some time upto the end of 1949. This chapter gives an account of progress of the controls upto the end of 1948-49 when it could be said that control had gained its full value and effectiveness.

DECONTROL.

5.1 Revival of Regulated Private Trade: In consequence of the policy of decontrol, the main features of which have been given in the last chapter, monopoly and compulsory levy for the purchase of cereal foodgrains and gram throughout the province was abandoned with effect from 16th December, 1947. Government decided to revive all earlier orders of 1942-43 which helped regulation of trade. Government intended that the mercantile community should enjoy the utmost freedom of trade, subject to retail and wholesale licences. Therefore, the Bombay Retail Trade Control and Licensing Order and Foodgrains Control Order were reissued on 15th December, 1947. Before the Bombay Government took over the entire wholesale trade in foodgrains and assumed full responsibility for distribution in 1944 the Foodgrains Control Order was being enforced to prevent unauthorised holding of foodgrains by traders and others and to ensure that all available supplies were brought to market. Now that the normal trade channels were restored Government had to fall back upon the provisions of the two Orders.

The Bombay Retail Trade Control and Licensing Order, 1947, prohibited all undertakings involving the sale or storage for sale in retail quantities of any controlled article except under a licence. The new Foodgrains Control Order attempted to keep a record of persons engaged in the grain trade and to secure information of wholesale stocks and their movements. It was considered as a powerful instrument in the hands of Government, for bringing about an equilibrium of prices and supply of foodgrains. In a circular to District Magistrates dated 22nd January,

1948, Government instructed them to issue licences to all who applied, excepting persons who had been actually convicted of a Civil Supplies offence earlier. An upto-date list of licensees was to be kept in the Collector's Office as well as in the Mamlatdar's office. Collectors were requested to inspect the stocks of dealers at random. The imperative need of keeping careful record of stock-returns from licensees was also emphasised. In the Retail Trade Control and Licensing Order, however, the provision for submission of monthly returns was omitted as the possibility of the retail traders' stocks affecting the general stock position of the district was considered to be negligible and as the work involved in the compilation of their returns was thought incommensurate with its value. Thus the small dealers were left with some freedom in their business.

5.2 *Decontrol Intelligence*: By a circular dated 22nd December, 1947, the Collectors were directed to give detailed information regarding the voluntary sales of foodgrains to Government and the distribution arrangements in their districts in the weekly confidential reports.

A Conference of all Collectors was held earlier on 12th December 1947, in which several problems arising out of lifting of control were considered. It was decided that Collectors should collect information in respect of prices, stocks of foodgrains, public health, movement of population and other matters of significance. A scheme was prepared to get information from villages randomly selected in all the districts, covering data on wholesale prices of a number of articles, movement of foodgrains, epidemic diseases, etc. All this upto-date information was deemed essential as it was apprehended that the sudden removal of controlled distribution in rural areas and rationing in small towns after four years of control would cause distress in several places on account of sharp rise in prices, and unavailability of grains due to transport difficulties. It was stated that "the revised food policy is more or less in the form of an experiment" (circular dated 5th January, 1948) and so it was vitally necessary for Government to be kept informed about the repercussions of the sudden change in policy.

On 7th January, 1948, Government addressed a letter to the General Managers of G.I.P., B.B. & C.I., M.S.M. and B.L. Railways requesting their co-operation in keeping a watch on movement of foodgrains. Government was afraid that foodgrains might move from normally self-sufficient or deficit areas towards places where ruling prices were high creating, thus, deficit pockets in former areas. In order to know where deficit pockets would arise the Bombay Government called for weekly returns of receipts and despatches of paddy, rice, wheat, jowar, bajri, maize, all pulses and sugar specifying the sources and destinations, from the Station Masters on all the railways within the Province.

Despite all the precautions taken to keep a strict watch over prices and movements of foodgrains by means of licensing under the two Orders described above and the constant vigilance to prevent hoarding, prices rose not only steeply in the first months of 1948 but stabilised at the higher levels subsequently, contrary to expectations. This can be seen from the Table below :

TABLE No. 5.1.

Combined Index numbers for wholesale Prices of rice, wheat, jowar and bajri.

	Gujerat	Deccan	Karnatak	Konkan (rice only)	Bombay Province
Predecontrol	100	100	100	100	100
January 1948	216	232	178	189	209
February	226	219	181	205	211
March	231	208	198	237	219
April	258	213	203	253	232
May	257	230	225	278	247
June	254	245	236	310	260
July	259	245	235	308	261
August	257	237	229	288	253
September	276	237	227	275	254
October	300	235	226	257	256

(Source : Food Statistics of Bombay Province, 1949, p. 88-89).

In the decontrolled areas, foodgrains were generally available but at very high prices. The pressure of exports from some districts especially Thana and Kolaba, was so great that the average price of rice shot up from Rs. 11-6-3 per maund in the pre-decontrol period to Rs. 36-14-6 and Rs. 35-14-1 respectively in June 1948. Requests poured in, it was stated, from various deficit areas for reimposition of controls over prices and movement of grains. Within three or four months of decontrol, such acute hardship resulted throughout the Province that Government was forced to open some 3000 relief shops in the districts. Even after distributing lakhs of tons of foodgrains through the relief shops the index number of prices of foodgrains for Bombay Province did not register any significant drop from June 1948 onwards. It was admitted that "had not control been reintroduced again, the maintenance of law and order in the Province would have been difficult". (Note on Food Policy for 1951, prepared in the Secretariat prior to the All-India Conference at Ministerial level held in Delhi to consider the Basic Plan allocations for the year 1951).

5.3 *Rethinking*: It seems that the prices of foodgrains in particular and all other essential and semi-essential articles in general had registered an alarming rise all over the country in latter part of 1947 and through 1948 upto October on account of a number of factors. Rising prices was the most important aspect of the economic crisis confronting the country. The Government of India appointed a small Committee of Economists early in August 1948 to suggest a way out of the difficult situation. This Committee of Economists, in its Memorandum submitted to the Cabinet, attributed the crisis, among other factors to "the unplanned removal of controls on prices and distribution of essential goods". The Committee suggested that ceiling prices should be notified for all foodgrains in urban and rural areas. It further recommended that compulsory levy should be resorted to for achieving control over supplies.

Dr. V. K. R. V. Rao in his note on "The Menace of Rising Inflation" ascribed the inflation to a number of causes of which two are relevant here "The tendency towards hoarding of real goods has shown an alarming increase not only on the part of agricultural classes but also on the part of the urban traders, financiers and capitalists the policy of decontrol unaccompanied, as it has been, by any measures to safeguard the economy from the obvious dangers of decontrol, has removed the lid from certain groups of prices, and thus helped the inflationary forces to follow its course without any restraint".

The Governor of the Reserve Bank of India, Sir Chintaman Deshmukh, had all along been in favour of continuation of old food control. On further consideration he was convinced "that permitting open market sales in surplus provinces will defeat the compulsory levy and make price control ineffective. High prices are prevalent in surplus provinces no less than in deficit provinces, and in rural areas no less than in urban areas". Advocating a common policy for all areas he emphasised that it was the responsibility of the Centre to ensure that no one starved in any part of India because of lack of grain at reasonable prices. He opined that "difficulties of monopoly procurement have been overstated" and averred that reinstatement of monopoly procurement was the kingpin of all anti-inflationary measures. (Telegram No. 341 dated 30th August, 1948 from the Governor, Reserve Bank of India, to Shri. K. C. Neogy, Finance Minister, New Delhi.)

After a careful consideration of the recommendations of the Economists and after consulting the Provincial Premiers and Food Ministers in September, the Government of India announced early in October, the policy of gradual reimposition of controls over foodgrains. The objective was to create the conditions in respect of monopoly procurement and controlled distribution existing in November 1947, again, upto October

1949. The Government of India hoped to secure an equitable distribution of foodgrains at reasonable prices by means of the revised policy.

REVERSAL TO CONTROL

Following the Government of India policy, the Bombay Government took appropriate steps to implement the revised food policy. The following are some of the important measures by which reimposition of controls was begun.

5.4 Procurement: Paddy: Firstly, monopoly procurement of rice, paddy and maize was made effective in all homogeneous rice, paddy or maize producing tracts in the Province. Automatically, bans were imposed on movement of foodgrains from villages.

The Bombay Rice and Paddy Removal and Regulation of Sale Order was issued on 16th October, 1948 restricting trading in rice and paddy. It was announced that, with effect from 15th November, private trade in rice and maize would not be allowed and Collectors were asked to suspend licences from that date. Licences in respect of other foodgrains, viz. jowar, bajri, wheat, etc., were allowed to continue as these grains were not brought under monopoly procurement immediately.

Collectors were asked to call for fresh stock declarations in respect of rice, paddy and maize, so that any stocks left over with traders could be taken over by Government.

Procurement in Thana and Kolaba districts was resumed on the same lines existing in pre-decontrol period. Purchases of paddy, rice, etc., were to be carried on in homogeneous paddy areas in other districts on the lines followed in previous control period.

As in the previous control period Government relied, for procurement in paddy areas, on monopoly of purchase and movement control. The object was to collect almost the whole surplus within the course of the year. (Supply Commissioner's letter to the Collector of Dharwar dated 11th December, 1948).

Collectors were asked to reassemble and reorganize their staff for the enforcement of the revised policy. (Circular to District Magistrates dated 20th October, 1948).

Levy Areas : Government did not introduce any major changes in the method of procurement in the post-decontrol era. The Levy Order remained the main plank for procurement of grains in the dry crop areas of the Province. In the post-independence period, however, there was one significant political change. Former princely states were being merged in the Province and all of them did not have a land revenue and assessment procedure on par with that in Bombay Province. On 11th Decem-

ber, 1948 Government instructed the Collectors to have a more direct procedure in applying levy to the merged areas in the Province. The principal features of the procedure for all the merged areas were as follows :—

- “(i) Declaration of acreage under various crops to be called for from actual holders of land—verification to be carried out as far as possible;
- (ii) area to be divided into homogeneous tracts and average yield per acre for major crops to be determined;
- (iii) exemption limits for each tract;
- (iv) for every acre, excepting exemption limit, a flat rate of levy to be charged, maximum of which would not be more than two-thirds and less than one-half of expected yield of the tract;
- (v) levy demand so calculated to be adjusted at 4½ mds. per adult or adult equivalent in cases of holders' families, where the number of members in the family was more or less than 5;
- (vi) landlords receiving rent in kind to be asked to declare stocks in excess of 10 bags.”

The Grain Levy Order issued in December 1948 followed the pattern of that in 1946-47. But it was modified in certain respects. The Order for 1948-49, thus, allowed adjustment of levy demand according to size of the family at 4½ maunds per adult. The standard levy was fixed assuming 5 members in a family. Secondly, the demand from big khatedars was stepped up as it was stated that “experience has shown that the incidence of levy is relatively light in the higher reaches of levy tables”. An addition of 5 per cent was to be made for levy demand between 20 and 40 maunds and 10 per cent when the demand exceeded 40 maunds. Thirdly, levy khatedars were given opportunity for getting levy demand re-examined on general grounds like fire, theft, floods or late sowing due to illness in families, etc. Government decided to consider individual representations on these grounds for remission or reduction of levy. Fourthly, landlords receiving rent in kind were not liable to levy in the previous years. Talathis were now asked to prepare lists of such landlords who would be asked to sell to Government 50 per cent of all stocks exceeding 30 maunds received by them. (Circular to Collectors issued on 15th November, 1948).

The Government of Bombay issued two orders on 16th December, 1948. One of them prohibited movement of the main cereals viz. rice (including paddy), wheat, jowar, bajri and maize from one district to another, without a permit from the District Magistrate. This order repealed the earlier Order issued after partial decontrol was introduced in December 1947 creating two zones (Gujerat and non-Gujerat areas roughly). It reinstated the old system of complete prohibition of inter-district

movement. By another order, inter-village movement of above grains was banned without a permit issued by the District Magistrate or other authorised officials like the Mamlatdar.

The second Order prohibited sale or disposal otherwise, of above foodgrains by any person except to Government. The traders holding licences in respect of these grains were allowed, however, to sell their stocks upto 15th January, 1949 after which date Government would take over the remaining stocks, their licences being suspended from the date. (The traders were subsequently allowed to sell off their stocks upto end of February 1949 when monopoly over purchases and sale of foodgrains was completely re-established by Government).

Broadly, the old system of procurement of paddy and rice and other cereals was revived and completely re-established by Government by the end of February 1949. Government aimed at governing all the surplus in the hands of the producers and emphasised the need of setting up efficient and co-ordinated machinery for procurement in the districts.

To bring home the emergent conditions a number of circulars were sent to Collectors emphasising the paramount importance of directing personally the supply operations especially in the initial stages. Supply matters were given the topmost priority by Government in the early stages of reimposition of controls.

The Food supply position continued to be difficult and was causing concern to Government and the public alike in 1949. Government appealed to the members of Food and Commodity Advisory Board in April, to help Government in the procurement of grains. To Shri. Saraiya's query whether procurement policy was uniformly executed all over the country it was replied that there were provinces like the Central Provinces and the United Provinces where there were no restrictions on distribution. The Minister informed that Bombay Government was all along urging the Centre to enforce a uniformly strict policy everywhere in the country since 1946 but the Centre had not been able to do so. In view of the shortages and meagre allotments in Bombay province and of the vigorous procurement drive, the members of the F. C. A. Board expressed dissatisfaction at the Centre's non-interference and the surplus provinces' non-co-operation.

In order to create an enthusiasm for selling grain to Government and a spirit of healthy competition among villages, Government organized Levy days in the Province from February-March 1949 and decided to award suitable cash prizes to the villages which topped the levy contribution amounts in every district.

5.5 Food Supply Position: Although the agricultural season was generally satisfactory over the greater part of the Province, scarcity conditions

prevailed in Gujerat due to deficient rainfall. As a result, kharif crops withered away in Ahmedabad, Kaira and Broach districts. Rabi crops also were below normal as there was practically no rainfall after November 1948.

In the Deccan, Karnatak and Konkan, weather conditions were favourable and kharif crops continued to make good progress and a good harvest was expected. But heavy rains in the third week of November caused damage to kharif crops ready for harvest and lying in threshing yards. While the crop prospects were thus disappointing by November 1948, the stocks of foodgrains held on Government account in Bombay Province were low at 90,300 tons.

The consequent effect of the overall unfavourable season was reflected in outturn of crops as would be seen in Table below :

TABLE No. 5.2.
Estimated Outturn of Total cereals, millets and pulses
in 1947-48 and 1948-49. (in tons)

Year	Gujerat	Deccan	Karnatak	Konkan	Bombay Province
1947-48	587,153	1,770,540	807,457	553,662	3,718,821
1948-49	298,608	1,682,404	729,422	553,431	3,263,865

5.6 Prices and Distribution: A number of fair price shops were opened in the affected districts wherever control was withdrawn during the de-control period. The food stocks position was unsatisfactory and inadequate imports were expected in January and February 1949. The Collectors were therefore asked to be extremely vigilant in order to see that the degree of hardship caused was minimised. To this end, a planned and economical distribution of existing stocks in the districts was envisaged. It was expected that shops and stocks must be ready in position for functioning at any time. The vigilance was, especially, necessary in maintaining an even flow of supplies to shops and in checking any tendency to hold on to stocks for hoarding. Until orderly and controlled distribution was achieved, Collectors were required to be careful in transforming the fair price shop machinery into a full-fledged control set up. As a preliminary measure Collectors were requested to call for declarations of all stocks from all licensees on 31st January, 1949.

Early in 1949 there was some agitation regarding the high price level maintained in Gujerat compared to that in other parts of the Province. These higher prices were explained, more or less, as a historical accident resulting from the fact that prices in Gujerat had always ruled

higher in the previous control and decontrol period. The price differential was therefore maintained while it was stated that no preferential treatment was given to Gujerat. Government argued that higher procurement prices meant higher rates to consumers in Gujerat and as there was no export from Maharashtra or Karnatak to Gujerat, non-Gujerat areas were not affected by high level of procurement prices in Gujerat which did not give any ground for raising prices in other parts of the province.

In a Press note dated 19th February, 1949 it was stated that the level of prices in Gujerat was higher even under free trade than anywhere else in the Province. This was probably due, Government contended, to the higher labour charges in Gujerat as seen from Table 5.3, given in the Press note, reproduced below :

TABLE No. 5.3.

Average monthly wages of a field labourer (in Rupees)

Year	Kaira	Ahmedabad	Dharwar	Nasik	Sholapur	Kolaba
1935	11-4-0	11-4-0	7-10-6	9-6-0	9- 7-3	7-15-0
1945	45.0-0	36-4-0	28-12-0	29-6-0	27-13-0	24-11-0
1947	60-0-0	48-8-0	30- 0-0	36-4-0	33- 1-3	30- 0-0

Government admitted that the cost of production was an unreliable basis for fixing prices; nevertheless, Government felt it relevant to mention the above wages of field labourers inasmuch as they formed an important item in it. Anyway, Government, it seems, considered the fact that even under free trade the local prices in Gujerat were appreciably higher than elsewhere in the province as important and allowed the higher procurement prices in Gujerat to continue.

It had earlier been stated by the Minister of Civil Supplies on 10th February, 1949 in the F.C.A. Board meeting that it was not possible now to bring down the level of prices in Gujerat as it might affect the procurement campaign.

Government was keen on gingering up the administration to do supply work expeditiously and effectively and desired that the Prant Officers and Mamlatdars moved in their jurisdictions quickly, performing their duties promptly and ensuring that adequate stocks were maintained in the shops. Obviously, the reversion to a controlled economy from partial decontrol did not involve any fundamental questions of policy but, nevertheless, proved to be a difficult operation. The emphasis in the three-four months, immediately following the revised policy, announced in October 1948, was more on execution of the orders and on expediting the transition at the district and lower levels. As earlier pointed out the

prospects of local procurement were not bright; in addition imports being slow and inadequate, Government gave the "procure or perish" slogan to the district authorities (Circulars to Collectors dated 11th, 19th January, 1949, etc.).

By September 1949, the distribution machinery was well settled in the districts, the number of rural distribution centres being 4,307 against 3,913 in November 1947. This rise in number can probably be explained by the merger of Indian States in Gujerat and Deccan and due to the creation of eight new districts, viz., Amreli, Banaskantha, Baroda, Mehsana, Sabarkantha, Dangs, Kolhapur and South Satara. The number of Authorised Retail Distributors in rationed areas similarly rose from 2874 in November 1947 to 3,793 in September 1949.

The foodgrains prices in Bombay province had soared to unduly high levels during decontrol period. The Central Government, therefore, agreed, as a special case, to permit after recontrol an increase of 50 per cent over the procurement prices prevailing prior to decontrol. It may be recalled here that the Bombay Government had guaranteed to purchase upto 31st October, 1948, paddy (rice), at Rs. 1/6/- per maund above the Government purchase rates prevailing on the eve of decontrol. Similarly, Government guaranteed to purchase wheat, jowar and bajri also at Rs. 2/- above the pre-decontrol purchase rates. (*vide* Government Press Note dated 10th December, 1947). The Central Government did not take into consideration, the above price-rise announced by Bombay Government. It allowed 50 per cent over procurement rates prevailing only on the eve of decontrol.

As a matter of fact, the Government of India permitted, as a working rule, fixation of procurement rates at not more than 25 per cent above the pre-decontrol prices in all other provinces. It was with a view to achieving maximum internal procurement and to absorb portion of the inordinate rise in foodgrains prices during the decontrol period, that the extra rise was allowed in Bombay province.

To check hoarding* Government declared by a Press note that if and when necessary Government would requisition stocks of foodgrains at rates only 33 1/3 per cent over the pre-decontrol rates after 1st March in respect of paddy, rice, maize or bajri and after 1st May, 1949 in respect of jowar and wheat.

* With a view to ensuring that all levy khatedars met their demands to the fullest extent possible Government carried out a complete check up in each village to ascertain whether levy demand was fulfilled by every khatedar. Government wanted to find out the number of khatedars in every taluka and district who had fulfilled their demand completely and of those who had sold only 50 per cent and less than 50 per cent of the demand due from them. (This check up was carried out in April 1949, results of which were not to be found in the records studied or on enquiries made in Civil Supplies Department.)

The food position was precarious by middle of 1949, so Government empowered the Collectors to carry out searches of houses with a view to requisitioning stocks and checking the tendency to hoard. Government, however, suggested that the searches should be confined to big landlords, khatedars and other suspected persons while tact and discretion should be used in organizing the campaign. (Circular to Collectors, 11th July, 1949).

The year 1948-49 was thus a year of scarcity on account of the following factors: (i) the estimated production of foodcrops was low due to bad season; (ii) imports from overseas were slow owing to shipping difficulties; imports from other provinces were low on account of transport difficulties; (iii) it was a period of transition from decontrol to control entailing readjustment in administration in a number of ways.

5.7 Offtakes: The offtake of cereals in the rationed areas of Gujerat was more in 1948-49 than that in 1945-46 and 1946-47, while in Deccan, Karnatak and Konkan it was much smaller in 1948-49 as compared to that in 1945-46 and 1946-47 as seen in the following Table. This was because, Government had given priority to Gujerat areas owing to famine conditions, in the process of extension of statutory rationing as part of the re-imposition of controls.

TABLE No. 5.4.
Oftakes in Rationed Areas. (in tons)

	1948-49	1945-46	1946-47
Gujerat	144619	137584	141243
Deccan	159383	193031	192926
Karnatak	37900	54220	55787
Konkan	21820	31510	32742

That controls had been nearly fully reimposed by October 1949 would be seen from the following Table, which gives a comparative picture of controlled distribution and rationing during the three years 1946 to 1949.

Table 5.5 shows that the amount of foodgrains sold by Government in the decontrol period of 1947-48 in derationed and rural areas was as substantial as 234,382 tons. The failure of the decontrol experiment is thus brought out by the fact that even in the period of reduced commitments, when Government had washed off hands of any responsibility to feed in the rationed areas and when it had presumed that once decontrol gets going, prices would fall after a temporary rise, it was forced to distribute such a big quantity of foodgrains, and this too did not bring the prices down. (See Table 5.1).

TABLE No. 5.5.
Total Cereal Offtakes. (in tons)

Year	Rationed Areas	Derationed Areas	Rural Areas	Total districts
1946-47	422,648	nil	389,555	812,203
1947-48 (decontrol)	155,823	90,620	143,762	390,205
1948-49	363,722	nil	385,911	749,633

Note : (i) The above table excludes figures for Bombay city and Bombay Suburban District.
(ii) Figures of 1948-49 do not include the offtake figures of merged areas and so the table refers to only the premerger province.

5.8 Merger of Indian States: One development of some significance took place during 1948 and 1949. While the experiment of decontrol was in progress, all states in Gujerat (about 18 in number) merged with Bombay province. Boundaries and jurisdiction along with total areas of the Gujerat districts were altered as a result of the merger; and some new districts like Baroda, Banaskantha, Sabarkantha, Mehsana were created in Gujerat. Kolhapur state was formed into a district on 1st March, 1949. Similarly, Sangli and 16 other Deccan states (such as Miraj, Aundh, Bhor, etc.) were merged in the province. Thus the total area of the Bombay Province rose from about 487 lakh acres in 1947-48 to about 705 lakh acres by the end of 1949.

This political change affected the civil supplies to some extent. Deficit pockets in the former princely States posed a problem; similarly stocks of grains in these states had to be taken over by the Provincial Government. Again, the administration of supply matters had to be brought in line, as far as possible, with that in the rest of the province. The Government of Bombay, therefore, issued a number of orders during the decontrol period so as to keep the private traders under control and supervision. The Essential Supplies (Temporary Powers) Act, 1946 and the Bombay Essential Commodities and Cattle (Control) Act, 1946 were made applicable to merged areas. In Indian States Foodgrains Control Order, 1948 was issued on 18th June, 1948 which was followed by the Indian States Essential Commodities (Regulation of Disposal and Acquisition) Order, 1948, the Indian States Rice Mills Licensing Order, 1948 and the Indian States Retail Trade Control and Licensing Order, 1948. It was essential to see that the foodgrains stocks held by the respective states on the eve of merger were handed over to the District Magistrates without any tampering in the process. Executive instructions were issued to Collectors in this behalf by circulars on and after 15th June, 1948.

With the reimposition of Control in October, 1948 and in the following period, the Collectors in charge of merged areas, and the Chief Administrators of Sangli and Kolhapur were instructed to bring the procurement and distribution machinery in consonance with the rest of the province. During the transition period a Group Liaison Officer was appointed for the Baroda and Gujerat States to look after the problems of changeover.

On 4th March, 1949, the Government of Bombay issued the Indian States Levy Order, 1949, making levy orders applicable to States, jurisdiction over which was exercised by Bombay Government under the Extra-Provincial Jurisdiction Act, 1947.

5.9 Control in November 1949: About one year after controls were reimposed, there were 139 towns and 10 cities under statutory rationing covering a population of over 9 millions whose offtake of cereals was more than 860,000 tons a year. During 1949 the number of rationed towns, however, varied between 119 and 139. In the districts, about 4400 rural distribution centres catered to the needs of the rural areas in respect of foodgrains under controlled distribution, covering another 9 million people. Roughly, any person who had no stocks of foodgrains could draw from the Government system at the rate of 12 ozs per adult per day. Workers doing heavy manual work used to get 4 ozs. more in the city areas. The quantum of ration, allotted in cities and towns as also in rural areas, was not uniform throughout the year as it had to be reduced to 9 ozs. owing to exigencies of circumstances, particularly, scarcity in Gujerat and shortages in other areas. The system of monopoly procurement and compulsory levy was extended to some of the Indian States merged in the Bombay Province.

At the end of October, 1949 Government had in its possession 3,11,000 tons of foodgrains as opening stocks for the year 1949-50. The prospects of internal procurement were good on account of satisfactory condition of all crops generally and of bajri in Gujerat in particular.

CHAPTER VI

ANALYSIS OF CONTROL STATISTICS

Introductory: The progress and development of controls over foodgrains production, procurement, imports and distribution in Bombay province have been reviewed in the preceding chapters. Attention was mainly given, to the different circumstances which gave rise to shortages of foodgrains and allied problems of hoarding, etc., leading to rise in prices; to the measures taken by Government to face and overcome the shortages, etc.; and to the difficulties Government had to solve in the implementation of the various steps and schemes. The foregoing chapters, thus, were in the form of narration and analysis of different stages in the control period.

In this chapter, an attempt is made to present the whole control period in terms of data regarding acreage, production, offtakes, etc. Two statements are appended to this chapter, which embody the more important data, in such a way as to present a somewhat complete picture of the control period. The statements are based mainly on the "Food Statistics of Bombay Province", a brochure published by the Civil Supplies Department of Bombay Government in 1949 and the 'Season and Crop Reports' of Bombay Province issued by the Department of Agriculture. The two statements appended to this chapter are so designed as to cover all important aspects of food control in Bombay Province. It is obvious, however, that the statements are, nevertheless, incomplete, as it was not possible to incorporate more information in them such as districtwise data.

The Chapter is thus written on the basis of the two statements attached and wherever more detailed figures and data were felt necessary, such figures are directly adduced in the body of the chapter. Such other data are culled from the 'Food Statistics of Bombay Province.'

SECTION I: Year to year Survey of statistical data

1942-43 :

The year was generally satisfactory for the kharif season but the rabi season was definitely unsatisfactory resulting in scarcity conditions in greater parts of Deccan and Karnatak. Karnatak, and in particular Bijapur district was affected by famine. Thus the outturn of the main kharif crops was better in the province as a whole than the average of

the quinquennium ending 1941-42 while the outturn of the main rabi crops dropped from 1015.6 thousand tons to 769.5 thousand tons. (Statement I). The production of rabi jowar declined from 96.8 to 66.9 in Poona, 155.2 to 103.6 in Sholapur and from 123.7 to 34.8 thousand tons in Bijapur districts. Wheat outturn fell similarly to 32.5 from 61.2 in Nasik, 21.1 from 37.3 in Ahmednagar and 17.8 from 34.1 thousand tons in Dharwar districts. The failure of rabi crops, thus, resulted in notably low outturn in Deccan and Karnatak. (Statement I). The production of total cereals in Bijapur dropped to 60.6 thousand tons from 191.4 thousand tons in the preceding quinquennium. Belgaum and Dharwar also showed some decline in total cereals output from 224.0 to 200.5 thousand tons and 266.3 to 250.7 thousand tons respectively. Supplies, therefore, had to be rushed to the famine areas in Karnatak in the first half of 1943.

The problem of feeding the rural areas of Karnatak was enormous, especially when Bombay city was simultaneously experiencing severe shortages; Government, however, opened a number of fair price shops in the famine stricken areas and the grains distributed through these shops were subsidised in Bijapur district and other seriously affected areas to enable the extremely indigent population to purchase their food needs.

Table 6.1 below shows how the rice imports of the province fell disastrously during the year. Although this was made up by more than average imports of wheat and millets, the total imports in the province during 1942-43 were less than the average of the previous quinquennium.

TABLE No. 6.1.
Imports into Bombay Province. (in tons)

	Rice	Wheat	Millets and other grains	Total
Average of 5 years ending 1941-42	294,000	143,000	50,000	487,000
1942-43	82,000	230,000	133,000	445,000

1943-44 :

The agricultural season was fairly satisfactory in both kharif and rabi seasons. Acreage under rice and minor cereals fell in Konkan. Some decline in acreage was also registered in the case of bajri in Gujerat and Deccan and of kharif jowar in Gujerat, Deccan and Karnatak. This led to a fall of 5 lakh acres under total kharif crops, from 10028.9 thousand in 1942-43 to 9500.9 thousand acres in 1943-44, for the province as a whole. This fall was, however, made up by a perceptible rise in acreage under rabi jowar in Deccan and Karnatak and under wheat in Gujerat, Deccan, and Karnatak; acreage under total pulses also showed rise in all regions of the province. (Statement I).

Coupled with better season, these higher acreages, resulted practically in a bumper crop. From the production point of view, this year was the best during the whole control period. The outturn of total main kharif, rabi and pulses was better than the previous year as also than the average of the quinquennium ending 1941-42.

Presumably, because of the lower acreage, outturn of rice was less this year than the previous year, though the per acre yield had risen from 979 to 985 lbs. Outturn of kharif and rabi jowar was particularly good in Karnatak while wheat outturn, though better than in the previous year was yet much below than that in the quinquennium ending 1941-42. Generally, higher production of rabi jowar in Deccan, of minor cereals and toor in all regions, of gram and 'other pulses' in Deccan and Karnatak contributed to the rise in total provincial outturn of cereals and pulses in this year.

Local purchases were started late in 1942 but they were integrated into a provincial scheme of procurement in August 1943 when target percentages were laid down for purchases out of total production at 10 per cent for millets and 25 per cent for rice. This was the beginning of procurement organization. But it was known that these targets were not based on any study. The proportion of purchases of 1943-44 was 17.3 for rice and 12.2 and 14.0 for kharif and rabi jowar respectively; these percentages were improved in the subsequent years once the procurement organization was placed on sound and strong footing, with the introduction of compulsory levy system in May 1944. That the proportion of purchases to production was better in later years is seen from the attached Statement II.

1944-45 :

At the beginning of the kharif season Government inaugurated the Grain Levy Scheme, initially applying it to the three districts of Ahmednagar, Bijapur and Sholapur. The Growth of Foodcrops Act also was enacted by this time (in May 1944) making it obligatory for cultivators to put a minimum proportion of their holding under foodcrops. Except in Gujerat, where area under rice showed substantial rise, it was somewhat constant in other regions. Bajri and kharif jowar acreage, however, notably declined in Gujerat, Deccan and Karnatak. The area under total main kharif crops thus decreased by over 5 lakh acres in 1944-45 to 8962.5 thousand from 9500.9 thousand acres in 1943-44.

The area under rabi jowar and wheat registered a uniform and substantial rise in Gujerat, Deccan and Karnatak. The area under rabi jowar particularly rose in Broach from 93.4 thousand in the previous year to 195.3 thousand acres, in West Khandesh from 146.8 to 190.5 thousand, in East Khandesh from 6.2 to 31.9 thousand, in Ahmednagar from 1036.0

to 1177.1 thousand, in Sholapur from 1278.8 to 1440.9 thousand, in Bijapur from 988.3 to 1177.8 thousand, and in Dharwar from 93.9 to 209.2 thousand acres. Similar notable increase in acreage under wheat is to be seen in Ahmedabad from 291.1 to 345.2 thousand, in Broach from 62.3 to 119.9 thousand, in East Khandesh from 54.8 to 100.3 thousand, in Bijapur from 197.5 to 226.5 thousand and in Dharwar from 207.4 to 346.8 thousand acres. But the area under bajri dropped from 254.6 thousand acres in 1943-44 to 234.0 thousand acres in 1944-45 in Ahmedabad, from 175.0 to 154.3 in Kaira, from 881.1 to 749.8 in Nasik, from 977.6 to 898.1 in Ahmednagar, from 649.7 to 592.6 in Poona, 307.7 to 278.5 in Sholapur, 439.8 to 401.7 in Satara and 574.3 to 535.6 in Bijapur districts. Area under kharif jowar also registered a decline from 242.8 to 100.2 in Ahmedabad, 342.1 to 253.7 in Bijapur and 528.8 to 429.2 in Dharwar districts. Thus the increase in the provincial acreage of main rabi crops to 7916.7 thousand from 6730.2 thousand was partly offset by the decline of main kharif crops acreage to 8962.5 thousand from 9500.9 thousand.

During 1944-45 the area under pulses rose from 3060.3 thousand to 3421.6 thousand acres, that of gram in particular registering a notable rise in Gujerat, Deccan and Karnatak. (Statement I).

Thus the total area under cereals and pulses increased from 20798.1 thousand to 21803.9 thousand acres. This rise may be attributed to the Growth of Foodcrops Act enforced in May 1944. The acreage under cotton decreased to 8 per cent from 20 per cent in Gujerat and to 9 per cent from 15 per cent in Karnatak (Season and Crop Report 1944-45, Government of Bombay). But there is no evidence to suggest that these cotton areas were diverted to foodcrops as the area under kharif crops also registered a fall in the year. It may, however, be that the fall in the total kharif area itself, at least, in part, made possible the increase in the rabi area; this may, either be due to the timing of the rainfall in this particular year making desirable a shift of some area from kharif to rabi, or be due to factors such as yields, prices or provisions of the Growth of Foodcrops Act making such a shift more profitable for the cultivator.

Adverse distribution of rainfall affected main kharif crops in all regions resulting in decrease in the outturn. This is brought out by the more than proportionate fall in production than in acreage in 1944-45 as compared to 1943-44. Thus the area under main kharif crops dropped by about 5 per cent, and production by 16 per cent. Similarly, inadequate rainfall along with other climatic factors affected the outturn of rabi crops in most areas of the Province; thus, the outturn of rabi jowar was lower in Deccan and Karnatak in spite of the higher acreage. (Statement I). The reduced yield per acre of rabi jowar and wheat in Gujerat, Deccan and Karnatak was thus the result of adverse seasonal factors (Statement II).

Broadly, the total acreage under cereals and pulses, in 1944-45, registered an appreciable rise to 18382.3 thousand and 3421.6 thousand respectively from 17,737.8 thousand and 3060.3 thousand in 1943-44, while the total estimated outturn of cereals declined from 3620.5 to 3194.7 thousand tons and that of pulses was only slightly higher at 534.1 thousand tons over 532.5 thousand tons in the previous year (Statement I). In this connection, it would be interesting to note that the irrigated area under rice, wheat, jowar and maize had risen during 1944-45 to 264, 196, 299 and 32 thousand acres from 231, 179, 273 and 25 thousand acres respectively, in the preceding year (Season and Crop Report of 1944-45). The increased acreage under foodgrains and more irrigation facilities did not yield higher output in the province; on the contrary, output of cereals showed a decrease. This is indicated by the figures of foodgrains yield per acre which slumped in the case of all cereals and pulses from 457 to 389 and 390 to 339 lbs. respectively between 1943-44 and 1944-45.

The compulsory levy scheme was enforced throughout the province (except in paddy areas) from the rabi season, the result of which is evident in the purchases effected (Statement II). The Voluntary Purchase Scheme was operating in all districts of the province from October 1943. But now it was discarded in favour of the more sound and somewhat scientific compulsory grain levy scheme. In spite of lower outturn, purchases of rabi jowar in Deccan and Karnatak registered a rise from 80429 tons and 24804 tons in 1943-44 to 135168 tons and 48007 tons respectively, in 1944-45. The percentage of purchases to estimated production of rabi jowar rose from 14.0 to 27.1 for the province as a whole. Bigger quantities of wheat were also purchased in Deccan and Karnatak in 1944-45. Thus in 1944-45, 626,008 tons of purchase was effected out of the total estimated production of 3194,700 tons as against 510,179 tons out of 3620,500 tons of total cereals in 1943-44. (Statement II).

The larger net exports of cereals from Broach, West Khandesh, Ahmednagar, Belgaum, Bijapur, and Dharwar, as also the substantial decrease in imports into Surat and E. Khandesh may be considered indicative of the effect of the Growth of Foodcrops Act as seen from the Table 6.2.

TABLE No. 6.2.

Net exports (-) or imports (+) of cereals in districts. (in tons)

	1943-44	1944-45
Broach	+ 1,978	- 6,670
Surat	+21,302	+12,774
W. Khandesh	- 2,496	-13,223
E. Khandesh	+33,562	+24,200
Ahmednagar	-18,997	-20,921
Belgaum	+ 3,993	- 6,242
Bijapur	- 9,567	-33,436
Dharwar	-19,422	-24,760

Only the districts of Broach and Belgaum turned exporters in 1944-45 from importers in 1943-44. Imports into Surat and East Khandesh diminished during 1944-45. Generally, it appears that the likely benefits of the Growth of Foodcrops Act were counterbalanced by unsatisfactory crop outturn in 1944-45. For instance, imports in Ahmedabad, Kaira and Panchmahals rose from 41,695 tons to 66,986 tons, from 1,367 to 18,991 tons and from insignificant quantity to 4,832 tons respectively, as their outturn of cereals was smaller by over 40, 55 and 25 thousand tons, respectively. Thus Deccan and Gujerat regions imported larger quantities in 1944-45 than in 1943-44, Konkan became an importer as against its small exports in 1943-44, while only Karnatak region exported an appreciable quantity in 1944-45.

1945-46 :

This was admittedly a year of scarcity. Acreage under bajri declined markedly in Deccan and Karnatak and slightly in Gujerat while that under kharif jowar increased in all these regions. Area under rabi jowar and wheat showed small decrease in Gujerat, a remarkable fall in Karnatak while that under rabi jowar registered marked rise in Deccan. Acreage under minor cereals uniformly dropped in all regions of the province. On the whole, acreage under all cereals and pulses diminished by nearly 8 lakhs in the province. As Gujerat was not affected by the bad season, production of bajri, kharif jowar and wheat was higher this year than in the previous year. But the production of rice, bajri, kharif and rabi jowar, wheat and minor cereals decreased in Deccan and Karnatak, the decrease in case of bajri, kharif jowar and wheat in Karnatak being remarkable. The drop in rabi jowar output was more notable in Deccan as it happened despite increase in acreage (Statement I). The per acre yield of rabi jowar was alarmingly lower in Deccan at 162 lbs. from 270 lbs., while that of wheat and kharif jowar had fallen from 218 and 502 to 150 and 353 lbs. respectively in Karnatak. (Statement II).

Production figures for some districts shown in Table 6.3 may indicate the extent of the disaster caused by the adverse season. It is seen that though the estimated total production of all cereals was higher in Gujerat and Konkan, the total estimated production of the province was smaller by more than 4 lakh tons in 1945-46. Similarly, outturn of all pulses fell short of previous year's figure by 1.11 lakh tons. The failure of the season is also reflected in the low per acre yield of rice, jowar, bajri and minor cereals for the province as a whole. (Statement II). The acreage and production of both tur and gram were lower this year, being markedly so in Deccan and Karnatak.

Paddy areas were not significantly affected by the bad season and hence the procurement brought in normal, in fact, slightly better quantities

TABLE No. 6.3.

Production of some crops in certain districts. (in '000 tons)

		1944-45	1945-46
Ahmednagar	bajri	91.6	46.3
	rabi jowar	134.0	87.7
	wheat	29.5	16.7
Poona	bajri	52.8	27.3
	rabi jowar	77.8	47.9
Sholapur	rabi jowar	170.5	108.7
Satara	bajri	43.3	18.1
Belgaum	kharif jowar	69.0	49.8
Bijapur	bajri	38.3	16.1
	rabi jowar	142.9	119.8
Dharwar	kharif jowar	127.9	96.9
	rabi jowar	28.0	4.1
	wheat	38.7	6.8

in Konkan, although it was lower in other regions. Purchases of kharif jowar were not greatly affected in Gujerat and Deccan; in all districts of Karnatak, however, the purchase registered heavy fall from 40651 tons to 12671 tons in 1945-46, owing to the smaller outturn. Purchases of rabi jowar, on the other hand, were uniformly low in all regions of the province, touching an all time low of 67,932 tons. The fall was particularly heavy in some districts as seen from Table 6.4 given below :

TABLE No. 6.4.

Production and Purchases in certain districts. (in tons)

Districts	1944-45			1945-46		
	Production	Purchases	%	Production	Purchases	%
Broach	42300	13167	31.1	39900	7243	18.2
W. Khandesh	36700	13700	37.3	39200	6409	16.9
Ahmednagar	134000	43060	32.2	87700	4708	5.4
Poona	77800	19100	24.6	47900	2457	5.1
Belgaum	25500	9070	35.6	26500	395	1.5
Bijapur	142900	38937	27.2	119800	16222	13.5

It is noticeable that purchases of wheat diminished though production had increased in Gujerat, while in the Deccan the purchases dropped to 74 per cent in 1945-46 as against 92 per cent in production. On the whole, the provincial production of total cereals fell by 13 per cent while

the procurement was less by 31 per cent in 1945-46 as compared to that in 1944-45. Thus the procurement in respect of total cereals yielded 433,462 tons, only 15.6 per cent of the total estimated production of 2,780,600 tons as against 19.6 per cent in 1944-45.

But these lower purchases in Deccan and Karnatak need not indicate that cultivators had retained with them comparatively larger quantities this year. Table 6.5 given below shows that in majority of districts the quantities retained by cultivators were, in fact, less than those in the previous year.

TABLE No. 6.5.

*Retentions by cultivators and Offtakes in rural areas of certain districts.
(in tons) .*

	Retentions		Oftakes	
	1944-45	1945-46	1944-45	1945-46
W. Khandesh	167,825	157,988	12,303	9,717
E. Khandesh	118,523	131,134	26,024	14,350
Nasik	165,868	183,210	22,333	14,947
Ahmednagar	219,508	158,484	20,732	29,058
Poona	144,627	105,497	29,213	48,271
Sholapur	142,065	103,605	13,734	22,280
Satara	174,964	143,439	14,398	28,196
Belgaum	160,807	152,299	11,039	28,244
Bijapur	182,177	154,452	1,818	20,540
Dharwar	228,485	133,775	7,136	18,254

It was only in E. Khandesh and Nasik, that the retentions were more than those in the previous year. E. Khandesh exported this year 21,548 tons of cereals while Nasik imported smaller quantity during the year. Again, it is noteworthy that rural oftakes in E. Khandesh and Nasik were smaller, thus, in a way, explaining the larger retentions. W. Khandesh shows smaller oftakes and retentions but correspondingly its exports also diminished slightly as would be seen from Table 6.7. In the rest of the districts, all of which were recognised as scarcity areas, retentions were smaller and correspondingly their oftakes were higher as is seen from Table 6.5.

The total picture for Deccan and Karnatak emerges as shown in Table 6.6. It would appear that the fall in retentions was much more than the corresponding increase in oftakes. Had Government purchases impinged heavily on the smaller producers the oftakes would have registered a corresponding rise in keeping with the fall in the retentions. This

did not happen indicating the possibility that the smaller purchases during the year (as noticed earlier) were due to smaller outturn and because some of the marginal khatedars could not contribute any amount this year.

TABLE No. 6.6
Retentions, Offtakes, etc. in Deccan and Karnatak. (in tons)

	1944-45			1945-46		
	Retentions	Oftakes	Imports (+) Exports (-)	Retentions	Oftakes	Import (+) Export (-)
Karnatak	5,71,469	64,010	- 64,438	4,40,526	1,21,268	+ 31,653
Deccan	11,33,380	3,23,948	+1,22,491	9,83,357	3,59,850	+1,98,974

Imports of foodgrains into Bombay Province were much higher at 6.46 lakh tons in 1945-46 than in 1944-45 at 5.37 lakh tons.

It will be seen from the Table 6.7 that, while exports of foodgrains from Broach, West Khandesh and Bijapur declined, Ahmednagar, Belgaum, Dharwar and Kanara turned out to be importing districts and imports of Poona and Satara increased during the year as against in 1944-45.

TABLE No. 6.7.
Net exports (-) or imports (+) of certain districts. (in tons)

	1944-45	1945-46
Broach	- 6,670	- 968
W. Khandesh	-13,223	- 10,540
Ahmednagar	-20,921	+ 32,489
Poona	+70,156	+123,198
Satara	+11,850	+ 46,178
Belgaum	- 6,242	+ 36,484
Bijapur	-33,436	- 22,709
Dharwar	-24,760	+ 17,878
Kanara	- 500	+ 2,720

On the whole, Karnatak, which had exported in the previous year, had to import foodgrains while imports in the Deccan region had to be increased substantially. The total result was greater dependence on foodgrains imported from outside province. (Statement II).

As a result of the bad outturn of kharif crops, the dim prospect of rabi crops and low stocks of foodgrains in Bombay city (total stocks in the city by end of January 1946 were 1829 thousand maunds as against

5102 thousand maunds by end of January 1945), the Government of Bombay cut the ration quantum allowed in rationed areas of the Province from 1 lb. to $\frac{3}{4}$ lb. per adult per day, with effect from 21st February, 1946. As an effect the monthly consumption of cereals in the rationed areas was reduced from 68.2 thousand tons in January to 63.7 and 60.0 thousand tons in February and March 1946. Thus, the step in reducing ration quantum resulted in a monthly saving of approximately 8000 tons. The total cereal consumption in the rationed areas of the Province remained constant at 741 thousand tons during the year November 1945–October 1946 and the year November 1944–October 1945. The extent of the tightening of belt effected during 1945–46 is brought out by the fact that the number of rationed population in the Province had risen by more than 5 lakhs from 74.06 lakhs in October 1945 to 79.87 lakhs in October 1946. Thus, with the same total quantity of foodgrains as in the previous year, 5 lakh more people were fed during 1945–46 by the Food Administration.

The impact of the widespread scarcity in the Province could be seen particularly in Deccan and Karnatak areas. This is brought out by the greatly extended government responsibility in distribution of foodgrains in these regions. The offtake of cereals rose from 323,948 tons and 64,010 tons in 1944–45 to 359,850 tons and 121,268 tons in 1945–46 in Deccan and Karnatak respectively. (Statement II). The offtakes greatly increased in the scarcity areas, as seen from Table 6.5. The increased rural offtakes in 1945–46 are also to be seen in figures of monthly offtake of cereals from November 1944 to October 1945, given in Table 6.8.

TABLE No. 6.8.

Monthly cereal consumption in rural areas of the Province.
(in '000 tons).

	1944-45	1945-46
November	19.7	25.3
December	20.9	28.4
January	20.2	31.6
February	18.8	23.8
March	22.5	23.2
April	24.2	24.2
May	28.6	31.6
June	33.6	36.2
July	33.1	40.8
August	39.7	48.2
September	40.3	39.3
October	27.5	28.4

1946-47 :

This year was not any better than the previous year, inasmuch as, unseasonal November rains badly affected the kharif jowar crop and the wide prevalence of rust marred the prospects of wheat.

Once again it is seen that the acreage under total cereals was extended during the year but the seasonal factors upset the expectations of corresponding increase in total outturn. Whereas, rice and bajri outturn of the province improved this year, kharif jowar became the victim of adverse season resulting in fall in kharif jowar production from 409.3 to 327.4 thousand tons between 1945-46 and 1946-47 and this in spite of higher acreage under it. The decrease in kharif jowar production was enormous in Dharwar from 96.9 to 32.3 thousand tons despite the rise in area from 520.7 to 554.5 thousand acres. Similar decline was registered in East Khandesh from 106.8 to 75.6 thousand tons. While rabi jowar production markedly rose to 750.3 thousand tons from 545.6 thousand tons in the previous year (owing particularly to better results in Ahmednagar, Poona, Sholapur and Bijapur districts from 87.7 to 140.4, 47.9 to 99.8, 108.7 to 191.8 and 119.8 to 138.2 thousand tons respectively), wheat production fell to 111.3 thousand tons from 265.6 thousand tons, as it was very unsatisfactory in Ahmedabad (56.6 to 32.0 thousand tons), Broach (25.1 to 13.2), West Khandesh (37.7 to 9.4), East Khandesh (26.6 to 3.5), Nasik (37.4 to 11.1) and Bijapur (17.1 to 5.9). The total production of cereals was, therefore, only slightly better in the year, at 2830.9 thousand tons as against 2780.6 thousand tons in the previous year. The yield per acre of wheat registered a precipitous fall this year throughout the province along with that in kharif jowar, while in rice, rabi jowar and bajri it showed some improvement. (Statement II).

During the year, acreage under tur, gram and other pulses was extended in the province, particularly in Karnatak and Deccan regions. (Statement I). Government policy as regards control over prices and movement of pulses remained vascillating; there was no uniform policy in all districts, throughout the year. It may be that the cultivators were prompted to put more acreage under pulses, as the unsettled policy of Government in regard to control over pulses was likely to give the cultivator better cash return. This, probably, explains the increase in acreage under pulses which yielded good results in the form of rise in production of pulses.

As regards the procurement of rice one tendency is discernible, as seen in Table 6.9 in Belgaum, Dharwar, Thana and Kolaba districts, that in spite of higher production the figures of procurement were not proportionately higher this year, owing presumably to a desire to hold back stocks on the experience of previous year's scarcity.

TABLE No. 6.9.
Rice Procurement during 1945-46 and 1946-47. (in tons)

	Production		Purchases	
	1945-46	1946-47	1945-46	1946-47
Belgaum	37100 (100)	59300 (159)	4781 (100)	6021 (125)
Dharwar	25800 (100)	44500 (172)	9209 (100)	12147 (131)
Thana	172900 (100)	174200 (100.1)	51054 (100)	44611 (87)
Kolaba	138800 (100)	138900 (100)	50489 (100)	46249 (91)

(Figures in brackets are index figures)

Somewhat similar tendency is to be seen from Table 6.10 in respect of rabi jowar in West Khandesh, Sholapur, Satara, Belgaum and Bijapur districts if the production and purchase figures of this year are compared with those for 1944-45 which was a normal year.

TABLE No. 6.10.
Rabi jowar procurement during 1946-47 and 1944-45. (in tons)

	Production		Purchases	
	1944-45	1946-47	1944-45	1946-47
W. Khandesh	36700 (100)	41700 (113)	13700 (100)	6304 (46)
Sholapur	170500 (100)	191800 (112)	55132 (100)	37487 (67)
Satara	37500 (100)	33320 (88)	2226 (100)	848 (38)
Belgaum	25500 (100)	30500 (119)	9070 (100)	1732 (19)
Bijapur	142900 (100)	138200 (96)	38937 (100)	19466 (49)

(Figures in brackets are index figures)

Thus the production of rice and rabi jowar, though higher than that in 1944-45 for the province as a whole, did not lead to comparable procurement in 1946-47. The prevalence of rust in wheat producing areas played havoc during the year resulting in considerably lower production and

consequently procurement in the districts of Ahmedabad, West Khandesh, East Khandesh, Nasik, Ahmednagar, Bijapur and Dharwar. Broach, Panchmahals, Poona, Satara and Belgaum also were affected, though not severely, by wheat rust. While the production of wheat dropped by 58 per cent in the province, the procurement decreased by 76 per cent of the preceding year.

Adverse season and wheat rust, thus, resulted in low outturn of all cereals, while apprehension of scarcity and reluctance to part with stocks led to still smaller total procurement of all cereals in the province. The production and procurement figures of total cereals for 1945-46 and 1946-47 indicate this fact; procurement diminished by 4 per cent, despite a small rise in production. (Statement II).

The extent of disaster caused by wheat rust is seen from the all time low per acre yield of wheat at 127 lbs. in 1946-47 against 349 lbs. of the previous year and 361 lbs. of 1947-48. (Statement II).

A feature of the year 1946-47 was that all districts in Gujerat had to import bigger quantities of foodgrains. West Khandesh and East Khandesh which were exporters of wheat and jowar had to import both grains and turned out to be net importers this year (-10540 to +20777 and -21548 to +54385 tons, respectively). Only Ahmednagar in the Deccan was in a favourable position of exporting good amount of jowar (+13498 to -45325 tons) while Karnatak required lesser imports this year. Thana exported smaller quantity of rice (-21880 to -15021 tons) while Ratnagiri and Kanara had to import more foodgrains (+50,000 to +56,687 and +2720 to +3668 tons respectively). On the whole the districts did not give a completely satisfactory picture. To worsen the internal situation, imports from out of the province were slow and smaller than in the previous year. From Table 6.21 given towards the end of the chapter, it is evident that total acquisition during 1946-47 was smaller than in 1945-46 because both imports and total procurement were less than in the preceding year. In addition, stocks at the beginning of 1946-47 were much less than at the beginning of 1945-46. Hence, the year 1946-47 turned out to be more difficult than the famine year 1945-46.

On account of the shortages Government had to provision the "rural areas" of the province on an increasing scale in 1945, 1946 and 1947 which is seen from a comparison of the figures of cereal consumption month by month between April-August as shown in Table 6.11.

In the towns and rural areas, total cereal consumption amounted to 226.0 thousand and 389.5 thousand tons in the 12 months November 1946-October 1947 while it was 217.7 thousand and 384.0 thousand tons in November 1945-October 1946. By means of reduction in their ration quantum, offtakes were brought down to 309.4 thousand tons in Bombay

city and 196.3 thousand tons in other 5 cities during 1946-47 from 324.9 and 198.8 thousand tons respectively in the previous year. Government thus more than made up the increased offtakes of 13.8 thousand tons in 'towns and rural areas' by tightening the belt in 'Bombay and other five cities' which saved 18.0 thousand tons as compared with the offtakes in 1945-46.

TABLE No. 6.11.
Offtakes in Rural Areas. (in '000 tons)

	1945	1946	1947
April	24.2	24.2	27.1
May	28.6	31.6	38.2
June	33.6	36.2	40.5
July	33.1	40.8	47.4
August	39.7	48.2	54.1

That the province had to fall back upon its stocks is seen from the much reduced stocks on Government account at the end of October 1947 at 61.7 thousand tons compared to 209.3 thousand tons by the end of October 1946, and from the larger total offtakes at 1121.6 thousand tons than the combined figure of procurement and imports at 1023.5 thousand tons during 1945-46. (Please see Table 6.21).

1947-48 :

This year was generally satisfactory in so far as seasonal factors were concerned. The provincial acreage under rice and kharif jowar was less and that under bajri was more than that in the previous year. Wheat acreage considerably dropped during the year presumably because of last year's experience of severe rust. The fall in area under wheat was significant in those districts where wheat output had considerably decreased in 1946-47 owing to the wheat rust. This can be seen from the following Table :

TABLE No. 6.12.
Impact of wheat rust on acreage.

Production (in '000 tons)			Acreage (in '000)	
1945-46	1946-47		1946-47	1947-48
7.0	1.9	Panchmahals	32.7	18.4
4.4	2.0	Surat	22.6	16.6
37.7	9.4	W. Khandesh	183.5	113.2
26.0	3.5	E. Khandesh	129.8	97.2
37.4	11.1	Nasik	227.0	176.5
17.1	5.9	Bijapur	261.6	210.3
6.8	—	Dharwar	287.2	198.5

Area under rabi jowar also dwindled slightly. While area in acres under gram remarkably increased in West Khandesh (from 74.6 to 87.6 thousand), Ahmednagar (64.4 to 78.6 thousand) and Dharwar (53.6 to 86.8 thousand), acreage under 'other pulses' dropped somewhat slightly. On the whole, acreage under total foodgrains was less than that in 1946-47. (Statement I).

Production of bajri in Deccan, and of kharif jowar in Deccan and Karnatak, registered a notable rise, while wheat production was more than double the previous year's outturn inspite of the reduced acreage of kharif jowar and wheat. Nevertheless, both acreage and outturn of wheat were still less than in 1945-46. While production of rice registered some increase in Deccan and Konkan, it was less in Gujerat and Karnatak, the provincial figure being much smaller than in all the preceding years. Production of rabi jowar continued to be low, despite some improvement in Karnatak. On the contrary, outturn of gram was less than previous year though more acreage was placed under gram; this shortfall, however, was counterbalanced by somewhat satisfactory production of tur and other pulses, raising the provincial production of all pulses to 513.3 thousand tons from 465.5 thousand tons in 1946-47. Broadly, the trend in acreage and outturn of foodgrains was towards return to normalcy after the adverse seasons of the two preceding years. (Statement I).

As regards the yield per acre, only wheat and minor cereals had improved while there was no uniform tendency throughout the province as such to rise in respect of any other grain. (Statement II).

Control was lifted up in December 1947 as a sequel to the Government of India's decision to reduce commitments gradually. Consequently compulsory procurement under the Grain Levy Scheme was abandoned this year. As a result, procurement of cereals figured a negligible 27,824 tons out of 3165,900 tons of estimated total production during the year.

Rationing was continued only in 4 cities while Surat, Hubli and all towns were derationed from 1st January, 1948. Simultaneously, controlled distribution also was given up. However, with increasing hardship to consumers in all rural areas of the province owing to steep rise in foodgrain prices, Government had to resort to opening relief shops and to controlled distribution in the more affected areas. This improvised emergency distribution had to be extended throughout the province as there were no signs of abatement in the shortages and in non-availability of foodgrains at reasonable prices. The extension of distribution in rural areas, through relief shops is to be seen from figures of monthly cereal consumption in decontrolled areas as shown in Table 6.13.

Inasmuch as, inter-district trading on Government account was extremely small because of free trading by private dealers permitted during

the year, the figures of exports and imports on Government account from and into districts do not reflect the real position correctly. Nevertheless, it is worth noting that there was not a single district which was a net exporter (at least on Government account) this year. Even Thana and Kolaba, suppliers of rice consistently in the control period had to import foodgrains on Government account.

TABLE No. 6.13.

Offtakes from relief shops.

	April 1948	May 1948	June 1948	July 1948	August 1948	Sep. 1948	Oct. 1948
Total cereals consumption in '000 tons	0.8	4.1	13.0	38.9	43.8	35.4	26.3

During the year 1947-48 Government imported 707,900 tons of foodgrains into the province, procured only 27,824 tons and distributed 703.7 thousand tons in the statutory rationed areas and under the improvised controlled distribution scheme. The heavy dependence this year on imports on Government account from outside the province is to be seen from the following table.

TABLE No. 6.14.

*Imports of foodgrains into Province during 1947 and 1948.**(in tons)*

	1947	1948 (decontrol)
April	33,979	63,109
May	28,571	72,461
June	44,007	84,108
July	42,365	41,375
August	31,360	47,579

Source : Bulletin of Bureau of Economics and Statistics, Government of Bombay, Vol. II, Nos. 1 and 2, p. 114.

1948-49 :

This year is remarkable in two respects. Owing to merger of former princely states under Gujerat States Agency, Deccan States like Kolhapur, Sangli, etc., and Baroda State in the Bombay Province, a number of districts in Gujerat and Deccan had to be regrouped by means of reconstitution and readjustment of talukas from one district to another. This integration of States led to considerable increase in population and area

in Bombay province. Most of the reconstitution work was carried on during 1948-49. Secondly, it was during this year that controls were re-imposed and the process of reinstatement of the former control mechanism went on throughout the year. To add to the difficulties of such a transition period, Government had to face an almost complete failure of crops resulting in severe shortage conditions in Gujerat. Rainfall in Gujerat was not only inadequate but was unevenly distributed in June and subsequent months. As there was practically no precipitation after November, rabi crops also were badly affected in Gujerat. In regions of Deccan and Karnatak the season was satisfactory, but a severe cyclone in October 1948 caused damage to crops in Konkan and some parts of Deccan.

Presumably as a result of the cyclone, the production of rice in Konkan and Deccan was lower this year in spite of larger area under rice. Similarly, outturn of bajri was affected in Deccan, while that of kharif jowar did not result in any increase in keeping with the area under it in Deccan. The acreage and production both of bajri and kharif jowar were lower this year than in 1947-48. Not to speak of Gujerat, where all main kharif crops gave much smaller outturn, the provincial outturn of main kharif crops was much below that in the previous year.

The outturn of rabi jowar and wheat greatly decreased this year in all regions except in Deccan where rabi jowar showed some improvement. Wheat outturn, in particular, was only slightly more than half of the preceding year which itself was not a very satisfactory year.

Thus the outturn of all cereals including minor cereals individually and taken together, was lower than the previous year's. Except some rise in the production of gram and tur in the Deccan, the outturn of pulses also was smaller than that in the preceding year.

As a result, only 167,230 tons of cereals were procured in the Deccan districts (excluding Kolhapur and South Satara, the two merged districts) which compared very badly with 176,486 tons in 1946-47 and 257,820 tons in 1944-45. Table 6.15 shows that the purchases in East Khandesh, Ahmednagar, Poona, Sholapur, were less in absolute quantities than in 1946-47 which again, it has to be remembered, was a post-famine year. In Nasik and Satara districts, though the purchases were higher than in 1946-47, they were not in keeping with the rise in production.

In Konkan also the procurement was less than that in 1945-46, and 1946-47. In fact the production was higher in 1948-49 than in 1945-46, still the purchases were smaller in 1948-49 than in 1945-46. (Statement II). The only silver lining to the black cloud of inordinately low procurement was the better procurement in Karnatak districts. In 1948-49, procurement in Karnatak was higher than in 1946-47, while in other regions it was less than that in 1946-47.

TABLE No. 6.15.
Production and Procurement in Deccan. (in tons)

	1944-45		1946-47		1948-49	
	Production	Purchases	Production	Purchases	Production	Purchases
Deccan	1391200 (100)	257820 (100)	1216600 (87)	176486 (68)	1338810 (96)	167230 (64)
W. Khandesh	203900 (100)	36075 (100)	171600 (84)	9320 (25)	187587 (92)	33768 (93)
E. Khandesh	152500 (100)	33977 (100)	119100 (78)	15444 (45)	152289 (99)	13174 (38)
Nasik	191400 (100)	25532 (100)	159000 (83)	10783 (42)	214675 (112)	15289 (59)
Ahmednagar	280200 (100)	60692 (100)	242000 (86)	61191 (100.1)	245977 (87)	32820 (54)
Poona	172700 (100)	28078 (100)	156700 (90)	34589 (123)	188534 (109)	28815 (102)
Sholapur	201000 (100)	58935 (100)	216900 (107)	41087 (69)	163893 (81)	38058 (64)
Satara	189500 (100)	14536 (100)	151300 (79)	4072 (28)	185855 (98)	5306 (36)

(Figures in brackets are index figures : base 1944-45 = 100).

As regards Gujerat, there was famine in all districts which is evident from only 45,592 tons of total procurement in this year which compared badly with the procurement figures of all the preceding years. (Statement II).

Thus the total procurement in the province proper (excluding merged areas) was only 412,662 tons during the year, which was less than that in the three preceding control years 1944-45, 1945-46 and 1946-47, the latter two of which were years of scarcity.

Kolaba emerged as the only district maintaining normal exports. All districts in Deccan had to import foodgrains, while Bijapur exported but small quantities of foodgrains. All districts in Gujerat (except Panchmahals, being a negligible net exporter) had to import heavily (Table 6.16). Net imports into Gujerat (pre-merger division) amounted to a phenomenal 285,288 tons when compared to the considerably smaller figures of the preceding control years.

It is notable that Panchmahals was never an exporting district in the past. During this year exports were possible, presumably because Government purchases of minor cereals registered a sharp increase to 15,109 tons as against 4142, 397, 136, 129 and 180 tons in the preceding

five years of control from 1943-44 to 1947-48 respectively. This sudden rise in purchases was most probably due to increased purchase rates allowed by Government. For instance, purchase rates of maize, ragi and barely in 1948-49 were Rs. 10/-, 10/- and 12/- as against 6/10/-, 7/-/- and 8/6/- per maund respectively, prior to decontrol. This somewhat tempting inducement seems to have yielded far better results in Panchmahals district particularly in the case of minor cereals, as the latter constitute a major portion of the total outturn of the district.

TABLE No. 6.16.
Net imports (+) into or exports (-) from Gujerat. (in tons)

	1945-46	1946-47	1948-49
Ahmedabad	+69753	+ 73512	+153289
Kaira	+ 1781	+ 2696	+ 37521
Broach	- 968	+ 3634	+ 36234
Panchmahals	+ 9529	+ 11172	- 3691
Surat	+10012	+ 22720	+ 61935
Gujerat (Net)	+90107	+113734	+285288

The extent of dependence, in rural areas of Gujerat, on Government distribution system is similarly brought out by high offtake of cereals which amounted to 128,063 tons in 1948-49 in comparison with 59,690 tons and 65,292 tons in 1945-46 and 1946-47 respectively.

Procurement within the province being extremely small, enormous quantities of foodgrains were imported in the province. The imports were as high as 10.74 lakh tons, nearly double of the quantity imported in 1944-45.

SECTION II: General Comments on the Statistics of the Control Period. General :

The account of the foodgrains production, procurement, etc., given so far should give a more or less complete idea of the results of control in Bombay province. In the following an attempt is made to observe the salient features of the whole control period.

The Grow More Food Campaign, started in 1942-43 was strengthened only after 1945-46. The Growth of Foodcrops Act was enforced from May 1944. The compulsory grain levy scheme was applied in 1944. These were the three important measures on the administration side to raise the production and acquisition of foodgrains in the province. On the other hand, the succession of adverse seasons in 1945-46, 1946-47 and 1948-49 was a very powerful force affecting the expected results. The interaction of the seasonal fluctuations and of the attempts to encourage foodgrains

production prevents indication of any positive trends in the extension of area under a particular foodcrop.

Nevertheless, there were certain notable facts which are enumerated below :

(A) *Area under various crops* : Rice acreages were fairly constant throughout the control period. A sustained rise in them is observed particularly in Gujerat and Karnatak.

Similarly, an upward tendency is noticeable in the case of bajri in Karnatak which is, however, marked by wide variations as a result of seasonal factors. Somewhat similar observation can be made about kharif jowar acreages in Karnatak.

Area under rabi jowar and wheat in Gujerat, Deccan and Karnatak rose sharply in 1944-45. The rise was maintained in subsequent years of control, to be marred only in years of adverse season. Following table shows the increase of area under rabi jowar and wheat in some districts.

TABLE No. 6.17.
Area under rabi jowar and wheat in some districts.
(in '000 acres)

		1943-44	1944-45	1945-46	1946-47
Ahmedabad	R. Jowar	0.9	5.4	28.1	45.7
	Wheat	291.1	345.2	332.4	311.6
Broach	R. Jowar	93.4	195.3	186.9	148.0
	Wheat	62.3	119.9	125.1	98.5
W. Khandesh	R. Jowar	146.8	190.5	229.7	243.8
	Wheat	133.8	176.6	171.3	183.5
E. Khandesh	R. Jowar	6.2	31.9	38.4	51.3
	Wheat	54.8	100.3	106.5	129.8
Bijapur	R. Jowar	988.3	1177.8	1192.5	1155.0
	Wheat	197.5	226.5	226.6	261.6

There was a marked fall progressively in acreage under minor cereals in the province as a whole and in Konkan particularly. (Statement I). It may be recalled that under the Growth of Foodcrops Act minor cereals were covered by the definition of 'scheduled foodcrops'. So the cultivator was free to grow minor cereals in such quantities as he felt profitable. But the compulsory grain levy covered only some minor cereals varying from district to district; Government also did not want to purchase minor cereals in any substantial quantities, in view, primarily of the difficulties of their distribution throughout the province, inasmuch as, the consumers in different areas of the province were not likely to accept

willingly these inferior grains under the rationing or controlled distribution. Hence it was felt advisable to restrict the purchases of minor cereals to only such amounts as could be easily distributed and consumed within the particular district.

In the instructions issued for guidance to Collectors in the procurement work under Grain Levy Scheme, Government, therefore, had directed the Collectors to discourage purchase of minor cereals by notifying less than market prices in their districts for purchases and by restricting percentage of minor cereals to be collected in the levy demand to 20 per cent maximum. It may be, that the reduced provincial acreage under minor cereals could be accounted for by the above fact.

Area under gram increased progressively in Deccan and Karnatak, the rise being more pronounced in Panchmahals, West Khandesh, East Khandesh, Nasik and Dharwar districts, as would be seen from the Table below. The drop in 1945-46 was obviously due to adverse seasonal conditions.

TABLE No. 6.18.

*Area under gram.**(in '000 acres)*

	1943-44	1944-45	1945-46	1946-47	1947-48
Panchmahals	47.2	67.0	72.4	71.1	69.6
W. Khandesh	30.2	59.9	57.6	74.6	87.6
E. Khandesh	6.9	20.6	22.0	36.3	28.3
Nasik	46.7	69.1	61.5	84.6	76.9
Dharwar	33.7	68.1	27.3	53.6	86.8

In respect of the area under tur no such pronounced and consistent trend is observable. Acreage under 'other pulses' was generally on the upgrade in Ahmedabad, W. Khandesh, E. Khandesh, Nasik and Sholapur districts.

Whereas 'pulses' were covered by the term 'scheduled foodcrops' under the Growth of Foodcrops Act, the grain levy scheme did not apply to them. After 1945-46 pulses were procured by Government for purposes of distribution but the purchase operations were never comprehensive nor steady. The control over prices of pulses was similarly marked by absence of uniform, strict and consistent policy. While pulses brought in much attractive prices in the open (or black) market, Government policy as regards prices, purchases and bans on inter-district movement remained vacillating throughout the control period giving ample opportunity for the cultivators to receive better prices. This position might have prompted cultivators to put larger area under pulses, and thus may explain the rise in area under pulses during the control period.

The following Table 6.19 gives the area under 'main kharif' crops, 'main rabi' crops, and 'pulses' in relation to the 'total area under cereals and pulses' and the latter's position with regard to the Gross cropped area in Bombay province.

The gross cropped area was always less throughout the period after 1942-43 than the average for the quinquennium ending 1941-42. For the period under consideration it was highest in 1943-44, and the lowest in 1945-46.

But the area under total cereals and pulses actually increased upto 1944-45, was affected in 1945-46 and in spite of the decline in the last two years, was higher than the average. Thus 1944-45 was the best year showing the largest actual area as well as the highest proportion of gross cropped area under cereals and pulses.

The main kharif area shows somewhat heavy fall in the years upto 1945-46, later years showing slow improvement. The actual area was always higher during the period than the average, the famine year being an exception to this; but it is notable that its proportion to 'total area under cereals and pulses' remained less, after 1944-45, than that for the quinquennium ending 1941-42. The proportion rose but the actual area fluctuated in the last three years.

The actual area under main rabi crops registered a steady rise upto 1946-47, dwindling in the last two years. All the same, it was higher than the average, after 1944-45. The proportion of main rabi area to 'total area under cereals and pulses' indicates upward trend upto 1945-46 with a fall in the last three years. A remarkable increase of nearly 12 lakh acres in actual area and of 4 per cent in proportion is to be noted in 1944-45.

In respect of pulses, it is noticed that the area was always higher than that in the quinquennium ending 1941-42 and that there was an upward trend throughout the period affected only in 1945-46 and 1948-49. The proportion of area under pulses to 'total area under cereals and pulses' was similarly on the upgrade registering fall in 1945-46 and 1948-49. The rise in actual area is notable in 1944-45, as also the precipitate fall in 1945-46.

(B) *Output* : As regards production of cereals and pulses, no valid conclusions can be drawn, inasmuch as, the prospects were, more or less, each year, vitiated by the caprice of nature.

The year 1944-45 was worse than 1943-44, production of every grain (excepting wheat showing some improvement) being smaller. In 1945-46, the famine-year, production of all crops further dwindled in the province; Gujerat was not affected, however, by the scarcity. But wheat was next year's victim, the province faring no better in 1946-47. In 1948-49, Gujerat

TABLE No. 6.19.
Area under kharif, rabi crops and pulses during control period.
 (Columns 1, 2, 4, 6 and 8 in '000 acres)

	Gross Cropped Area	Total Area under Cereals and Pulses	% of Col. 2 to 1	Area under Main Kharif	% of Col. 4 to 2	Area under Main Rabi	% of col. 6 to 2	Area under Pulses	% of col. 8 to 2
	1	2	3	4	5	6	7	8	9
Average*	29617.0	20134.7	67.9	8473.2	42.0	7389.3	36.6	2716.3	13.4
1942-43	28763.0	20502.9	71.2	10028.9	48.9	6074.6	29.6	2858.0	13.9
1943-44	29580.0	20798.1	70.3	9500.9	45.6	6730.2	32.3	3060.3	14.7
1944-45	29396.0	21803.9	74.1	8962.5	41.1	7916.7	36.3	3421.6	15.6
1945-46	28391.0	21023.2	74.0	8353.3	39.7	8167.1	38.8	3054.0	14.5
1946-47	29373.0	21738.3	74.0	8662.8	39.8	8309.0	38.2	3322.7	15.2
1947-48	29183.0	21270.8	72.8	8733.3	41.0	7763.5	36.4	3358.4	15.7
1948-49	28774.0	20709.5	71.9	8621.5	41.6	7518.1	36.3	3118.2	15.0

* for quinquennium ending 1941-42.

suffered great stress and strain as a result of failure of crops, other regions being affected by natural calamities less severely. Thus the whole period of six years is characterised by natural vicissitudes. (Statement II).

(C) *Procurement* : Procurement of rice was, roughly speaking, in keeping with production. It is, however, remarkable that purchases of rabi jowar were consistently better, in terms of percentages to outturn, than those of kharif jowar. This trend, however, is observable in Deccan and Karnatak only in years of normal seasons. This was presumably because of two reasons. Firstly, kharif jowar being the first crop of the crop-year there was a tendency to hold more stocks for home consumption. Secondly, rabi jowar is always a better and more durable grain so it fetches better prices, hence a tendency to put more rabi jowar on sale. For instance, rates for purchases fixed by Collectors of Satara (Rs. 15-15-0 and Rs. 16-14-0 per bag), Dharwar (Rs. 19/- and Rs. 20/- per bag) and Bijapur (Rs. 6-1-0 and 6-15-0 per maund) districts during 1946-47 were lower for kharif jowar than for rabi jowar.

In respect of minor cereals it is noticeable that purchases were just negligible throughout the control period in all regions of the Province. This is explainable by the fact that there was no compulsory levy on minor cereals; and minor cereals are generally consumed at home and hence were retained for personal consumption. (Statement II).

(D) *Offtakes* : Monthly cereal consumption in rural areas was usually more between the months of May and September in the rural areas, every year; this fact of increased dependence on Government supplies, as discernible from Table 6.20, was obviously due to large section of inadequate producers in rural areas exhausting their stocks of grain in the first months after the harvest. That is why the partial producers had to resort to purchases from Government distribution system in these lean months and hence the rise in offtakes during this period.

The data set out in Table 6.20 also indicate that :

- (i) September and August 1945, August and July 1946, August and July 1947, and July and August 1949 were the months in which cereal consumption was highest.
- (ii) Consumption in June was invariably higher than that in May; but it was sometimes higher than that in either July or September but never higher than that in August.
- (iii) July-August-September was the quarter throughout the period registering highest consumption by far.
- (iv) November and February were the two months in which consumption was generally the lowest, obviously because these are months when kharif and rabi crops are harvested.

TABLE No. 6.20.
Monthly cereal offtakes in Rural Areas of the Province.
 (in '000 tons)

	1944-45	1945-46	1946-47	1947-48	1948-49
November	19.7	25.8	27.0	(decontrol)	20.5
December	20.9	28.4	22.1		29.7
January	20.2	31.6	24.2		29.8
February	18.8	23.8	22.8		31.5
March	22.5	23.2	24.7		32.4
April	24.2	24.2	27.1		31.7
May	28.6	31.6	38.2		46.8
June	33.6	36.2	40.5		51.9
July	33.1	40.8	47.4		57.9
August	39.7	48.2	54.1		54.1
September	40.3	39.3	36.0		50.7
October	27.5	28.4	25.9		36.2

(v) November-December-January and February-March-April were the two quarters showing low consumption. But neither one was lower than the other in all years consistently, indicating the fact that the outturns of kharif and rabi crops fluctuated year-by-year none being constantly better than the other.

(E) *Balance sheet for the period 1944 to 1949:* In Table 6.21 are given some figures in the form of yearly balance sheet, for five years.

The figures of stocks of foodgrains at the end of October 1944 and 1945 are as given by the F. C. A. Board's tables, while the rest of the figures are from the Food Statistics of Bombay Province, a Civil Supplies Department brochure. This may, perhaps, explain the difference between the figures of stocks at the end of October 1945 and October 1946. But it is not understood why any difference should arise in the stocks at the end of the subsequent three years even when the figures are taken from the same source. As the 'foodgrains' cover rice, wheat, jowar, bajri and minor cereals only everywhere in the terms 'stocks' 'procurement', 'imports' and 'offtakes', there should arise no difference between the figures of stocks derived at the end of 1946-47 and as given in the brochure. So the difference between 111.2 thousand tons and 61.7 thousand tons at the end of October 1947; 93.8 thousand tons and 102.0 thousand tons at the end of October 1948; and 295.6 thousand tons and 310.6 thousand tons at the end of October 1949 is not explicable.

TABLE No. 6.21.

Total acquisition and offtakes from 1944-45 to 1948-49.
(in '000 tons)

1944-45 :		
	Stocks at the end of Oct. 1944	: 355.5*
	Procurement in 1944-45	: 626.2
	Imports in 1944-45	: 536.9
	Total acquisition	: 1518.6
	— Offtakes in 1944-45	: 1071.7
	Stocks at the end of Oct. 1945	: 446.9
1945-46 :		
	Stocks at the end of Oct. 1945	: 318.8*
	Procurement in 1945-46	: 433.5
	Imports in 1945-46	: 645.5
	Total acquisition	: 1397.8
	— Offtakes in 1945-46	: 1125.5
	Stocks at the end of Oct. 1946	: 272.3
1946-47 :		
	Stocks at the end of Oct. 1946	: 209.3@
	Procurement in 1946-47	: 420.1
	Imports in 1946-47	: 603.4
	Total acquisition	: 1232.8
	— Offtakes in 1946-47	: 1121.6
	Stocks at the end of Oct. 1947	: 111.2
1947-48 :		
	Stocks at the end of Oct. 1947	: 61.7@
	Procurement in 1947-48	: 27.8
	Imports in 1947-48	: 707.9
	Total acquisition	: 797.4
	— Offtakes in 1947-48	: 703.6
	Stocks at the end of Oct. 1948	: 93.8
1948-49 :		
	Stocks at the end of Oct. 1948	: 102.0@
	Procurement in 1948-49	: 444.1
	Imports in 1948-49	: 1074.2
	Total acquisition	: 1520.3
	— Offtakes in 1948-49	: 1224.7
	Stocks at the end of Oct. 1949	: 295.6
	as given in Table IV (a) p. 55-56	: 310.6@

(* Figures given in the Food and Commodity Advisory Board's resume).
(@Food Statistics of Bombay Province, 1949).

Government have categorically stated that there were no exports or imports otherwise, that is, except on Government account. And as all the above figures consider transactions as given by Government and on Government account only, the discrepancy between the 'stocks' is not understood.

STATEMENT I

*Area and Production by divisions and crops.**(Figures in '000 acres and tons)*

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(1) RICE								
GUJERAT								
Acreage	318.6	426.6	424.0	483.2	490.1	502.0	469.8	304.8
Production	99.7	202.0	188.1	204.1	190.9	198.1	136.4	46.9
DECCAN								
Acreage	302.4	321.1	292.0	290.5	299.1	307.3	316.7	330.1
Production	111.5	113.7	108.0	103.5	97.1	93.4	107.4	99.8
KARNATAK								
Acreage	264.7	279.3	285.7	286.0	286.0	275.1	286.1	289.1
Production	79.6	91.9	109.6	93.9	64.2	104.8	97.5	103.9
KONKAN								
Acreage	1071.2	1086.0	1003.4	1002.9	1017.6	1021.9	1018.3	1026.0
Production	465.4	515.7	476.4	423.7	468.8	449.2	455.9	451.0
TOTAL PROVINCE								
Acreage	1956.9	2113.0	2005.1	2062.6	2092.8	2106.3	2090.9	1949.7
Production	756.2	923.3	882.1	825.2	821.0	845.5	797.2	701.8
(2) BAJRI.								
GUJERAT								
Acreage	382.6	515.1	471.3	428.3	403.0	381.7	360.3	419.8
Production	90.9	136.5	113.5	56.4	68.0	78.2	74.4	54.1
DECCAN								
Acreage	3184.1	4095.0	3825.0	3556.2	2885.5	3158.5	3268.5	3313.6
Production	364.0	456.5	445.6	345.9	258.2	296.8	385.7	341.5
KARNATAK								
Acreage	520.5	672.9	780.5	736.4	632.0	664.2	663.7	576.0
Production	38.8	32.5	79.5	59.5	32.1	49.9	48.9	45.1
KONKAN								
Acreage	—	—	—	—	—	—	—	—
Production	—	—	—	—	—	—	—	—
TOTAL PROVINCE								
Acreage	4087.2	5288.0	5077.2	4720.9	3920.5	4204.4	4292.5	4309.5
Production	493.7	625.5	638.6	461.8	358.3	424.9	509.0	440.8

STATEMENT I—(Contd.)

Area and Production by divisions and crops.

(Figures in '000 acres and tons)

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(3) KHARIF JOWAR								
GUJERAT								
Acreage	488.5	384.2	351.4	264.3	362.3	350.0	378.1	427.1
Production	130.3	79.5	69.7	46.2	57.4	72.0	59.3	39.2
DECCAN								
Acreage	941.5	1060.7	951.9	900.4	911.3	845.0	818.2	886.2
Production	229.8	239.6	236.3	189.2	183.8	144.9	184.9	190.5
KARNATAK								
Acreage	998.3	1187.6	1115.3	1013.4	1066.0	1156.6	1153.1	1048.4
Production	213.2	199.7	265.4	227.3	168.0	104.9	245.1	221.9
KONKAN								
Acreage	0.7	0.4	—	0.9	0.4	0.5	0.5	0.5
Production	0.1	—	—	0.1	0.1	—	0.1	0.1
TOTAL PROVINCE								
Acreage	2429.0	2632.9	2418.6	2179.0	2340.0	2352.1	2349.9	2362.3
Production	573.4	518.8	571.4	462.8	409.3	327.4	489.4	451.8
(4) TOTAL MAIN KHARIF								
GUJERAT								
Acreage	1189.7	1325.9	1246.7	1175.8	1255.4	1233.7	1208.2	1151.2
Production	320.9	417.0	371.3	306.7	316.3	348.9	270.1	140.2
DECCAN								
Acreage	4428.0	5476.8	5608.9	4747.1	4095.9	4310.8	4403.4	4529.9
Production	705.3	890.8	789.9	638.6	539.1	540.1	678.0	631.8
KARNATAK								
Acreage	1783.6	2139.8	2181.9	2035.8	1984.2	2095.9	2102.9	1913.5
Production	331.6	324.1	454.5	380.7	264.3	259.6	391.5	370.9
KONKAN								
Acreage	1071.9	1086.4	1003.4	1003.8	1018.0	1022.4	1018.8	1026.5
Production	465.5	515.7	476.4	423.8	468.9	449.2	456.0	451.5
TOTAL PROVINCE								
Acreage	8473.2	10028.9	9500.9	8962.5	8353.3	8662.8	8733.3	8621.5
Production	1823.3	2067.6	2092.1	1749.8	1586.6	1597.8	1795.6	1594.4

STATEMENT I—(Contd.)

Area and Production by divisions and crops.

(Figures in '000 acres and tons)

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(5) RABI JOWAR								
GUJERAT								
Acreage	177.7	172.0	130.1	278.2	275.9	255.0	226.3	162.2
Production	37.6	47.9	29.0	58.5	55.4	49.4	48.4	13.3
DECCAN								
Acreage	3976.7	3384.2	3610.3	3938.6	4674.7	4540.6	4447.7	4286.3
Production	464.5	384.9	492.8	475.6	339.7	520.1	468.4	494.3
KARNATAK								
Acreage	1499.1	1188.1	1426.2	1667.5	1509.0	1547.6	1507.4	1634.7
Production	209.8	98.1	245.1	196.4	150.4	180.6	209.6	191.9
KONKAN								
Acreage	0.7	0.6	1.3	—	0.7	0.8	0.9	0.8
Production	0.1	0.1	0.2	—	0.1	0.2	0.2	0.2
TOTAL PROVINCE								
Acreage	5654.2	4744.9	5167.9	5884.3	6460.3	6344.0	6182.3	6084.2
Production	712.0	531.0	767.1	730.5	545.6	750.3	726.6	699.9
(6) WHEAT								
GUJERAT								
Acreage	318.0	377.3	405.6	549.0	545.1	496.4	471.7	163.3
Production	53.5	76.8	76.1	87.9	99.4	53.6	77.7	15.2
DECCAN								
Acreage	796.8	614.9	647.1	787.0	752.6	810.9	630.3	646.9
Production	181.5	132.0	137.2	150.0	138.7	49.1	138.8	97.2
KARNATAK								
Acreage	620.2	337.4	509.5	696.3	409.0	657.7	479.1	623.5
Production	68.6	29.7	56.8	67.9	27.5	8.6	38.4	16.2
KONKAN								
Acreage	0.1	0.1	0.1	0.1	0.1	—	0.1	—
Production	—	—	—	—	—	—	—	—
TOTAL PROVINCE								
Acreage	1735.1	1329.7	1562.3	2032.4	1706.8	1965.0	1581.2	1433.9
Production	303.6	238.5	270.1	305.1	265.6	111.3	254.9	128.7

STATEMENT I—(Contd.)

Area and Production by divisions and crops.

(Figures in '000 acres and tons)

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(7) TOTAL MAIN RABI								
GUJERAT								
Acreage	495.7	549.3	535.7	827.2	821.0	751.4	698.0	325.5
Production	91.1	124.7	105.1	146.4	154.8	103.0	126.1	28.5
DECCAN								
Acreage	4773.5	3999.1	4257.4	4725.6	5427.3	5351.5	5078.0	4933.2
Production	646.0	516.9	630.0	625.6	478.4	569.2	607.2	591.5
KARNATAK								
Acreage	2119.3	1525.5	1935.7	2363.8	1918.0	2205.3	1986.5	2258.2
Production	278.4	127.8	301.9	264.3	177.9	189.2	248.0	208.1
KONKAN								
Acreage	0.8	0.7	1.4	0.1	0.8	0.8	1.0	0.8
Production	0.1	0.1	0.2	—	0.1	0.2	0.2	0.2
TOTAL PROVINCE								
Acreage	7389.3	6074.6	6730.2	7916.7	8167.1	8309.0	7763.5	7518.1
Production	1015.6	769.5	1037.2	1036.3	811.2	861.6	981.5	828.6
(8) TOTAL MINOR CEREALS								
GUJERAT								
Acreage	414.5	410.1	429.0	432.9	419.5	420.5	374.3	420.6
Production	111.6	140.9	163.7	109.0	118.5	116.6	124.4	109.6
DECCAN								
Acreage	435.9	425.7	402.5	425.3	413.1	379.1	393.5	400.4
Production	124.0	122.4	126.0	127.0	113.7	107.3	112.6	115.2
KARNATAK								
Acreage	278.9	279.9	310.4	297.7	290.0	316.8	321.3	301.8
Production	71.7	59.9	82.2	72.4	53.1	63.3	66.7	62.4
KONKAN								
Acreage	426.7	425.7	364.8	347.2	326.2	327.5	326.5	328.5
Production	111.6	112.9	119.3	100.2	95.5	84.3	85.3	90.6
TOTAL PROVINCE								
Acreage	1566.0	1541.4	1506.7	1503.1	1448.8	1443.9	1415.6	1451.5
Production	418.9	436.1	491.2	408.6	380.8	371.5	389.0	377.0

STATEMENT I—(Contd.)

Area and Production by divisions and crops.

(Figures in '000 acres and tons)

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(9) TOTAL CEREALS								
GUJERAT								
Acreage	2099.9	2285.3	2211.4	2435.9	2495.9	2405.9	2280.5	1897.5
Production	523.6	682.6	640.1	562.1	589.6	568.5	520.6	278.6
DECCAN								
Acreage	9637.4	9901.6	9728.8	9898.0	9936.3	10041.4	9874.9	9863.8
Production	1475.8	1449.1	1545.9	1391.2	1131.2	1216.6	1397.8	1338.8
KARNATAK								
Acreage	4181.7	3945.2	4428.0	4697.3	4192.0	4618.0	4410.7	4473.7
Production	681.7	511.8	838.6	717.4	495.3	512.1	706.2	641.6
KONKAN								
Acreage	1499.4	1512.8	1369.6	1351.1	1345.0	1350.7	1346.3	1356.1
Production	577.2	628.7	595.9	524.0	564.5	533.7	541.5	542.0
TOTAL PROVINCE								
Acreage	17418.4	17644.9	17737.8	18382.3	17969.2	18415.6	17912.4	17591.3
Production	3257.8	3273.2	3620.5	3194.7	2780.6	2830.9	3166.1	2801.0
(10) TUR								
GUJERAT								
Acreage	56.5	78.7	85.4	94.2	78.9	80.7	80.6	70.0
Production	10.1	17.0	19.5	18.4	17.0	14.4	15.7	6.8
DECCAN								
Acreage	185.9	230.6	229.1	195.3	158.5	192.2	203.0	214.9
Production	55.3	57.6	67.6	53.1	31.9	43.3	47.2	57.6
KARNATAK								
Acreage	127.5	149.2	164.9	147.9	137.5	150.8	155.9	141.4
Production	31.7	26.7	42.7	33.9	18.7	28.4	43.3	30.8
KONKAN								
Acreage	9.0	8.5	9.5	9.6	9.6	9.5	9.5	8.9
Production	1.3	1.2	1.4	1.3	1.2	1.3	1.0	1.2
TOTAL PROVINCE								
Acreage	378.9	467.0	488.9	447.0	384.5	433.2	449.0	435.3
Production	98.4	102.5	131.2	106.7	68.8	87.4	107.2	96.6

STATEMENT I—(Contd.)

Area and Production by divisions and crops.

(Figures in '000 acres and tons)

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(11) GRAM								
GUJERAT								
Acreage	71.3	92.7	82.5	125.8	115.5	113.9	104.9	48.2
Production	9.6	15.7	13.1	18.0	15.7	18.7	9.2	4.8
DECCAN								
Acreage	403.1	254.0	298.9	377.9	330.2	415.4	430.5	433.4
Production	65.3	44.1	54.5	62.0	46.9	57.4	52.4	68.8
KARNATAK								
Acreage	100.6	75.6	99.9	146.5	84.5	141.2	179.8	177.5
Production	10.6	6.4	11.5	17.5	4.7	12.1	16.5	17.0
KONKAN								
Acreage	2.4	2.3	3.0	3.2	3.5	3.2	3.3	3.5
Production	0.3	0.4	0.5	0.4	0.4	0.5	0.3	0.4
TOTAL PROVINCE								
Acreage	577.4	424.6	484.3	653.4	533.7	673.7	718.5	662.6
Production	85.8	66.6	79.6	97.9	67.7	88.7	78.4	90.5
(12) OTHER PULSES								
GUJERAT								
Acreage	220.1	248.4	252.1	255.2	271.6	271.6	254.6	136.1
Production	27.5	37.7	34.0	36.4	42.7	33.8	37.2	8.7
DECCAN								
Acreage	1065.9	1240.9	1334.6	1546.9	1368.9	1430.0	1400.4	1408.6
Production	164.6	195.1	218.7	234.6	203.3	205.3	230.1	217.1
KARNATAK								
Acreage	382.0	393.9	412.8	433.9	423.3	442.0	462.3	403.2
Production	47.5	37.4	55.8	47.2	30.6	40.6	50.4	40.0
KONKAN								
Acreage	92.0	83.6	87.8	85.4	72.0	72.2	73.6	72.1
Production	13.6	11.5	13.2	11.3	9.8	9.7	10.0	9.5
TOTAL PROVINCE								
Acreage	1760.0	1966.8	2087.3	2321.4	2135.8	2215.8	2190.9	2020.2
Production	253.2	281.7	321.7	329.5	286.4	289.4	327.7	275.5

STATEMENT I—(Concluded)

Area and Production by divisions and crops.

(Figures in '000 acres and tons)

	Average 1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
(13) TOTAL PULSES								
GUJERAT								
Acreage	347.9	419.8	430.0	475.2	466.0	466.2	440.1	254.8
Production	47.2	70.4	66.6	72.8	75.4	66.9	62.1	19.9
DECCAN								
Acreage	1654.9	1725.6	1862.5	2120.1	1857.6	2037.6	2033.9	2057.0
Production	285.2	296.8	340.8	349.7	282.1	306.0	329.7	343.5
KARNATAK								
Acreage	610.1	618.8	677.6	728.3	645.3	734.0	798.0	722.1
Production	89.8	70.5	110.0	98.6	54.0	81.1	110.2	87.8
KONKAN								
Acreage	103.4	94.3	100.3	98.2	85.1	84.9	86.4	84.6
Production	15.2	13.1	15.1	13.0	11.4	11.5	11.3	11.3
TOTAL PROVINCE								
Acreage	2716.3	2858.0	3060.3	3421.6	3054.0	3322.7	3358.4	3118.2
Production	437.4	450.8	532.5	534.1	422.9	465.5	513.3	462.7
(14) TOTAL CEREALS AND PULSES								
GUJERAT								
Acreage	2447.8	2705.1	2641.4	2911.1	2961.9	2872.1	2720.6	2151.8
Production	570.8	753.0	706.7	634.9	665.0	635.4	582.7	298.6
DECCAN								
Acreage	11292.3	11627.2	11591.3	12018.1	11793.9	12079.0	11908.8	11920.9
Production	1760.5	1745.9	1886.7	1740.9	1413.3	1522.6	1727.5	1682.4
KARNATAK								
Acreage	4791.8	4564.0	5105.6	5425.6	4837.3	5352.0	5208.7	5195.9
Production	771.5	582.3	948.6	816.0	549.3	593.2	816.4	729.4
KONKAN								
Acreage	1602.8	1607.1	1469.9	1449.3	1430.1	1435.6	1432.7	1440.8
Production	592.4	641.8	611.0	537.0	575.9	545.2	552.8	553.4
TOTAL PROVINCE								
Acreage	20134.7	20502.9	20798.1	21803.9	21023.2	21738.8	21270.8	20709.5
Production	3695.2	3724.0	4153.0	3728.8	3203.5	3296.4	3679.4	3263.8

1. Figures for 1948-49 are from Season and Crop Report, 1948-49 and refer to the pre-merger province.
2. Average is for 5 years ending 1941-42.

STATEMENT II

Production, Yield per acre, Procurement, Export, Import and Offtakes by divisions and crops.

(Figures in Tons except rows 2 and 4)

GUJERAT

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1943-44							
1. Production	188100	76100	69700	29000	113500	163700	640100
2. Yield per acre in lbs.	993	420	444	499	539	870	648
3. Purchases	24944	44652	8479	2960	6685	7433	95153
4. Percentage of 3 to 1	13.3	53.6	12.2	10.2	5.9	4.5	14.9
5. Net Export (-) Import (+)	+13412	+30786		+17640		+4504	+66842
6. Offtakes	—	—	—	—	—	—	—
1944-45							
1. Production	204100	87900	46200	58500	56400	109000	562100
2. Yield per acre in lbs.	946	358	391	471	294	564	516
3. Purchases	38709	38729	19126	14354	2407	4440	117765
4. Percentage of 3 to 1	19.0	44.0	41.4	24.5	3.9	4.1	20.8
5. Net Export (-) Import (+)	+6665	+59628		+11161	+14899	+4560	+96913
6. Offtakes	45395	95375		50355			191125
1945-46							
1. Production	190900	99400	57400	55400	68000	118500	589600
2. Yield per acre in lbs.	872	408	354	449	377	632	529
3. Purchases	34446	36567	21755	8145	1907	5911	108731
4. Percentage of 3 to 1	13.0	36.8	37.9	14.7	2.8	5.0	18.4
5. Net Export (-) Import (+)	+14314	+61262		+2086	+5425	+7020	+90107
6. Offtakes	55998	91329		49947			197274

STATEMENT II—(Contd.)

Production, Yield per acre, Procurement, Export, Import and Offtakes by divisions and crops.

(Figures in Tons except rows 2 and 4)

GUJERAT—(Contd.)

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1946-47							
1. Production	198100	53600	72600	49400	78200	116600	568500
2. Yield per acre in lbs.	888	241	464	433	458	621	529
3. Purchases	34593	17563	11036	5848	2419	3790	75249
4. Percentage of 3 to 1 4	17.4	32.7	15.2	11.8	3.1	3.2	13.0
5. Net Export (-) Import (+)	+20631	+23846	+35619		+2134	+81504	+113734
6. Offtakes	67515	54145	84875				206535
1947-48							
1. Production	136400	77600	59300	48400	74400	124400	520600
2. Yield per acre in lbs.	650	368	351	479	462	744	511
3. Purchases	2128	1781	403	986	318	682	6748
4. Percentage of 3 to 1	1.5	2.2	0.7	2.0	1.1	0.5	1.2
5. Net Export (-) Import (+)	+28913	+50249	+451		—	+70988	+150601
6. Offtakes	27213	49995	61753				138961
1948-49							
1. Production	46935	15292	39255	13349	54188	109634	278653
2. Yield per acre in lbs.	345	208	205	184	289	583	328
3. Purchases	9479	4109	3682	5637	6625	16060	45592
4. Percentage of 3 to 1	20.1	26.8	9.3	42.2	12.2	14.6	16.3
5. Net Export (-) Import (+)	+42771	+109271	+133246				+285288
6. Offtakes	44704	92142	135836				272682

STATEMENT II—(Contd.)

Production, Yield per acre, Procurement, Export, Import and Offtakes by divisions and crops.

(Figures in Tons except rows 2 and 4)

DECCAN

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1943-44							
1. Production	108000	137200	236300	492800	445600	126000	1545900
2. Yield per acre in lbs.	828	474	556	305	260	701	855
3. Purchases	10828	34936	19883	80429	51324	2692	200092
4. Percentage of 3 to 1	10.0	25.5	8.4	16.1	11.5	2.1	13.1
5. Net Export (-) Import (+)	+14746	+43803		+20876		+11295	+90720
6. Offtakes	—	—	—	—	—	—	—
1944-45							
1. Production	1085500	150000	189200	475600	345900	127000	1391200
2. Yield per acre in lbs.	798	426	470	270	217	668	314
3. Purchases	13670	43773	35821	135168	26949	2439	257820
4. Percentage of 3 to 1	13.2	29.2	18.9	28.4	7.8	1.9	18.5
5. Net Export (-) Import (+)	+22475	+53464		+44399	+2153	—	+122491
6. Offtakes	34801	93001		196146			328948
1945-46							
1. Production	97100	138700	183800	339700	258300	113700	1131200
2. Yield per acre in lbs.	727	412	451	162	200	616	255
3. Purchases	11736	32792	43903	42630	15012	1770	147843
4. Percentage of 3 to 1	12.1	23.6	23.3	12.5	5.8	1.6	13.1
5. Net Export (-) Import (+)	+33010	+42428		+64195	+33041	+26300	+198974
6. Offtakes	46387	87510		225953			359850

STATEMENT II—(Contd.)

Production, Yield per acre, Procurement, Export, Import and Offtakes by divisions and crops.

(Figures in Tons except rows 2 and 4)

DECCAN—(Contd.)

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1946-47							
1. Production	93400	49100	149900	520100	296800	107300	1216600
2. Yield per acre in lbs.	680	135	384	256	210	684	271
3. Purchases	10036	1161	17233	134087	12611	1308	176486
4. Percentage of 3 to 1	10.7	2.4	11.5	25.8	4.3	1.2	14.5
5. Net Export (-) Import (+)	+40177	+52557	+61784		+557	+5628	+160703
6. Offtakes	48239	53711	259312				861262
1947-48							
1. Production	107400	138800	184900	468400	385700	112600	1397800
2. Yield per acre in lbs.	759	493	506	235	264	640	317
3. Purchases	1082	129	859	22930	1306	681	6987
4. Percentage of 3 to 1	1.0	0.1	0.5	0.6	0.3	0.6	0.5
5. Net Export (-) Import (+)	+36084	+52056	-96		+153	+59247	+147394
6. Offtakes	35057	56505	66301				157863
1948-49							
1. Production	99852	97280	190539	494389	341535	115215	1338810
2. Yield per acre in lbs.	677	336	481	258	230	644	304
3. Purchases	11156	14351	11307	112041	17125	1250	167230
4. Percentage of 3 to 1	11.1	14.7	5.9	22.6	5.0	1.0	12.4
5. Net Export (-) Import (+)	+52985	+85815	+67686				+206486
6. Offtakes	51073	81773	150904				283750

STATEMENT II—(Contd.)

*Production, Yield per acre, Procurement, Export, Import and
Offtakes by divisions and crops.*

(Figures in Tons except rows 2 and 4)

KARNATAK

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1943-44							
1. Production	109600	56900	265400	245100	79500	82200	838600
2. Yield per acre in lbs.	859	249	332	384	228	598	424
3. Purchases	25847	16940	41076	24804	8096	3588	120846
4. Percentage of 3 to 1	25.6	29.8	15.1	10.1	10.2	4.4	14.8
5. Net Export (-) Import (+)	-1355	+2069		-16210		+500	-14906
6. Offtakes	—	—	—	—	—	—	—
1944-45							
1. Production	93900	67900	227800	196400	59500	72400	717400
2. Yield per acre in lbs.	735	218	502	263	180	544	342
3. Purchases	23787	21367	40651	48007	9732	2387	145931
4. Percentage of 3 to 1	25.3	31.4	17.9	24.4	16.4	3.3	20.4
5. Net Export (-) Import (+)	-2320	-14897		-38500	-7467	-1254	-64438
6. Offtakes	24277	10730		29003			64010
1945-46							
1. Production	64200	27500	168000	150400	32100	53100	495300
2. Yield per acre in lbs.	502	150	353	223	113	410	264
3. Purchases	14008	8951	12671	16617	745	1782	54774
4. Percentage of 3 to 1	21.8	32.7	7.5	11.0	2.3	3.4	11.1
5. Net Export (-) Import (+)	+2050	+9800		+4400	+2582	+12821	+21653
6. Offtakes	23813	15768		81692			121268

STATEMENT II—(Contd.)

Production, Yield per acre, Procurement, Export, Import and Offtakes, by divisions and crops.

(Figures in Tons except rows 2 and 4)

KARNATAK—(Contd.)

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1946-47							
1. Production	104800	8600	104900	180600	49900	63300	512100
2. Yield per acre in lbs.	853	29	203	261	168	447	248
3. Purchases	18184	577	12701	22286	2790	1213	57701
4. Percentage of 3 to 1	17.3	6.7	12.1	12.3	5.6	1.9	11.3
5. Net Export (-) Import (+)	+2576	+10224	+10759		-1341	-784	+21434
6. Offtakes	25896	11858	61766				99520
1947-48							
1. Production	97500	38400	245100	209600	48900	66700	706200
2. Yield per acre in lbs.	763	179	476	311	165	465	358
3. Purchases	2667	180	323	441	75	47	3783
4. Percentage of 3 to 1	2.7	0.5	0.1	0.2	0.2	0.1	0.5
5. Net Export (-) Import (+)	+5474	+9687	—	—	+400	+15877	+31438
6. Offtakes	6360	11836	19087				37283
1948-49							
1. Production	103940	16211	221936	191969	45121	62432	641609
2. Yield per acre in lbs.	805	58	474	283	175	463	321
3. Purchases	27816	1822	21718	38620	4565	956	94997
4. Percentage of 3 to 1	26.2	11.2	9.7	20.1	10.1	1.5	14.8
5. Net Export (-) Import (+)	-1171	+22617	+8585				+30031
6. Offtakes	16497	18765	37613				72875

STATEMENT II—(Contd.)

*Production, Yield per acre, Procurement, Export, Import and
Offtakes by divisions and crops.*

(Figures in Tons except rows 2 and 4)

KONKAN

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1943-44							
1. Production	476400	—	—	200	—	119300	595900
2. Yield per acre in lbs.	1063	—	—	344	—	782	975
3. Purchases	91067	—	—	—	—	3491	94558
4. Percentage of 3 to 1	19.1	—	—	—	—	2.9	15.9
5. Net Export (-) Import (+)	-41900	+13317	—	+12445	—	+6967	-9171
6. Offtakes	—	—	—	—	—	—	—
1944-45							
1. Production	423700	—	100	—	—	100200	524000
2. Yield per acre in lbs.	946	—	248	—	—	646	868
3. Purchases	101604	—	—	—	—	2888	104492
4. Percentage of 3 to 1	24.0	—	—	—	—	2.9	20.0
5. Net Export (-) Import (+)	-27958	+23262	—	+32400	+4490	+720	+32914
6. Offtakes	79196	21325	—	42502	—	—	143023
1945-46							
1. Production	468800	—	100	100	—	95500	564500
2. Yield per acre in lbs.	1031	—	560	320	—	655	940
3. Purchases	121238	—	—	—	—	876	122114
4. Percentage of 3 to 1	25.9	—	—	—	—	0.9	21.7
5. Net Export (-) Import (+)	-22320	+16270	—	+8595	—	+300	+2845
6. Offtakes	90423	15876	—	15950	—	—	122249

STATEMENT II—(Contd.)

*Production, Yield per acre, Procurement, Export, Import and
Oftakes by divisions and crops.*

(Figures in Tons except rows 2 and 4)

KONKAN—(Contd.)

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1946-47							
1. Production	449200	—	—	200	—	84800	533700
2. Yield per acre in lbs.	984	—	—	560	—	576	885
3. Purchases	109856	—	—	—	—	791	110647
4. Percentage of 3 to 1	24.4	—	—	—	—	0.9	20.7
5. Net Export (-) Import (+)	-27764	+4186	+31987			+14199	+22608
6. Oftakes	91074	7007	46805				144886
1947-48							
1. Production	455900	—	100	200	—	85300	541500
2. Yield per acre in lbs.	1002	—	448	497	—	585	900
3. Purchases	10340	—	—	—	—	16	10356
4. Percentage of 3 to 1	2.3	—	—	—	—	—	1.9
5. Net Export (-) Import (+)	+7375	+7546	+3145		+609	+20577	+39252
6. Oftakes	24927	7421	23750				56098
1948-49							
1. Production	451075	7	106	200	—	90699	542087
2. Yield per acre in lbs.	984	—	474	560	—	618	895
3. Purchases	104680	—	—	—	—	163	104843
4. Percentage of 3 to 1	23.2	—	—	—	—	0.1	19.3
5. Net Export (-) Import (+)	-30293	+31313	+36296				+37316
6. Oftakes	59882	27046	33398				120326

STATEMENT II—(Contd.)

Production, Yield per acre, Procurement, Export, Import and Offtakes by divisions and crops.

(Figures in Tons except rows 2 and 4)

TOTAL DISTRICTS

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1943-44							
1. Production	882100	270100	571400	767100	638600	491200	3620500
2. Yield per acre in lbs.	985	387	529	332	282	730	457
3. Purchases	152686	96528	69438	108193	66105	17199	510179
4. Percentage of 3 to 1	17.3	35.7	12.2	14.0	10.4	3.5	14.1
5. Net Export (-) Import (+)	-14497	+89975		+34751		+22666	+132895
6. Offtakes	—	—	—	—	—	—	—
1944-45							
1. Production	825200	305800	462800	730500	461800	408600	3194700
2. Yield per acre in lbs.	896	337	475	278	219	608	389
3. Purchases	177770	103869	95598	197529	39088	12154	626008
4. Percentage of 3 to 1	21.5	33.9	20.6	27.1	8.4	3.0	19.6
5. Net Export (-) Import (+)	-1138	+121457		+49460	+14075	+4026	+187880
6. Offtakes	183669	220431		318006			722106
1945-46							
1. Production	821000	265600	409300	545600	358300	380800	2780600
2. Yield per acre in lbs.	879	349	391	189	205	588	347
3. Purchases	181428	78310	78329	67392	17664	10339	438462
4. Percentage of 3 to 1	22.1	29.5	19.1	12.5	4.9	2.7	15.6
5. Net Export (-) Import (+)	+27054	+129760		+79276	+41048	+46441	+323579
6. Offtakes	216621	210478		373542			800641

ANALYSIS OF CONTROL STATISTICS

STATEMENT II—(Concluded)

Production, Yield per acre, Procurement, Export, Import and
Offtakes by divisions and crops.

(Figures in Tons except rows 2 and 4)

TOTAL DISTRICTS—(Contd.)

	Rice	Wheat	K.Jowar	R.Jowar	Bajri	Minor cereals	Total cereals
1946-47							
1. Production	845500	111300	327400	750300	424900	371500	2830900
2. Yield per acre in lbs.	899	127	311	264	226	576	344
3. Purchases	172629	19301	40970	162171	17870	7102	420083
4. Percentage of 3 to 1	20.4	17.3	12.5	21.6	4.2	1.9	14.8
5. Net Export (-) Import (+)	+35620	+90813		+140149	+1350	+50547	+318479
6. Offtakes	232724	126721		458758			812203
1947-48							
1. Production	797100	254800	489300	726600	509100	389000	3165900
2. Yield per acre in lbs.	854	361	466	263	266	615	397
3. Purchases	16217	2040	1585	4357	2199	1426	27824
4. Percentage of 3 to 1	2.0	0.8	0.3	0.6	0.4	0.4	0.9
5. Net Export (-) Import (+)	+77796	+119538		+3500	+1162	+166689	+368685
6. Offtakes	93557	125757		170891			390205
1948-49							
1. Production	701802	128790	451836	699907	440844	377980	2801159
2. Yield per acre in lbs.	806	201	428	257	229	583	356
3. Purchases	152631	20282	36707	156298	28315	18429	412662
4. Percentage of 3 to 1	21.8	15.7	8.1	22.3	6.4	4.8	14.7
5. Net Export (-) Import (+)	+64292	+249016		+245813			+559121
6. Offtakes	172156	219726		357751			749693

Note : (1) Figures of Production for 1948-49 are from Season and Crop Report : 1948-49.

(2) Figures for 1948-49 also refer only to premerger province that is, do not include merged areas.

CHAPTER VII

SUMMING UP.

7.1 *Introductory:* The origin of food controls and their administration in Bombay province can be traced back to the shortage of foodgrains supply in the province consequent on the stoppage of imports of Burma rice and the transport bottlenecks which occurred early in 1942 which again were the immediate consequences of the Japanese aggression in the East. The entry of Japan in the War may thus be considered as the starting point of shortages and scarcity, stress and strain on the food supply of the Province. But prior to this also the Province had always been a net importer of food grains.

The average production of the main cereals over the quinquennium 1936-41 in Bombay Province was 29.04 lakh tons of which rice was 7.69, millets 18.23 and wheat 3.12 lakh tons. The Province imported during the five years on an average 3 lakh tons of rice, 2 lakh tons of wheat and 50 thousand tons of millets : in all 5.50 lakhs tons. It is to be noted that this deficit of 5.50 lakh tons was in respect of only rice, wheat and millets. In the subsequent years of food control this gap widened progressively on account of two factors. The first was the low outturn of crops due to seasonal factors in all years after 1942-43 with the exception of that in 1943-44. The following figures of imports of major and minor cereals show a continuous rise in imports after 1943-44.

<i>Year</i>	<i>Imports ('000 tons)</i>
1943-44	4,84
1944-45	5,37
1945-46	6,46
1946-47	6,03
1947-48	7,08
1948-49	10,74

The second factor contributing to widen the gap of food deficit was probably availability of regular supplies at controlled rates due to rationing and the rise in economic activity, increased employment and hence in the purchasing power of the people during the war, as a result of which a large section of the population who remained underfed in the pre-war days, raised their consumption of food articles.

7.2 *Increase in Population:* The rise in population during the years 1941 to 1949 is not known but an attempt is made to calculate it on the basis

of the actual increase in population estimated in the census held in 1951 from that in the census of 1941. Assuming P41 as the population in 1941 with r as the annual rate of increase per person, the populations of 1942 and 1943 are obtained as $P41(1+r)$ and $P41(1+r)^2$ respectively where $(1+r) = 10\sqrt{P51/P41}$. Thus computing, following figures of population are arrived at, for the period under consideration.

Population of Bombay Province.
(in '000)

1941	—	20,849
1942	—	21,292
1943	—	21,744
1944	—	22,206
1945	—	22,678
1946	—	23,160
1947	—	23,653
1948	—	24,155
1949	—	24,669

Rise in population of such an order must have contributed to increase in consumption of foodgrains, coupled with which the rigidity in production of foodgrains owing to the seasonal factors and to such other forces as tempting prices of non-foodcrops against those of foodgrains, might have led to the widening of the gap between available supplies and the needs of the province.

An attempt is made below to correlate the supply of foodgrains in Bombay province with the population of the province as derived above. Per capita supply is calculated in Table 7.1 below, wherein the population of 1944 has been assumed for the year 1943-44 and so on. It may be noted that the figures of stocks with Government and with the producers are not taken into account in the table, as the adjustments and fluctuations in stocks with the producers are not known.

The Table 7.1, thus indicating the overall position for the whole province (including rationed, rural partial producers and rural self-sufficient population), shows a fall in per capita supply upto 1946-47, which improved in 1947-48 because of a notable rise in imports along with higher production. It dropped, again, slightly in the following year owing to fall in production which was made up by largely increased imports.

The increase in population must itself be considered as a factor making for an increased requirement of imports. Beginning with the average of the five years ending 1942 and assuming all other things such as consumption, production, etc., other than imports being constant, the data in Table 7.2 indicate the increased imports made necessary by the increase in population.

TABLE No. 7.1.
Per capita supply in the Province. (in '000 tons)

	*Production 1	Less 10% for seed etc. 2	*Net Pro- duction (1-2) 3	Net Imports 4	Total Supply (3+4) 5	Per Capita in Lbs. 6
Average of 5 years ending 1941-42	3258	326	2932	487	3419	368
1943-44	3620	362	3258	484	3742	377
1944-45	3195	319	2876	537	3413	337
1945-46	2781	278	2503	646	3149	304
1946-47	2831	283	2548	603	3151	298
1947-48	3166	316	2850	708	3558	329
1948-49	2801	280	2521	1074	3595	326

(* of rice, wheat, jowar, bajri and minor cereals only).

TABLE No. 7.2.
Increased requirements necessitated by population rise.
(Figures in '000; columns 2, 3 and 4 in tons)

	Population 1	Increased re- quirements 2	Actual Net imports 3	Difference between increased require- ments & actual im- ports (Col.2-Col.3) 4
1943-44	22,206	716	484	-232
1944-45	22,678	793	537	-256
1945-46	23,160	872	646	-226
1946-47	23,653	953	603	-350
1947-48	24,155	1036	708	-328
1948-49	24,669	1121	1074	- 47

Thus it is clear that, other things being equal, imports would have increased in sympathy with the rising population to a height not less than that actually reached in 1948-49. What happened was, that the net imports did not rise in keeping with the rise in population, but were always less than the notional needs of the population as is seen from column 4 in the above table. Moreover, if the actual figures of net production (which were consistently lower than the average of 2932 thousand tons after 1944-45 as seen in Table 7.1) are taken into account, the less than proportionate rise in imports becomes more pronounced. It may be concluded, that the actual net imports during the period under consideration were not at all exceptionally high, but were, in fact, far less than the actual

needs of the population and hence led to the decline in per capita supply of foodgrains as computed in Table 7.1. This is also brought out by the fact that actual total supply was far less in and after 1944-45 than would have been necessary to feed the population at the average per capita of 368 lbs. available in pre-war years. This is shown in the Table below :

TABLE No. 7.3.
Computed shortfall in supply. (in '000 tons)

	Actual total supply (including imports).	Total supply at 368 lbs. per capita.
1943-44	3742	3648
1944-45	3413	3725
1945-46	3149	3804
1946-47	3151	3885
1947-48	3558	3968
1948-49	3595	4052

The assumption of 368 lbs. as per capita is not meant to suggest that it is taken as any ideal supply; it merely brings out the position during war and post-war years in contrast with that in pre-war years. Nevertheless, the above figures should indicate, approximately, the extent of shortfall and the real sacrifices spread by the Food Administration on the population of the Province as a whole.

7.3 Equality of sacrifice imposed: It may be argued, that the actual estimated total supply appears less during the control years owing to underestimation of production on the part of producers to avoid or minimise the burden of levy demand and/or on the part of Government to get more imports from the Centre under the Basic Plan. However, it may be pointed out that the total data as cited above present a consistent picture. In this connection, the data relating to oftakes which represent actual sales by retail agencies and are independent of any estimates of production by producers or by Government are highly significant. The rise and fall of oftakes are closely related to the fall and rise of retentions as calculated from estimated production and the data relating to procurement. The extent of procured supplies is also a matter of factual record. Therefore, the conclusion, that, the annual variations in the estimates of supplies being consistent with all other verifiable data, are also correct, appears highly probable.

That the estimated production during control years generally reflected the seasonal factors can also be seen from a different angle. Below is given a table showing total actual supply in the province as against

the quantities distributed in rationed areas and rural areas and retentions by producers. It may be noted that rural areas consisted of partial producers and non-producers both.

TABLE No. 7.4.

Total Provincial Supply vis-a-vis Supply in Rationed and Rural Areas.
(in thousand tons)

	1944-45	1945-46	1946-47
A. Total actual supply in the Province	3413	3149	3151
B. Quantities distributed in :			
B. 1. Rationed areas	742	741	732
B. 2. Rural areas	329	384	389
C. Retentions in Rural areas	2342	2024	2031
D. B. 2 + Retentions in Rural areas	2671	2408	2420

Thus, it would appear that retentions as also the total quantities available for consumption in rural areas (that is B.₂ + Retentions) were in keeping with the total production. This leads to the conclusion that procurement was comparatively effective and that short supplies were averaged out over rationed areas, on the one hand, and rural areas on the other.

The above conclusion can be drawn from a different approach in terms of per capita consumption in rationed areas and per capita supply in rural areas, the latter also covering the partial producers receiving foodgrains under controlled distribution in lean months of the year. The following table thus shows, that with growing shortages, the per capita supply in rural areas diminished along with that in rationed areas supporting the conclusion that procurement was fairly effective and the Food Administration did justice to all areas by equitably distributing and averaging the shortages.

TABLE No. 7.5.

Per capita supply in Rationed and Rural Areas.

	1944-45	1945-46	1946-47
		— Rationed Areas —	
Population (in '000)	7407	7987	8027
Consumption (in '000 tons)	742	741	732
Per Capita (in lbs.)	224	207	204
		— Rural Areas —	
Population (in '000)	15271	15173	15626
Supplies (in '000 tons)	2671	2408	2420
Per Capita (in lbs.)	391	355	346

The trends in per capita consumption in rationed areas and in rural areas are, thus, in conformity with that for the province as a whole viz. 337 lbs., 304 lbs, and 298 lbs. respectively, in three years 1944-45 to 1946-47.

Broadly, the conclusion, that the controls, operated in Bombay province with the aid of such tools as procurement and controlled distribution, worked equitably throughout the province even after accounting for the major sections of the population and, that the shortages were distributed over the whole population over a period of time every year through the medium of controls, may be considered as the merit and a notable achievement of the Food Administration in Bombay province.

To quote A. D. Gorwala, "One real principle food control established for the first time in this country was that every person, whatever his status or wealth, had a right to be able to buy at a reasonable price a minimum quantity of articles of such vital necessity as food; further that when the total amount available of the commodity was limited, nobody, whatever his wealth or status, could be allowed to buy more than a minimum".¹ This, precisely, was the main purpose served by the Food Control Administration.

7.4 Certain Handicaps of the Administration: It has been pointed out earlier how the Food Administration of Bombay province had to work within certain limitations. Firstly, it had to administer controls within the overall structure of orders, notifications and resolutions of Government of India which conferred powers on the Provincial Governments. The autonomy enjoyed by the Provinces was restricted by the general direction of the Central Government. It is interesting to note that the very autonomy which enabled Bombay Government to build up an elaborate organization for control over price, supply, movement and distribution of foodgrains within this Province, proved to be a handicap in its attempts to procure foodgrains from surplus provinces, which took advantage of the autonomy in not complying with the directions and policy recommendations of the Centre. The somewhat anomalous position of absence of coordination and co-operation between the surplus and deficit provinces arose out of the constitutional position subsisting between the Centre and the Provinces. While the Centre did not take up the responsibility directly of feeding the people of the Provinces, the Provinces, especially surplus ones, developed the tendency of safeguarding their own position first before considering the food position of the neighbouring or other deficit provinces. It is not necessary nor proper here to go in the details of what circumstances, political, constitutional or historical, prompt-

1. "The Role of Administrator: Past, Present and Future", pp. 18, 19; the R. R. Kale Memorial Lecture by Shri. A. D. Gorwala delivered in 1952, at the Gokhale Institute of Politics & Economics, Poona.

ed the Provincial administrations to flout the recommendations of the Centre and to follow their own course of action disregarding the larger interests of the country as a whole. It is, however, desirable to note that the difficulties of Bombay Province would have been less serious but for the Centre's attitude of remaining as far as possible a sort of liaison and of reluctance to intervene in the internal matters of a province unless circumstances forced it to do so. This attitude generally benefitted the surplus provinces at the cost of deficit ones. The examples of Bombay's difficulties in this behalf have been noted earlier (such as absence of uniformity in rations allowed in surplus and deficit areas; reluctance of surplus provinces to provide fair quality grain at reasonable prices; inability of Centre to fix prices of non-foodcrops at reasonable levels and at proper time, etc.). It is not possible to expatiate on this point but it would appear that many of the larger problems of the Bombay Government would have been easy of solution had the other administrations followed the recommendations of the Gregory Committee and Famine Commission in letter and in spirit.

Secondly, the Bombay Government was suddenly faced with the problem of shortages and bottlenecks in transport after the war took a rapid turn in situation in the East. The steps taken by Government have been described by Gorwala in apt words, though his remarks are applicable to the Central Government also: "Improvisation was the keynote of the time. No plans had been worked out, no preparations made. It would seem to have been taken for granted that the war was a matter for the West and that this country's role would be confined to serving as a base of supply. That conception had to give way almost in the twinkling of an eye-lid."² Thus difficulties were not foreseen by the Government and when it was overtaken by the difficult supply position arising mainly out of the military and strategic circumstances, it tried to bring in supplies from whatever sources possible. But this was not easy on account of the export bans imposed by other Governments. Simultaneously schemes were launched in late 1942 to make internally purchases of grains in as large quantities as possible. But these activities were primarily aimed at arresting the rise in prices. Black Markets and hoarding developed in cities and then in rural areas. It was only after this experiment failed that Government realised that control over prices was not useful unless supplemented by that on movement and stocks. Government gradually was moving in the direction of rationing which was not deemed practicable and feasible earlier owing to problems of administration. But rationing had to be resorted to as a last remedy and naturally it took some time to make arrangements for introduction of rationing within which the situation in regard to prices and supply continued to

2. op. cit. p. 15.

deteriorate. Controlled distribution was a corollary of rationing and was introduced only after its pre-requisites, namely monopoly of purchases of foodgrains and compulsory procurement were ready for operation. But all this process of evolution into a comprehensive and fruitful control machinery took a period of roughly two years from June 1942 to May 1944 as the beginning was made from scratch. This two-year period is, no doubt, marked by failures of and defects in the schemes for purchases and distribution drawn up by Government. But such drawbacks should not altogether be unexpected in a venture begun by an administration unprepared for such eventualities. Why the circumstances were not foreseen or anticipated is quite a different question which brings in problems of political and military nature. The fact is that under the circumstances and once the situation was understood in the proper perspective, the Bombay Government can be given the credit of having acted as quickly as possible. It must also be mentioned that the Bombay Government did not hesitate to take assistance and advice from non-official bodies and successfully elicited co-operation from all sources who were willing and able to help Government. The extent of co-operation and assistance elicited by Government from the public through the Food Advisory Council and the Food and Commodity Advisory Board cannot be better summarised than in the words of Shri. A. D. Gorwala, who said, "A very great deal of the credit for the extremely satisfactory way in which this experiment turned out must go to the Food Advisory Councils of non-officials and more especially, to their Standing Committees. The effectiveness such joint popular and official effort can bring to bear on any problem cannot be better exemplified than by the work of these councils The result was a co-operative effort, the like of which had not been seen before in the country".³ It is worthy of note that the Bombay Government attempted to take the non-official public opinion into confidence from the very beginning of food controls and brought to bear the Government's anxiety in food problems, on the actions it took to face the situations.

7.5 Cost of Administration: As regards the cost of administration, the Bombay Government did not charge to 'Civil Supply Schemes' such items as the cost of Gazetted and non-Gazetted establishments employed in the Secretariat on superior direction and administration, which items were debited to "25-General Administration". But it did charge interest on capital at a very nominal rate of one per cent by actual financial adjustment. Practically the whole of the procurement work, moreover, was done by permanent Revenue Officials free of costs so far as the Civil Supplies Department was concerned, it is stated (correspondence on Maitra Committee's Report).

3. op. cit., pp. 17-18.

On the other hand, the administrative expenditure charged to the Civil Supply Schemes composed of two items. The following breakdown gives some idea of the items in the cost of administration :

- (i) Bombay city,
 - Director of Civil Supplies and his Staff.
 - Food Controller and his Staff.
 - Grain Purchase Officer and his Staff.
 - Controller of Rationing and his Staff.
- (ii) Mofussil,
 - (a) Commissioners : Staff employed in connection with supply arrangements and supervision under Commissioners.
 - (b) Collectors : Staff engaged on supply arrangements – Inspection; Accounts; Godown staff; Staff for rationing.

The expenditure incurred on these items amounted to Rs. 93 lakhs and Rs. 119 lakhs in (i) and (ii) respectively during the financial year 1947-48. The cost of administration incurred during the year 1949-50 amounted to Rs. 2.72 crores (as against Rs. 2.12 crores in 1947-48). Compared with the turnover of Rs. 82.06 crores the percentage of the cost of administration to the total turnover, worked out to 3.3 per cent in 1949-50.

The other items of expenditure on account of distribution, must have been generally covered by the margin between rates at which food-grains were sold by Government to retailers and the selling rates at which sales were actually effected. In other words the 'Price spread' as indicated by the difference between the procurement price and the price of retail sale covered all costs of administration, transport and other charges from primary producer to the ultimate consumer including the wholesaler, that is Government, and the retail distributor namely the licensed private shopkeeper or the co-operative society or village panchayat or local committee, from whom the ration cardholder purchased his quota. Now, inasmuch as, there were no complaints on any significant scale from the latter agencies as regards the margin of profit allowed by Government and that Government categorically stated that on the whole Government neither made any profit nor sustained any loss, it is safe to conclude that the price spread covered all costs incurred in procurement and distribution.

7.6 Pricing Policy during the Control Period :

The Bombay Government's policy as regards prices of foodgrains for procurement and for distribution was settled more or less completely, by the middle of 1944 and was continued on the same lines generally

until controls were abandoned partially in December 1947. That it was fairly satisfactory is proved by the fact that the Gregory Committee endorsed it and recommended it in other areas afterwards. The principle to which Government adhered generally throughout the control period was that "in the long run and taking the Province as a whole there should neither be any surplus nor any deficit on foodgrains". It must be noted that though Bombay Government embarked on large schemes of buying and selling on Government account, it could not be considered as a venture undertaken for commercial motives like profit, inasmuch as the procurement and sale operations had been forced on the Government by the necessities of rationing and controlled distribution. The Director of Civil Supplies (Accounts) stated in his reply to the State Trading Committee of Government of India on 28th December, 1949 that "upto 31st March 1948, taking all the foodgrains operations together Government has neither made a large profit nor suffered a substantial loss on them". The turnover on foodgrains alone was of the order of Rs. 50 crores a year, taking the Province as a whole.

During 1948-49, ordinary wheat, jowar and bajri were purchased by Government in Deccan and Karnatak districts at Rs. 16/- Rs. 10/- and Rs. 11/- per maund from cultivators; on the other hand these grains were sold at retail prices of Rs. 0/3/4 of wheat, Rs. 0/2/1 of jowar and Rs. 0/2/4 of bajri per lb. in Deccan, Karnatak and Konkan districts, which when converted into maund (82 2/7 lbs.) prices amount to Rs. 17/2/-, Rs. 10/11/- and Rs. 12/- for wheat, jowar and bajri respectively. The retail prices were different, however, in Poona and Sholapur rationing areas. The price-spread (i.e. margin between purchase and selling rates), of wheat, jowar and bajri was thus about 7 per cent 6.8 per cent and 9 per cent respectively during 1948-49. This was the position in respect of the important varieties of these grains which formed the main bulk of the quantities handled by Government in the procurement and distribution operations. There were other varieties also which were procured and sold but the margins allowed in their prices were similar to those calculated above and the total transactions in the other varieties were not large enough to affect general averages.

There was no pooling of price of local grain with that of imported grain (except in Bombay city). The Government charged the procurement cost plus a fixed percentage on local grain whereas the selling rate of imported grain was determined on altogether different principles. The Bombay Government did not give any subsidy as such on local grains, as this was neither economically justified nor administratively convenient (*vide*, Reply sent to Government of India in the Ministry of Food, by Bombay Government on the recommendations of the Foodgrains Investigation Committee—Maitra Committee; dated 22nd July, 1950).

It is, therefore, safe to state that the total Government trading in local foodgrains from all stages from procurement to retail sale was conducted at a margin of between 7 and 9 per cent. This is, of course, subject to reservations regarding costs of superior direction, etc., indicated earlier.

Imported grains : Imported (overseas) grains were sold on a subsidised basis, but the subsidy was not exactly proportionate to the pooled cost. Various adjustments were made between the grains *inter se* in order to give relief to the poorer section of the population or to encourage the offtake of an unpopular grain. Imported grains were sold on 'no profit, no loss' basis, taking all of them together and usually prices were fixed according to prevailing circumstances; no rigid principle could be visualised since it was impracticable of application. This was the information provided by Bombay Government on certain points arising out of the recommendations of the Foodgrains Investigation Committee.

Following is a brief outline of subsidies on imported grains. From March 1943 onwards when Government of India started supplying deficit provinces with imported grains, the full economic cost of the grain including administrative charges was borne by the Bombay Government upto 1st April, 1946. From this date, however, Government of India adopted a policy of subsidising the imported grains. The genesis of the subsidy payment was in the rise in World prices of foodgrains as against the internal prices. The pooled (subsidised) rates of imported grains fixed by Government of India were such as to enable each province to continue the wholesale selling prices which were in force on 1st April, 1946, when the new policy was adopted.

The internal selling prices in the Province from 1st April, 1946 were accordingly continued except for price adjustments between grains and some small increases in selling prices due to the increase in overhead costs, especially on additional establishments, such as the higher rates of pay.

After 1st January, 1948, the Provincial Governments were expected to keep their issue prices for foreign imported grains at the same level as before 1st January, 1948; the subsidy, however, was to be shared by the Provincial Government to the extent of the one-fourth, three-fourths being borne by Central Government. Actually Bombay Government shouldered one-third part of the total subsidy between 1st April and 30th September, 1948. Thus the share of subsidy borne by Bombay Government during the calendar years 1948 and 1949 amounted to Rs. 4.88 crores and Rs. 3.48 crores, while the Centre shouldered Rs. 10.50 crores and Rs. 10.45 crores respectively. [Reply to certain queries made by Dr. Rajendra Prasad, President of India, on price determination and other

control problems, February 1951 and other notes in the Office of the Director of Civil Supplies. (Accounts).]

Price Discrimination : The difference between prices of local and imported grains and as between different areas is brought out in Table 7.6 below. It would seem, roughly speaking, that retail selling prices were lower in the Deccan and Karnatak districts than those in the four cities. (Prices in four cities as on 8th October 1949).

TABLE No. 7.6.
Retail Prices in different areas. (per lb.)

	Wheat	Jowar	Bajri	Rice	Barley
Bombay	0-2-8	—	—	0-2-5 or above	0-2-3
Poona	0-5-6	0-5-0 (local)	—	0-6-5 or above	0-4-7
Sholapur	0-5-6	0-5-0 (local)	0-5-6 (local)	0-6-0 or above	—
Ahmedabad	0-2-8	—	0-3-1 (local)	0-3-3 or above	0-2-3
Deccan, Konkan and Karnatak (during 1948-49)	0-3-4 (local) 0-2-9 (overseas)	0-2-1	0-2-4	0-2-1 or above	0-2-3

Again, wheat and rice were sold comparatively at much lower rates in Bombay and Ahmedabad than in Poona and Sholapur, presumably because wheat and rice formed staple diet in the former two cities. For reasons referred to in the preceding section, imported wheat was sold at 0-2-9 per lb. and local ordinary wheat was supplied at 0-3-4 per lb. in Deccan, Karanatak and Konkan. For similar reasons, maize, overseas millets and barley in husk were supplied to rural areas at 0-1-6 per lb. as against 0-2-0 per lb. to rationed areas, and dehusked barley was supplied to rural areas at 0-2-3 per lb. and to rationed areas at 0-2-6 per lb. These selling rates bring out the principle of price-discrimination followed in controlled distribution in different areas and according to different foodgrains with reference either to the desirability to encourage the sales of an unpopular grain or to the local requirements.

Although, a good deal of uniformity was brought about in the fixation of retail selling prices in the Province (excepting Gujerat which was on a different footing both in respect of procurement and selling rates, as described in Chapter V) during 1948-49, the same principles were governing the policy of price-fixation for purposes of controlled distribution prior to the decontrol. Before 1st January, 1948, the Government was

selling local grains at only about 5 per cent above the cost of purchase in rural areas, it was stated on 22nd July, 1950. The broad lines laid down in 1944 in determination of purchase and selling rates were generally followed with minor modifications in subsequent years; in reimposition of controls in October 1948, Government merely found the opportunity to rationalize and regularize the rates structure in different areas, it was stated.

In a note submitted to Shri. K. M. Munshi, Minister for Food and Agriculture, Government of India (2nd May, 1951), the office of the Director of Civil Supplies (Accounts) stated that apart from certain credits to Reserve Funds created by way of insurance against fire, unforeseen contingencies, etc., to the godown stocks, the net surplus as on 31st March, 1950 was only Rs. 1.08 crores on an aggregate turnover of Rs. 337.62 crores from 1942, onwards. This surplus was immediately earmarked for price concessions to consumers, it was stated. The figures given above are self-explanatory and conclusively give evidence of the "no loss no profit" basis on which the prices for procurement and distribution were determined by Government throughout the control period.

7.7 Achievement : It is not intended to assess or evaluate the achievements of the Civil Supply Department of the Bombay Government. Nevertheless, it will not be improper to give certain impressions after the different aspects of the food administration, viz., control over prices and supplies, the latter including the organization for procurement and distribution, have been studied. Briefly, the Food Administration was fairly successful in averting any major food crisis by imposing equality of sacrifice on all areas and on all sections of the population within the Province. Cases of some injustice to producers and to consumers in certain areas had, no doubt, been there. But, if the immensity and complicated nature of the whole operation is not lost sight of, it should be proper to allow such drawbacks in the administration. On the whole, again, the Food Administration has got to be given credit for its initiative and prompt actions in the face of certain situations such as opening cheap grain shops before rationing was introduced and running the procurement operations and taking up responsibility for feeding the population in the crises of 1942-43 and in the decontrol period of 1948. The Food Administration was responsible only to make foodgrains available to all at as low a price as possible and to see that no section of the population was starved because of lack of grains and in this it did give a good account of itself. The planning for increasing the production of foodgrains was a larger question of long term policy to which the Food Administration (which throughout the control period was considered as a necessary and unavoidable evil) cannot be held responsible. In its allotted task and field the Food Administration would appear to have acted with vigour and promptitude.

APPENDIX

Chronology of events, orders, etc., in Bombay Province.

1939:	3rd September	World War began.
	8th	Central Government delegated powers to Provincial Governments to control prices of 'necessaries of life'.
	9th	Bombay Regulation and Control of Prices Order issued—permissible maximum fixed at 20 per cent above pre-war level.
	22nd	Permissible maximum in case of foodstuffs reduced to 10 per cent above pre-war level.
	14th October	Increased cost of production and of importation of goods allowed in the price rise.
	18th & 19th	First Price Control Conference decided to allow price increase help restore prosperity to the agriculturist.
	13th December	Controller of Prices appointed.
1940:	12th January	5 cheap grain shops opened in Bombay city.
	24th & 25th	Second Price Control Conference.
	21st February	Collectors appointed as Controllers of Prices of the Districts. Publication of fair price lists in respect of wholesale and retail prices in Bombay city commenced.
	25th May	Government of India Notification issued giving Provincial Governments free hand in fixing maxima of prices. Link up with pre-war prices abandoned. Previous notifications superceded.
1941:	February-May	Traffic congestion on the GIP Rly.
	16th & 17th October	Third Price Control Conference.
	2nd November	Government of India Press Note advising and warning Trade that wholesale wheat price at Rs. 4/6/- per maund in Lyallpur and Hapur markets would be considered as standard.
	29th November	Government of India Notification conferred powers on Provincial Governments to regulate, keep, store and dispose of food articles.
	5th December	Government of India fixed wheat price and prohibited spot transactions in primary wholesale markets of Hapur and Lyallpur at Rs. 4/6/- per maund. Wheat Commissioner with Government of India appointed.
	8th	Japan entered War.

1941:	11th December	Bombay Government controlled wheat prices.
	17th	Government of India announced emergency and informed Provincial Governments to use powers accordingly.
	22nd	District Magistrates empowered to fix maximum prices, to prohibit withholding of stocks and to inspect premises of dealers.
1942:	9th January	Stock returns demanded in Bombay city.
	6th & 7th February	Fourth Price Control Conference; decision to discourage stock building and embargoes on inter-provincial trade.
	March	Wheat maximum price raised to Rs. 5/- per maund.
	5th April	Fifth Price Control Conference.
	6th	All India Food Production Conference recommended measures to increase production of foodstuffs. Wheat Control Order regulating movement from producing to consuming centres. Inter-district movement of foodgrains controlled by means of export bans beginning with jowar on 24th April.
	20th May	Assurance by Central Government to purchase foodgrains stocks to prevent precipitate fall in prices whenever necessary.
	21st May	Government of India notified Foodgrains Control Order (applied in Bombay Province later on from 1st July).
	11th June	First Price Control Orders in respect of wheat in Bombay and Bombay Suburban District; followed by that for rice: 25th June, Jowar: 18th August and so forth.
	29th July	Bombay Retail Trade Control and Licensing Order.
	17th August	Provincial Governments given powers to requisition stocks.
	September	Sixth Price Control Conference: Consideration of scheme for Central purchase of foodgrains.
	1st October	Finance Department (Supply) created to look after civilian supply needs.
	31st	Food Advisory Council met.
	16th November	Conference of Non-officials in the Province held to consider problems of control over prices and supplies.
	2nd December	Food Department created at the Centre.
	14th & 15th	First Food Conference. Food crisis in Bengal develops. Local purchases in the districts advised by Government of Bombay.

1943: 8th January	Bombay Rationing Preparatory Measures Act.
19th	Essential Articles Restricted Acquisition Order.
25th	Government of India abolished statutory maximum price of wheat.
	Famine in Bijapur.
	Bombay Government became sole trader in inter-provincial field.
5th February	Bombay Rationing Inquiry Order.
	Shortages in Bombay, Madras, Travancore and Cochin.
	Famine conditions in Bengal.
24th & 26th	Second Food Conference; details of 'Basic Plan' discussed.
3rd March	Bombay Rationing Order.
	Regional Commissioners appointed by Centre.
1st April	'Basic Plan' begins operation.
2nd May	Rationing introduced in Bombay city.
12th	Bombay Foodgrains (Movement control) Order.
18th	Unrestricted free trade in rice introduced in Eastern Region of the country by Government of India.
1st July	Rationing introduced in Poona.
5th	Third Food Conference: rejected universal free trade.
	Foodgrains Policy Committee (Gregory) appointed.
27th	Interim report of Gregory Committee.
1st September	Imports on private account in the country prohibited by Centre thus establishing Government of India's monopoly over imports of foodgrains.
	Gregory Committee's report out.
15th & 16th October	Fourth Food Conference.
	Purchases under 'Voluntary Purchase Scheme' started.
1944: January	Provincial Governments empowered to regulate growing of crops, by Government of India.
1st March	Revised scheme for local purchases announced; Graded levy scheme for rabi areas.
14th	Collectors asked to start rural distribution of foodgrains.
4th April	First meeting of Bombay Provincial Food and Commodity Advisory Board held.
1944: 4th April	Government of India offer to buy all wheat at Rs. 7/8/- per maund.
5th May	Bombay Government Notification fixing prices in rationed areas and for controlled distribution.
	Government of India offer to buy all jowar and bajri at Rs. 5/8/- and Rs. 6/- per maund respectively.

- 1944: 20th May Bombay Growth of Foodcrops Act notified.
 17th August Milk Distribution Scheme inaugurated in Bombay city.
 1st October Graded Levy Scheme of Procurement made applicable to all areas in the Province.
- 1945: 29th January Fifth Food Conference. Review of Grow More Food Campaign.
 8th May Surrender of Germany.
 1st August Final Report of Famine Inquiry Commission submitted.
 15th August
 October Surrender of Japan.
 Failure of Monsoon resulting in scarcity conditions in 7 districts of the Province.
- 1946: February Government of India's Food Mission sent to Combined Food Board.
 April Popular Ministry took over charge of Bombay Government.
 9th & 10th August Food Minister's Conference.
 2nd September Interim Government established at the Centre.
- 1947: 15th January Food Production Conference.
 31st January Food and Commodity Advisory Board met (after a gap of six months from June 1946).
 6th February Commodity Prices Board set up by Government of India.
 15th August Independence, Dominion of India.
 27th September Foodgrains Policy Committee appointed with Sir Purushottamdas Thakurdas as Chairman.
 18th October Interim recommendation for decontrol by F. P. Committee communicated to Government of India.
 10th December Decontrol policy announced by Bombay Government.
 12th December Conference of Collectors.
 16th December Decontrol Policy introduced.
- 1948: 1st January Rationing in all areas of the Province (except in Bombay, Poona, Ahmedabad and Sholapur) abandoned.
 16th October Reimposition of controls.
- 1949: 1st March Trading on private account completely stopped.

List of Publications.

Notes:—(*) Suffixed to Serial No. or K. M. L. YEAR indicates "Out of Print" publication.

- No. 1* :—The Salaries of Public Officials in India. By D. R. Gadgil. 1931.
- No. 2* :—Imperial Preference for India. (The Ottawa Agreement Examined). By D. R. Gadgil. 1932.
- No. 3* :—A Survey of the Marketing of Fruit in Poona. By D. R. Gadgil and V. R. Gadgil. 1933.
- No. 4* :—A Survey of Motor Bus Transportation in Six Districts of the Bombay Presidency. By D. R. Gadgil and L. V. Gogate. 1935.
- No. 5* :—Urban Handicrafts of the Bombay Deccan. By N. M. Joshi. 1936.
- No. 6* :—Legislative Protection and Relief of Agricultural Debtors in India. By K. G. Shivaswami. 1939.
- No. 7* :—A Survey of Farm Business in Wai-Taluka. By D. R. Gadgil and V. R. Gadgil. 1940.
- No. 8* :—The Population Problem in India—A Regional Approach. By N. V. Sovani. 1942.
- No. 9 :—Regulation of Wages and Other Problems of Industrial Labour in India. By D. R. Gadgil. (Reprint in 1954). Price Rs. 5 or 10s.
- No. 10* :—War and Indian Economic Policy. By D. R. Gadgil and N. V. Sovani. 1944.
- No. 11* :—The Aborigines—"So-called"—and Their Future. By G. S. Ghurye, Professor and Head of the Department of Sociology, University of Bombay. 1943.
- No. 12 :—Poona—A Socio-Economic Survey, Part I: Economic. By D. R. Gadgil. Assisted by the Staff of the Institute. Royal 8vo. Pp. 300, 1945. Price Rs. 15 or 30s.
- No. 13* :—Federating India. By D. R. Gadgil. 1945.
- No. 14 :—The Socio-Economic Survey of Weaving Communities in Sholapur. By R. G. Kakade. Demy 8vo. Pp. 221. 1947. Price Rs. 10 or 20s.
- No. 15 :—The Federal Problem in India. By D. R. Gadgil. Demy 8vo. Pp. 203, 1947. Price Rs. 8 or 16s.
- No. 16 :—Bombay Finance—1921-1946. By T. M. Joshi. Demy 8vo. Pp. 220, 1947. Price Rs. 7.50 or 15s.
- No. 17 :—Economic Effects of Irrigation (Report of a Survey of Direct and Indirect Benefits of the Godavari and Pravara Canals). By D. R. Gadgil. Demi 8vo. Pp. 184, 1948. Price Rs. 8 or 16s.
- No. 18 :—The Social Survey of Kolhapur City: Part I:—Population and Fertility. By N. V. Sovani, Assisted by the Staff of the Institute. Demy 8vo. Pp. 86, 1948. Price Rs. 4 or 8s.
- No. 19 :—Some Observations on the Draft Constitution. By D. R. Gadgil. Demy 8vo. Pp. 112, 1948. Price Rs. 3 or 4s 6d.
- No. 20 :—Reports of the Commodity Prices Board. Edited By N. V. Sovani. Royal 8vo. Pp. 236. 1948. Price Rs. 10 or 15s.
- No. 21 :—Post-War Inflation in India—A Survey. By N. V. Sovani. Royal 8vo. Pp. 100. 1949. Price Rs. 5 or 7s. 6d.
- No. 22 :—Planning of Post-War Economic Development in India. By N. V. Sovani. Demy 8vo. Pp. 102. 1951. Price Rs. 3.50 or 5s.
- No. 23 :—Social Survey of Kolhapur City. Vol II—Industry, Trade and Labour. By N. V. Sovani. Demy 8vo. Pp. 346. 1951. Price Rs. 12 or 18s.

- No. 24:—Social Survey of Kolhapur City. Vol. III—Family Living and Social Life. By N. V. Sovani. Demy 8vo. Pp. 330. 1952. Price Rs. 12 or 18s.
- No. 25:—Poona—A Socio-Economic Survey. Part II. By D. R. Gadgil. Royal 8vo. Pp. 330. 1952. Price Rs. 15 or 30s.
- No. 26:—Report on the Poona Schedules of the National Sample Survey. By V. M. Dandekar. Royal 8vo. Pp. viii + 223. 1953. Price Rs. 6 or 9s.
- No. 27:—Survey of Fertility and Mortality in Poona District. By V. M. Dandekar and Kumudini Dandekar. Royal 8vo. Pp. 191. 1953. Price Rs. 5 or 7s. 6d.
- No. 28:—Structure and Working of Village Panchayats: A Survey based on case studies in Bombay and Madras. By A. V. Raman Rao. Royal 8vo. Pp. 218. 1954. Price Rs. 7 or 11s. or \$ 1.50.
- No. 29:—Second Report on the Poona Schedules of the National Sample Survey (1950-51). By V. M. Dandekar. Royal 8vo. Pp. viii + 176. 1954. Price Rs. 6 or 9s. or \$ 1.25.
- No. 30:—Economic Policy and Development (A Collection of writings). By D. R. Gadgil. Royal 8vo. Pp. 248. 1955. Price Rs. 8 or 12s. or \$ 2.
- No. 31:—Fertility Survey of Nasik, Kolaba and North Satara Districts. By N. V. Sovani and Kumudini Dandekar. Royal 8vo. Pp. xvi + 167. 1955. Price Rs. 6 or 9s. or \$ 1.25.
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- No. 33:—Use of Food Surpluses for Economic Development. By V. M. Dandekar. Royal 8vo. Pp. 153. 1956. Price Rs. 5 or 7s. 6d. or \$ 1.10.
- No. 34:—Poona: A Re-Survey (The Changing Pattern of Employment and Earnings). By N. V. Sovani, D. P. Apte, R. G. Pendse. 1956. Royal 8vo. Pp. 550. Price Rs. 15 or 25s. or \$ 3.50.
- No. 35:—Working of the Bombay Tenancy Act, 1948: Report of Investigation. By V. M. Dandekar and G. J. Khudanpur. Royal 8vo. Pp. 194. 1957. Price Rs. 7.50.

R. R. Kale Memorial Lectures.

- 1938*—The Social Process. By Dr. G. S. Ghurye, Bombay University.
- 1939 —Federation versus Freedom. By B. R. Ambedkar, M.A., Ph.D. Price Re. 1
- 1941*—The Problem of the Aborigines in India. By A. V. Thakkar, L.C.E.
- 1942*—A Plea for Planning in Co-operation. By Vaikunth L. Mehta.
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