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- 7. Report of the Economic Depression Enquiry Committee, Madras, 1931. (Chairman: H.A.B.Vernon.) pp.153-172.  
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# The Assam Gazette

## EXTRAORDINARY

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GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

**Resolution of the Assam Government on the Digboi Labour Enquiry Report**

1. For several months prior to the registration in August 1938 of the Labour Union of the employees of the Assam Oil Company at Digboi certain employees or classes of employees had ventilated grievances against the Company of varying degrees of seriousness and reality. Shortly before registration the Union had formulated these grievances and on the 27th July 1938 had presented to the Company a list of twelve demands. The Company replied two days later, giving their views on each of the demands and stating that they refused to recognise the Union until they had fuller information as to the details of its constitution. On receipt of the Company's letter, the Union replied that drastic action would be taken unless the demands were granted within 14 days. The Company replied that they had asked the Government of Assam to appoint a Court of Enquiry under section 3 of the Trades Dispute Act, 1929. On the 16th August Government appointed a Court of Enquiry, consisting of Mr. J. C. Higgins, C.I.E., I.C.S., Commissioner, Assam Valley Division as Chairman, and Khan Bahadur Maulavi Sayidur Rahman, M.L.A., and Srijut Omeo Kumar Das, M.L.A., as members. The Court held its first sitting at Digboi on the 29th August 1938 and the signed report was submitted to Government on the 7th January 1939.

2. Government have read the report with great interest. In the first place, they express their appreciation of the thorough, businesslike and impartial way in which notice has been conducted. In the second place, they join with the Court in acknowledging the assistance which was given by the Company in furnishing, often on the spur of the moment, the whatever information was called for either by the Court or the Labour Union. They also endorse the tribute paid by the Court to the reasonable and friendly spirit in which the representatives of both sides in conducting the proceedings and to the assistance which they made to assist and accelerate the work of the Court.

3. As will be seen from the " Summary of recommendations " towards the end of the report all the members of the Court are unanimous in 28 recommendations which they make. On ten other points the two members differ from the Chairman and on one point Srijut Omeo Kumar Das takes a different view from the Chairman and the other member. The two members have submitted joint minutes recommending (1) a week of 44 instead of 45½ working hours, (2) a time-scale for skilled workers and (3) granting to bungalow servants the status of Company's servants. Srijut Omeo Kumar Das has appended a minute in which he gives reasons for advocating an increase of wages of unskilled and semi-skilled labour. The Chairman has two minutes, (1) defending the present weekly hours of work and (2) giving reasons why bungalow servants cannot be held to be Company's servants.

4. Government have no hesitation in endorsing all the recommendations on which the Court is unanimous. As full reasons have been given in the Report for arriving at these recommendations, it is unnecessary to deal with them in detail in this resolution. Government however wish to endorse the claim of the Union for speedy recognition by the Company. The objection of the Company that the members do not perhaps represent a large body of the Company's employees is obviously not tenable and it appears clear that most of the members are actual subscribers. It may be that the rules of the Union are capable of improvement and that the officials of the Union may not be as representative of the general body of workers as is desirable. But Trade Unions are new to Assam and too much should not be expected at the initial stages of the formation of a Union, particularly where the workers in general are in a backward state as regards education and finance and are not acquainted with the working of organisations which may be set up for the protection of their interests. Moreover, in the present state of ignorance of the workers it would be idle to expect that they are capable of forming and conducting Trade Unions without proper and adequate guidance, at any rate until such time as their lot is improved financially, educationally and socially. Government propose to consider whether it would not be well to appoint for Assam, as has been done in some other provinces an officer as Labour Commissioner. His function would be to look into labour problems and to act as a sort of liaison officer between the employer and employed. The existence of such an officer would, it is believed, be welcome to both parties and he would be in a position to advise Government which is ultimately responsible for the contented and peaceful working of Industry and Labour in Assam.

5. As regards the minute of Srijut Omeo Kumar Das advocating an increase of wages for unskilled and semi-skilled labour, Government in the absence of any reliable data as to the cost of living are unable to come to any conclusion. As regards the cost of living Government will consider whether they should not undertake an independent examination of this question with a view to ascertaining what is a reasonable wage.

6. As to the minute recommending a time-scale for skilled workers, Government expect that, should the Company find a time-scale unsuitable, it will at least take steps to ensure that the prospects of such workers are not unduly blocked for any considerable length of time.

7. Government are unable to say anything at present regarding the recommendation for a 44-hour week as the present 45½-hour week for men on daily rates of pay was fixed only early in 1938 and appears to be in advance of that of other employers. Hours of work cannot be dissociated from rates of wages, overtime payments and other factors. Government are, nevertheless, prepared to examine the question further if the Union so desires.

8. As to bungalow servants, Government have no hesitation in coming to the conclusion that some anomaly exists, but see no objection, while this anomaly remains, to the Company's practice of registering them so that they may get the benefit of medical attendance and of allowing them to purchase foodstuffs from the rice godown.

9. As to the other points on which recommendations have been made by the Chairman or members of the Committee, these relate largely to isolated instances of dismissal or discharge which came to light in the course of the enquiry. Government recommend that the Company should reconsider all the cases which are specifically mentioned in the abstract of recommendations as well as the case of Gopi Mohan Roy which is referred to in the section dealing with " Accident Compensation " Government consider that a body of rules framed by the Company to ensure security of service might tend to a clearer understanding as between the Company and its employees. As regards full instead of half pay for the first seven days when employees are ill Government recognise the liberality of the Company's sick leave rules but would ask it to consider the possibility of granting full pay for the first seven days. In regard to the enforcement of the rule forbidding the location of bachelors and married employees in the same row of barracks, the necessity for a close and constant supervision of the hospital diet and the feasibility of appointing a Health Officer—these are matters on which Government do not wish to express any opinion in view of the assurances for improvement given by the Company which, it is hoped, it will carry into effect in the near future.

10. In conclusion Government sincerely trust that that both the Company and the Union will accept the recommendations which have been made in this resolution and thus establish happy and peaceful relations between the employer and the employees.

*Shs.*

9th February .

J. A. DAWSON,  
Chief Secretary to the Government of Assam.

*Extract from the Report (which is in the Press)*

SUMMARY OF RECOMMENDATIONS

We may summarise our recommendations briefly as follows:—

*I. By the Court—*

- (1) The preliminary recognition of the Union by the Company, as a conciliatory gesture (page 3), followed by.
- (2) A friendly and immediate discussion by the representatives of both sides of the Union's rules and constitution and of the Company's conditions of recognition (page 3).
- (3) Some relaxation of the conditions suggested by the Company (page 3).
- (4) An improvement in the organisation of the Union (page 3).
- (5) The maintenance of a friendly spirit towards the Company by the Union (page 3).
- (6) The consideration by the Company of the possibility of a time-scale among its unskilled and semi-skilled workers (page 8).
- (7) The consideration by the Company of the possibility of promotion by transfer for employees whose chances of advancement in their own department are small (page 8).
- (8) The consideration by the Company of the possibility of granting personal allowances in cases of hardship through failure to obtain promotion or increment of pay (page 8).
- (9) That the Chief Inspector of Factories should be instructed by Government to examine the adequacy of the protection afforded by the welding-glasses provided by the Company to its employees (page 9).
- (10) The Chief Inspector of Factories should be instructed by Government to keep a watch on the incidence of occupational diseases; and that to assist him in this duty, the Company should instruct its Chief Medical Officer to maintain a record of such diseases, when they come to his notice or to that of his subordinate medical staff (page 9).
- (11) The grant by the Company of those religious holidays, with pay, allowed by Government to Post Office workers.
- (12) The re-employment by the Company of Abdulla (witness No. 17), provided he agrees to obey orders (page 12).
- (13) The consideration by the Company of the possibility of re-employing Ramani Mohan De (witness No. 20) (page 13).
- (14) The re-employment by the Company in a job for which he is physically fitted of Satya Narayan (witness No. 41) (page 13).
- (15) The establishment by the Company of a Works Committee or Labour Council (page 15).
- (16) The framing of Service Rules, governing questions of punishment, dismissal and discharge (page 16).
- (17) The codification of Service Rules and notifications dealing with conditions of service (page 16).
- (18) That the signature of men warned or punished should be recorded on their service cards or in a register or both (page 16).
- (19) The examination of Gopi Mohan Roy (witness No. 31) with the object of ascertaining whether the effects of his injury entitled him to compensation (page 17).
- (20) That the programme of the construction of quarters for employees who have none should be speeded up as far as possible (page 18).
- (21) That the Company should try to ascertain the real housing requirements of the Tinsukia labour force and draw up its programme accordingly (page 19).
- (22) That the programme of the improvement of unsatisfactory quarters should be speeded up as far as possible (page 19).
- (23) Modifications in the type of 'mistris' and 'clerks' married quarters (page 19).
- (24) The construction of sufficient quarters for men with large families, as soon as possible (page 20).
- (25) A moderate increase in the number of water taps serving the labour lines (page 20).
- (26) A moderate increase in the latrine accommodation in the labour lines (page 20).
- (27) The grant of a small house allowance to employees for whom no accommodation is available (page 20).
- (28) The consideration by the Company of the possibility of introducing an "Efficiency Bonus" (page 2).

*II. By Khan Bahadur Sayidur Rahman and Mr. Omoo Kumar Das—*

- (1) The modification of the system of grading skilled workers, and the institution of a scale within each grade (page 8).
- (2) The adoption by the Company of a 44-hour week (page 10).
- (3) The grant by the Company of full pay for the first 7 days of sick leave.
- (4) The re-employment by the Company of Hari Nath Mazumdar (page 13).
- (5) The grant of three months' sick leave to Jafar Khan (witness No. 48).
- (6) The payment of an *ex-gratia* bonus to Abdul Rashid (witness No. 48).
- (7) The framing of Service Rules ensuring security of service.

(8) Strict enforcement by the Company of its rule forbidding bachelors and families in the same row of barracks (page 19).

(9) The necessity for a close and constant supervision of the hospital diet (page 24).

(10) The consideration by the Company of the possibility of appointing a Health Officer (page 25).

III. By Mr. Omeo Kumar Das—

(1) An increase in rates of pay of the Company's unskilled and semi-skilled labour (page 4).

IV. By the Chairman—

(1) That in order to avoid any possibility of misrepresentation in future, cards should not be maintained for bungalow servants not employed by the Company.

(2) That the Company should consider the possible re-employment of Jafar Khan (witness No 62) in some sedentary occupation for which he may be medically fit (page 14).

We all sign the report subject to the minutes which follow it.

Chairman.—J. C. HIGGINS.

Member—SAYIDUR RAHMAN.

Member—OMEEO KUMAR DAS.

#### *Hours of works*

In our opinion, the demand for 44 hours a week in place of 45½ hours is modest one. The tendency everywhere in India and outside has been towards reduction of working hours. Since the publication of the report of the Labour Commission on which the Chairman bases his findings working hours have been reduced from 48 downwards. The very fact that the company has adopted 45½ hours a week in place of 48 points to this conclusion. At page 48 of Indian Labour Union, Year Book of 1936-37 it is said that 5 days' week a week had been adopted in many factories in the interest of National Economy and National Welfare. With this ideal in view we recommend to the Company to reduce the working hours from 45½ to 44 hours reducing 1½ hours on Saturday.

SAYIDUR RAHMAN.

OMEEO KUMAR DAS.

#### *Time-scale for skilled workers*

Although we consider that there is much force in the argument that time-scale of pay is quite unsuited to Industrial concerns like the Assam Oil Company we are in favour of introducing some sort of time-scale within the grades, having regard to the just claims of an average worker. The existing grade-system appears to be arbitrary, cumbrous and disadvantageous to many skilled workers. We hope it will be possible for the company to revise the existing system so as to bring skilled workers doing similar work as distinct from same type of work within one grade and to afford them opportunities of time-scale pay within the grade. In other words, we hope there will be as little number of grades as possible and a timely rise of pay within each grade. This will remove blocking and dispense with the necessity of personal allowances in case of those who are blocked for a pretty long time.

SAYIDUR RAHMAN.

OMEEO KUMAR DAS.

#### *Bungalow Servants*

The reference to Bungalow servants in general Notification No.51, at page 26 of the annexure B raises a presumption that they are Company's servants. The Company, however, tried to rebut this presumption as best as they could. They maintain that the formalities such as photo token and employment advice are gone through only to entitle the servants to free medical aid. We find it difficult to accept this as there are people (dependants of Company's servants) who receive such free medical aid even without going through the aforesaid formalities.

The Bungalow servants therefore occupy an anomalous position. They are not treated like Company's servants. They are not allowed to get food-stuffs on credit from the Company's Rice Godown nor are they admitted to the benefits of either anna fund or provident fund. The Bungalow servants having failed to acquire the status of Company's servants are now agitating for it. In my opinion, the Company does not stand to lose by granting them the status they hanker after. The anomaly at any rate, should be removed as early as possible.

SAYIDUR RAHMAN.

OMEEO KUMAR DAS.

#### *General Increase in Wages*

The U.

(1) The g. has asked for general increase in the rates of wages.

(2) A large wage level is low in the Assam Oil Company.

(1) Low Wage Level.—A large number of employees has not got any increment for many years.

deposed by Mr. Towler. Apart from the lowest rate of annas 8 per day for a number of boys, as Rupees 19-8-0 to Rs.26 per month (annas 12 to Re.1 per day) is low from various points of view.

(a) *Cost of living.*—The cost of living at Digboi is far higher than the wages earned by the employees. An average family of 4 members (as Mr. Towler agrees) cannot be maintained at a place like Digboi on Rs.19-8-0 or Rs.26 or even at a higher cost per month without being subjected to serious privations.

The Report of the Royal Commission on Labour, published in 1931 shows that the costs of living at Sholapur and Ahmedabad were very high, and the textile workers at those places, who are rightly paid at lower rates than the oil workers, were very seriously underpaid.

The figures for 1937, 1938, as published in the *Bombay Labour Gazette*, show that the cost of living in those places has come down to a great extent. But even now it is higher than annas 12 per day or even annas 13 or annas 14 per day. Can the cost of living at Digboi be even now lower than in the Bombay cities? Digboi is cut off from the business and marketing centres and is situated in a far-off corner of the province. The Bombay cities, on the other hand, are most easily accessible, making it much easier to obtain the necessaries of life. Digboi must therefore be a much dearer place.

The company, which has invited the enquiry and has taken upon itself the onus of proving that the rates of wages paid by it are quite adequate and fair, have not placed any materials before the Court to prove the present cost of living at Digboi. If it could justify their wage level with reference to the cost of living, they would surely have given evidence to prove it, as it has done in other respects. Their failure to do so arises an adverse inference against them under section 114 of the Indian Evidence Act. The mere fact that the prices at the Company's Godown are lower than those in the market does not prove that even that lower cost is not higher than the wages earned by the majority of employees.

The point made by the Company that the employees, with the intention of opening a Godown of the Union, have given up purchasing from the Company's Godown does not throw any light on the point at issue, because at the time when the dispute is going on, they may subject themselves to some additional hardship by paying slightly higher prices at the bazar.

The Company has filed a cost of living index for Digboi which merely shows that there has been a great reduction in the cost of living since 1925. Even conceding that, it does not prove what the present cost of living is at Digboi and what relation it bears to the wages earned by the majority of the employees. Wages may not have been reduced with the reduction in the cost of living. But even now they may be and are much lower than the cost.

(b) *Higher wages in Petroleum Industry.*—It has been established from statistics published by the International Labour Office that oil-workers always get a higher rate of wages. This is due to various reasons, particularly because of the discomfort and risk involved in the work in the Refinery from the point of view of occupational diseases, and the generally uncongenial nature of work.

(c) *Comparison with other similar industries.*—In the Tata Iron and Steel Company at Jamshedpur, 7,000 'fetch and carry coolies' who are unskilled labour engaged for merely carrying things from one place to another (out of 28,000) get 8 annas per day as wages. But even they earn more than Rs.19 per month owing to the payment of bonuses by the Company. The majority of employees get higher rates than those paid at Digboi. The extracts filed by the Company will bear out this view. Besides, owing to the engagement of female labour, the income of a family is considerably augmented.

(d) *Unemployment problem exploited by the Company.*—Mr. Towler says that in determining rates of wages, the Company takes into account the large supply of labour that is available at Digboi. In other words, the Company takes advantage of the prevailing unemployment in keeping down the wage level below the living wage. This is entirely against all economic principles relating to wages and is contrary to the authoritative and accepted views on International Labour.

(e) *Comparison with wages prevailing in Lakhimpur district.*—Such comparison is almost useless, because agricultural labour in tea garden cannot be compared with industrial labour at Digboi. No materials have been placed regarding the rates in the Coal Mines and the Railway Workshops.

(f) Mr. Towler's statement that large sums are sent out of Digboi through the Post Office only shows that this is an additional burden on the ill-paid workers, namely, the necessity of sending monetary help to their dependants at home. It only increases the expenditure in their family budget. According to Indian custom and sentiment these remittances home are a necessity.

#### *Same Wages for years*

A large number of employees are suffering from this serious disadvantage although their needs are growing with the years. This is due to the fact that there are limited numbers of posts in the different grades and it is only in the case of a vacancy that a promotion to the next higher grade can take place. There are no time-scale increments within a grade. The promotions are dependant on the skill and efficiency of a worker to be determined by the individual judgment of the person or persons above him, and not by any definite or known rules or any other measure determined rightly and properly. The average worker without such special skill is left absolutely helpless without any increment for years and years. It is the case of the average worker forming the large majority that has to be considered by the Court.

The very large part played by human element or the personal factor in determining the *only* claim to increment or promotion, namely, skill, and efficiency has encouraged dishonesty and bribery among those in a position to influence decisions.

The framing and promulgation of well-defined rules and the introduction of a time-scale, and the amalgamation of grades from A to E in one grade with efficiency bars if necessary, at later stages of this combined grade will afford necessary safeguard.

*Minute by the Chairman on hours of work*

As has been recorded in the main report the Court of Enquiry is unable to come to an agreement on the question of the hours of work. My two colleagues accept the demand of the Labour Union for a 44-hour week as reasonable and recommend the Company to fall in with it. In my opinion the 45½-hour week is by no means excessive and there is no necessity to reduce it.

The attitude taken up by the parties and their arguments have been stated in the main body of the report, and it is not necessary to repeat what has been written there. It is, of course, true that there is a widespread movement among workers for a 40-hour week, and that it has been adopted in certain countries, notably France. But this utopian ideal has not met with universal acceptance, and is at present far from being adopted in India. Moreover, it is clear from the Report of the International Labour Office for 1938 that the 40-hour week is not necessarily accepted as desirable for its own sake, but mainly as an expedient for dealing with the problem of unemployment. In dealing with the matter of the reduction of working hours, it seems to me that there are two essential conditions. Firstly, it is desirable that the working hours of various industries should be fixed by legislation, carried out after careful enquiry, with the object of ensuring uniformity of working throughout the country and avoiding unfair discrimination. Secondly, reduction should be gradual, in order to permit employers to adjust their manufacture and marketing to the rise in the cost of production. It may be argued that the present demand fulfils the second of these two conditions, although from the Company's figures it appears that a reduction of working hours to 44 would entail the employment of 196 additional men, at an annual average cost of Rs.3,87,104. But it by no means fulfils the first, and for this reason alone I should be prepared to reject it.

It is argued by the representative of the Union that the note prepared by the Company on the comparison of its hours of work with those of other industries in the Lakhimpur District, referred to in No.3 of the Terms of Reference, shows that they are longer by ½ hour than the hours worked by the labourers in the workshop of the railway at Dibrugarh and Tinsukia, and by the hands of the saw mills and veneer mills at Margherita. This may be so. But against this we have the claim of the Company that the wages it pays are higher and the hours worked in other industries, such as rice and oil mills, are much longer (Annexure C). There is every reason to believe that this is true. Certainly the ordinary carrier or porter, loading and unloading steamers and railway trucks, is found on enquiry to work far longer hours for less pay. It is difficult to compare the hours of work with those of the tea garden labourer, whose hours vary with the season, his inclination and industry and his necessity for increasing his income. Certainly on tea gardens equal hours of labour would produce lower wages.

Before criticising or condemning the 45½-hour week of the Company, it would be as well to remember that the Royal Commission on labour in India found longer hours being worked in practically every industry in India and that its recommendation was for a week of longer hours. Its enquiries established the fact that dock labourers worked from 8 to 11 hours in various ports (pages 187-88), workers in textile factories 44 to 60 hours a week, (page 38), in engineering trades 44 to 56, with 50 hours as the normal week (page 39), on oil fields 56 hours (page 111), on railways 48 to 60 hours in the workshops and 48 to 58 in the engineering department (page 156). In many cases the Royal Commission contented itself with such general recommendations as a reduction of hours or the extension of legislation to cover the industry concerned. But where it did make a specific recommendation, it was usually in favour of a 54-hour week. This was the case in respect of factories generally (page 44). Even the three members of the Commission who represented labour did not recommend a week of less than 48 hours (page 45). In the case of oil fields the Royal Commission made no specific recommendation but recorded its opinion that "the protection of the law in regard to rest days and hours should be extended to workers on the oil fields... conditions on the oil fields should be examined by Government with a view to determining whether the end can be achieved by applying appropriate provisions of the Mines Act, or whether separate legislation should be passed". These recommendations presumably applied only to those portions of oil fields which are not governed by the Factories Act.

It may be argued that the recommendations of the Royal Commission on Labour in India were made seven years ago and are, therefore, ancient history. This is true. But the fact remains that the Factories Act No. XXV of 1934, which is still law, restricts the hours of work in factories to "54 hours in any week; or, where the factory is a seasonal one, 60 hours in any week". A large number of the members of the Labour Union are governed by the Factories Act, and those who are not, work in more healthy and pleasant conditions than these who are. So long, therefore, as the Factories Act remains on the Statute Book, there does not appear to be any logical reason why the Company should increase the present large margin which it has granted to its employees in comparison with its provisions.

In conclusion perhaps the Report of the Chief Inspector of Factories, Great Britain, for 1937 may be quoted :—

"Notwithstanding the trend towards shorter hours in general and the 48-hour week in particular, there still remain factories in which advantage is taken of the long hours allowed by law."

This, of course, supports the contention that the legal maximum is not necessarily all that could be desired. But it at least shows that the Company's hours are far more favourable than those worked in many commercial concerns in England.

reference is also invited to the Report of the International Labour Conference for 1938, in order under the heading "Possible Special Schemes" for Coal Mines, the recommendation for

"...in certain countries: China, India and Japan: Hours of work to be fixed at 8 hours a day and 48 hours a week for surface workers, and 7½ or 8 hours a day and 46½ or 48 hours a week for underground workers."

J. C. HIGGINS.

*Minute by the Chairman on bungalow servants*

When the Labour Union was formed, servants working for officers and assistants of the Company in their bungalows were admitted as members. The fourth General Demand of the Union, for a 44-hour week, was made on behalf of "all workers" among whom "sweepers" and "bungalow servants" were specifically mentioned. The Company replied by refusing to reduce the standard 45½-hour week for workers employed by it, and stating that "bungalow servants are not Company employees. They are registered to enable them to get free medical and hospital treatment."

The question as to whether bungalow servants are or are not employees of the Company is one of little or no importance. Naturally the Labour Union welcomed them as members. Every recruit is an additional source of strength and possibly on income.

Naturally the bungalow servants themselves hope that membership of the Union may eventually gain for them the status of employees of the Company, together with the generous conditions of service accorded by the Company to all its employees, which they do not now enjoy. But it is unlikely that the point would have been pressed, but for an unfortunate incident which occurred on 21st October, 1938, while the Court was sitting, which placed a weapon in the hand of the Union that they were not slow to use. On that afternoon Muhammad Ismail, (witness No.64), the bearer of one of the Company's Officers, Mr. Hayman, gave evidence before the Court. When he returned to his master's bungalow, he was told that his master wanted to see him at the office and when he saw his master, the latter dismissed him. The reason given for his dismissal was sufficient one, namely, deliberate disobedience of orders in an emergency—at the time of his master's removal from one bungalow to another. The man reported the matter to the officials of the Labour Union, and next morning when the Court assembled his dismissal was paraded as an act of victimisation on the part of the Company. The proceedings before the Court on that date (the 22nd October) will be found at pages 229-237 of the record of proceedings. Eventually it was decided to postpone the proceedings until Monday, 24th October, in order to enable both sides to consider the situation which had arisen, and to allow the Company to deliberate on the suggestion that some provision should be made for the man, in the interest of the smooth working of the enquiry. On the Monday morning the Company, while still strongly resisting the suggestion that bungalow servants were its employees and denying all previous knowledge of the dismissal of the man Muhammad Ismail (and, indeed, subsequent knowledge until after dark on the Friday night) made him an offer of pay at the rate of Rs.40 per month, the amount he received from Mr. Hayman, from the date of dismissal up to November 30th. The Court was unanimous in regarding this as a very reasonable offer, but it was refused, on behalf of the man, by the officials of the Labour Union, which persisted in its allegation of victimisation and pretended that its remaining witnesses were so far intimidated as not to venture to give evidence before the Court.

The Company admits (through the deposition of its Labour Superintendent) that sweepers are its employers. The object of this is to ensure that bungalows and their surroundings are kept clean, in the interests of sanitation and health. But no other servants working in the bungalows, houses or quarters of the Company's officers, assistants, clerks or labour force are employees of the Company. The representative of the Labour Union argued that bungalow servants are as such the company's servants as other employees, which was proved by the fact the formalities in connection with their engagement and service were the same as in the case of other employees of the Company. That this is entirely incorrect will be shown later.

The Labour Superintendent has deposed that the servants of all employees of the Company are, as a general rule, sent to this office for registration. This entails the man being photographed being medically examined having his finger-prints taken and particulars regarding him and his employment being recorded on a card similar to that maintained in respect of the employees of the Company. But he also deposes that the formalities rest at that. The object of the registration of private servants is to enable them to obtain medical attention at the Company's hospital or dispensaries when required. Registration is only carried out after a servant has been engaged, not before. It is not compulsory, though a circular has been issued to all the Company's employees, at the instance of the Chief Medical Officer, asking them to have their servants registered. The fact of registration places the Company under no obligation and confers no privileges whatever on the servant registered, except the right to free medical attention and ability to purchase food-stuffs at the Company's rice godown: and this latter privilege is limited by the necessity for paying cash, whereas credit is allowed to all the employees of the Company. The Company allows the bungalow servant no other privileges granted to all its servants such as leave, sick pay, overtime, provident fund, or individual promotion—in fact the Company has nothing to do with him. It was, of course, argued in support of the Union's case that the Company had admitted that bungalow servants were its employees by recently increasing the rate of pay of malis, chaukidars and mates from 10 annas per day to 12 annas. A notice to this effect, circulated by the Company, was produced. But the Company's explanation is simple and convincing. The Company pays certain of its officers' allowances in respect of a certain number of servants, according to the officers' position in the Company. That allowance is Re.1 per day for a bearer, and is now 12 annas per day for a mali, as against 10 annas previously. But this does not mean that the Company pays anything to the individual servant. It does not mean that the Company has granted an increment to any individual servants. The master entitled to an allowance on account of his bearer receives Rs.30 per month. The master entitled to an allowance on account of a mali received Rs.22-8-0 from the Company since the rate was increased, as against Rs.18/12—formerly. In neither case does the master necessarily pay the exact sum received from the Company to his servant. In fact, it was stated that Mr. Hayman paid Muhammad Ismail Rs.40 per month, although only receiving an allowance from the Company of Rs.30 in respect of his bearer. Nor can it be argued that the grant of an allowance in respect of a servant establishes or implies any contract.



between the servant and the Company. As will be seen, the latter exercises no control whatever over the bungalow servant, at any point of his career as such. It would hardly be argued that in respect of the grant of a conveyance allowance, or of a house allowance, in lieu of rent, has the employer granting the allowance any claim to or control over the conveyance or house of the employee receiving it. Nor does an increase of pay, given by some employers to its employees on marriage, make the wives the servants of the employer.

To the mind of any reasonable man the following facts should carry incontrovertible proof that the bungalow servants are not the employees of the Company:—

- (1) The bungalow servant is engaged by his master: the Company has no say in the matter.
- (2) The name of the bungalow servant does not appear in the pay-rolls of the Company.
- (3) The pay of the bungalow servant is fixed by his master, and not by the Company: it does not necessarily conform to the allowance (if any) granted by the Company to his master.
- (4) The pay of the bungalow servant is disbursed by his master and not by the Company's paymaster, as in the case of all employees of the Company.
- (5) The bungalow servant is completely under the orders and control of his master: the Company has no power to give him orders, make use of his services or punish him.
- (6) The bungalow servant does not enjoy all the privileges granted by the Company to its servants: it has not been suggested why, if the bungalow servant is an employee of the Company, it should exercise this unfair discrimination against him.
- (7) The bungalow servant is discharged by his master: the Company has no say in the matter.

The allegations that the registration of servants and the increase in the rates of pay of various types of servants are proof that bungalow servants are the employees of the Company have been disposed of above. An equally untenable argument put forward by the Union's representative is that the grant of a "lal chithi" to Muhammad Ismail by Mr. Hayward proves that the former is the servant of the Company and not of him. The "lal chithi" is one of a form in triplicate, used by the Company for the dismissal or discharge of its employees (Form N-1, 2, 3). It is headed "Discharge advice": the white form is "office copy", the mauve "labour office copy", and the red or "lal chithi" is "to be issued to the employees". But it was admitted by Muhammad Ismail that when he went to see Mr. Hayman in his office, after returning from being absent without leave, the latter offered him his wages in an envelope, telling him he was dismissed. Muhammad Ismail, however, "placed the envelope on the table and asked him to give a discharge chit". The form, after the headings, runs:—

"This is to confirm that your services are no longer required.

"You should report at the Labour Bureau at 8. a.m. on.....to enable a statement of your time to be made out and should at this time return all Company's property in your possession, including token numbers, rice coupon book, etc. You should report for payment of your settlement wages at the Wages Office at 2. p.m. on....."

It is not contested by the Company that this form is intended for its employees. But that Muhammad Ismail does not come in that category is amply proved by the fact that the form was not handed to him until after he had asked for it, and that even then no time was fixed for him either to attend at the Labour Bureau or at the Wages Office for the purpose of getting his pay, which indeed had already been offered to him.

In pursuit of the chimera of victimisation it has, of course, been suggested that the dismissal of Muhammad Ismail was in consequence of his having given evidence before the Court, and by the order of, or at least instigation of the Company. The first suggestion is improbable, to say the least of it. Muhammad Ismail has admitted that he told neither his master or his mistress that he was going to give evidence before the Court. Even if they had known, which seems unlikely it is even more unlikely that Mr. Hayman would have been so extremely foolish as to make a present to the Labour Union of such a weapon as obvious victimisation. As for the suggestion that the dismissal was made at the order or the instigation of the Company, a little reflection would show that this was impossible. It is admitted that Muhammad Ismail went straight back from the Court to his master's bungalow and from there to his office, where he received his discharge. There could not have been time or opportunity for the Company's representatives before the Court to convey their orders or suggestions to Mr. Hayman. Here again the deliberate dismissal of a witness, giving the Union the opportunity to claim victimisation while the Court was sitting, would have been an act of incredible insanity. These two suggestions are no credit to the mentality which could evolve them.

While holding, therefore, that by no possible stretch of the imagination can bungalow servants, other than sweepers, be claimed to be employees of the Company, I feel that anything which may be used as an argument to the contrary should be eliminated. I do not suggest that bungalow servants should be debarred from medical treatment by the Company's doctors. It is on record that this is extended even to those who have no connection either with the Company or employees, such as the surrounding villagers. But I would suggest that there should be no registration, no finger prints, no photography and no card. It should be easy for the Company to instruct its medical officers to grant treatment on the production of a written authorisation from one of its employees. I suggest also that the Company should withdraw from bungalow servants the privilege of purchasing food-stuffs at the rice godown. This appears necessary to avoid unfair use being made of the privilege in argument on a future occasion. The sting of the loss will be lessened by the fact that this is a privilege which the officials of the Union have encouraged their members to repudiate.

J. C. HIGGINS,

*Chairman, Court of Enquiry, Digboi.*

**Resolution on the affairs of the Sylhet Municipal Board.**

*Extract from the proceedings of the Government of Assam in the Local Self-Government Department, No.598-L.S.-G., dated the 10th February 1939*

READ—The Audit Note on the Sylhet Municipal Fund for the year 1937-38.

**RESOLUTION**

For over ten years the affairs of the Sylhet Municipal Board have given Government constant cause for anxiety and dissatisfaction. In fact an ultimatum had to be given to the Board in 1928 to put its finances in a condition of solvency and build up a credit balance such as would make the water-works self-supporting and work off the heavy debit balance of water rate. Since then the record of the Board has been one of procrastination and failure to show any progress in the town, which is one of the largest in the province. The Board was called upon in July 1936 to consider measures to improve the water-supply, the condition of which had become a subject of public complaint, but up to this date no definite step has been taken in this direction. The responses of the Board to audit and inspection notes, and to any requirement on the part of Government for information or action, have been characterised by delay and half-heartedness. An order of supersession was narrowly avoided in 1936-37 by a belated decision to substitute the general tax on holdings for the tax on inhabitants, and the rate demand has nominally increased in considerable measure: but through clear inefficiency the financial position has continued to deteriorate. The audit note for the year 1937-38 disclosed a large amount both of outstanding taxes and of arrear liabilities: the figure given for the former by the Examiner was Rs.31,649 and for the latter Rs.27,813, of which Rs.25,836 were admitted by the Board in correspondence. The debit balance on water rate account was Rs.5,683 and on lighting Rs.7,412, while the cash balance was only Rs.4,774-11-9. Several members of the Board were in arrears for two years with their own taxes.

2. The conclusion that the Board are not competent to perform, and persistently make default in, the performance of their duties is thus irresistible, and is reinforced by the catalogue of instances of maladministration which have come to the notice of Government from time to time. Public criticism became severe with the events which occurred at the general election of 1937 and has now grown to a pitch which demands immediate action. The list of objections in the audit note already mentioned is too long for repetition, but many of the items are fresh instances of misconduct such as have been strongly criticised in the past, like the failure to credit provident fund contributions and subscriptions in due time, to the loss of the employees. An opportunity was given to the Board to meet these criticisms by rejoinder, and a reply was promised within one month in the Vice-Chairman's letter of the 1st December: characteristically no reply was actually received by the Government up to the 3rd February 1939, which was admitted by the Vice-Chairman to be the last date for submission under the rule.

3. The Governor of Assam is therefore constrained to declare the Sylhet Municipal Board incompetent and in default, and in exercise of his powers under section 293 of the Assam Municipal Act, 1923, to direct that the Board shall be superseded for a period of two years from the publication of this Resolution. Under section 294 of the Act all the powers of the Board, whether at a meeting or otherwise shall, during the period of supersession, be exercised and performed by the Additional District Magistrate, Sylhet.

It is ordered that this resolution shall be notified in the Gazette.

Shillong:  
The 10th February 1939.

By order of the Governor of Assam,  
H. G. DENNEHY,  
Secretary to the Government of Assam in the  
Education and Local Self-Government Departments.

## Part II

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

2

Extract from the proceedings of the Government of Assam in the General and Judicial Department, No.7820-G.J., dated the 18th December 1939.

READ—

The report of the Board of Conciliation by Mr. K. K. Hajara, I.C.S., dated the 8th August 1939. ✓

READ ALSO—

The report of the Committee of Enquiry into the affairs at Digboi by Sir M. N. Mukerji and Mr. G. D. Walker, M.B.E., I.C.S., dated the 25th November 1939. ✓

## RESOLUTION

The strike on the oil fields of the Assam Oil Company which was declared on the 3rd April 1939 attracted so much public attention for various reasons, particularly the completeness and determined nature of the stoppage, and the unfortunate occurrence of the 18th April, in which three men lost their lives, that the late Government decided to appoint a Committee of Enquiry into the origins and facts of the dispute, to be presided over by an eminent lawyer and *ex-Chief Justice* of the Calcutta High Court, Sir Manmatha Nath Mukerji. The appointment of the committee was announced by Resolution No.4420-H. of the 10th July 1939, and the terms of reference were as follows:—

- (1) To enquire into the events leading to the incident of the 18th April and into those subsequent thereto in so far as they are not *sub judice*.
- (2) To enquire into the measures and actions taken by local authorities before, during and after the occurrence; and
- (3) To consider the origin and causes of the strike and to suggest means whereby strikes of this nature can be avoided in future.

Mr. G. D. Walker, M.B.E., I.C.S., was appointed a Member of the Committee for the purpose of the second term of reference. Meanwhile the continuance of the strike was causing so much loss and hardship to both the parties concerned, employers and employed, that the late Government felt that they ought not to postpone further attempts at settlement until the report of Sir Manmatha Nath Mukerji was received, and therefore decided to appoint a Board of Conciliation, in order if possible to bring about a settlement. Mr. K. K. Hajara, I.C.S., District and Sessions Judge, was therefore constituted a Board of Conciliation under section 3 of the Trade Disputes Act, 1929 by Notification No. 4730-G.J. of the 26th July 1939, and entered upon his task the same day. The attempt was however infructuous, and Mr. Hajara presented his report on the 8th August: the report is, under section 12 of the Trade Disputes Act, published as annexure I to this Resolution.

On receipt of the report of the Board of Conciliation the late Government carefully considered the recommendations which had been made, in accordance with section 7(3) of the Act: they found, however, that the principal of these concerned the re-instatement or re-employment *en masse* of the strikers in the employ of the Company, whereas this was the main point which the Company had made it very clear that they could not concede, since it would involve the employment of men for whom there was no work, and also the discharge of men taken on after the beginning of the strike, to whom the Company considered itself bound by valid engagement. This crucial point of dispute, if it were to be fully and fairly treated, clearly raised the vital question of the origins of the strike, which was one of the main objects of the enquiry which Sir Manmatha Nath Mukerji's Committee was about to make. The late Government therefore considered that there was no option but to postpone the consideration of Mr. Hajara's report until that of the Committee should be available. The latter was received on the 3rd December, and the present Government have taken immediate steps to have it published, as annexure II to this Resolution. This report is not rendered less important by the fortuitous conjunction of events resulting from the declaration of War exactly five months after the strike began, when the Digboi-Tinsukia area was declared protected under the Defence of India Ordinance owing to the national importance of the oil products in time of War, the removal from the neighbourhood of nine strike leaders whose conduct was preventing the resumption of work, and the consequent collapse of the strike. Indeed, it was and remains an

unfortunate feature that the Enquiry was not complete and the Report available before these measures had to be taken. Nevertheless the prompt and willing return to work which actually occurred after the removal of these leaders, so that in a very short space of time the company had all the workers it required, was itself very significant as to the presence or absence of real dissatisfaction among the workers.

Government have not yet framed their final conclusions on the recommendations in these reports which concern the welfare of labour, but they consider it desirable to make these recommendations public at once, now that the obstacles to a full understanding of the situation are removed.

That part of the third term of reference which deals with the origin and causes of the strike may conveniently be treated first, as it is so closely related to the failure of the conciliation proceedings. The Committee's report summarises the conclusions regarding this item in a few sentences which make it abundantly clear that there was no sufficient cause for the strike either in the working conditions or in the actions of the Company, and that it must be ascribed to the ambition of a few individuals and their determination to impose their will at whatever cost in hardship to the men and loss of production to their employers, by methods which in some respects can only meet with severe condemnation. That there may be matters in which it will be desirable to work for better relations between the Company and its employees or to examine the contentions of the latter the Report does not seek to dispute, and it will be the business of Government after further study of all the available papers to address themselves to a solution of any outstanding questions. But there can be no doubt on an impartial review such as that to which it has now been subjected that this strike ought never to have been declared or persisted in.

The conclusions regarding the first and second terms of reference, though these occupy a very large part of the Report can be briefly disposed of: the Committee found little of a serious nature to criticise either in the measures taken by the local officers or in the actions of any of those concerned with the events leading up to the riot of the 18th April or those subsequent. There were in the view of the Committee cases of indiscretion here and there: but it is very satisfactory that the Committee's Report should have disclosed nothing for which it should be necessary to call any Government servant to account. In so far as Government may find it necessary or expedient to give further attention to the isolated incidents upon which the Committee have commented unfavourably to the individuals concerned, they will of course take into account all the available material, of which, as Mr. Walker points out in his additional Memorandum, the Committee could not be aware. The Report as a whole carries on its face the imprint of impartiality and judicial fairness.

The Committee felt that the incident of the 18th April must be considered outside the scope of their enquiry, and since the report of the Magistrate who enquired into the matter at once and on the spot was published in May last and nothing has since occurred to necessitate further explanation of the facts, Government do not consider it relevant to the present matters under discussion to comment upon the incident.

In the latter part of its Report on the third term of reference, however, the Committee makes recommendations with respect to establishment of a machinery for the prevention of unnecessary strikes, and the settlement of such real disputes as may arise, which must receive the most careful consideration of Government. The conclusions are put in the form of proposals for legislation. The question of legislation has in fact been under examination for some time, and Government will give it their fullest attention. It will in this connection be necessary to consider the position and conditions of the tea industry which employs so large a proportion of labour in Assam, but has not been dealt with either in the Reports now before Government or in the recent legislation in other Provinces.

There is also the question whether an official labour organisation, trained to treat labour and its problems with sympathy and understanding, is not a necessary adjunct to any legislation of this kind, and may not even be a prior requirement, if due account is to be taken of existing conditions in the framing of the law. This will have to be duly weighed.

Government take this opportunity of recording their gratitude for the care with which Mr. Hajara, and Sir Manmatha Nath Mukerji, with his colleague Mr. G. D. Walker, have studied the problems set before them and prepared their several reports, which are of great interest.

**ORDER.**—Ordered that a copy of the Resolution be published in the *Assam Gazette* for information.

H. G. DENNEHY,

*Chief Secretary to the Government of Assam.*

## ANNEXURE I

## REPORT

I was appointed a Board of Conciliation for promotion of a settlement of the dispute between the Assam Oil Company and the Assam Oil Company Labour Union and other employees of the Company. The Government Notification appointing the Board is reproduced below:—

*"The 26th July 1939*

No.4730-G.J.—Whereas a trade dispute exists between the Assam Oil Company, Limited, and the Assam Oil Company Labour Union and other employees of the said Company at Digboi and Tinsukia, and whereas the Governor of Assam thinks it fit to refer the dispute to a Board of Conciliation consisting of one independent person:

Now, therefore, under the provisions of section 3 of the Trade Disputes Act, 1929 (VII of 1929), as subsequently amended, the Governor is pleased to appoint Mr. K. K. Hajara, i. c. s., District and Sessions Judge, Assam Valley Districts, to be a Board of Conciliation for the promotion of a settlement of the said dispute, with the following terms of reference:—

- (1) The time and method of re-employment of the strikers under the Assam Oil Company; and
- (2) To explore the possibilities of settlement regarding any outstanding matters still in dispute between the Company and the Labour Union.

H. G. DENNEHY,

*Chief Secretary to the Government of Assam".*

I heard both sides. The Company was represented by Mr. P. D. M. Lingeman, its Acting General Manager, and the Labour Union was represented by Messrs. J. N. Upadhaya, Sadhu Singh, Pritam Singh and M. A. Chaudhury. Srijut S. Paramanik, Secretary of the strike committee was also present with the representatives of the Labour Union. There was no necessity of recording any formal evidence and both parties were asked to furnish information and statements required for the Board's work. They did so readily and these statements are appended to this Report, and will be referred to where necessary in the course of the Report. At first I had informal talks with both sides to explore the possibility of a settlement. The Company made its position clear by stating that it could take back only such men for whom work was now available, and out of these remaining unemployed on termination of the strike and resumption of work, the Company could take in only such men for whom vacancies might occur up to the end of July 1940. According to this proposition the only task of this Board was to co-operate with the Company in re-employing strikers, for whom vacancies were available, according to some agreed principles. The Company was not prepared to leave the door open for the strikers remaining unemployed after July 1940. The Company also made it clear that the new recruits could not be discharged on any account.

The point of view of the Labour Union was that under the Trade Disputes Act matters in dispute between the employer and the employees could be referred to a Board of Conciliation, and that the question whether all strikers should be taken in or not, was not a matter in dispute. They maintained that the men went on strike for certain grievances and that taking back all the strikers was an essential condition precedent to the strike being called off.

It would be obvious from the two view points stated above that there was very little scope for negotiation on the point of resumption of work. I asked the Labour Union to make a definite proposal setting forth the conditions on which the strikers could resume work. The Union then put forward the following proposal:—

- (1) Technically all strikers should be allowed to join and then if it was found that there was no work for all, the surplus might be discharged following the usual principle observed by the Company in discharging men (this was stated to be that the most junior men are discharged). The proposal further was that, in any case, the strikers now at Digboi must be taken in immediately and those who had left Digboi should be given 2 to 3 weeks' time to return.
- (2) If the Company felt any difficulty in discharging new men, 800 men could be employed in the Nampuk Test (a new work) and the others could be sent on compulsory leave by batches and gradually absorbed in vacancies that arose. I pointed out to them at once that the latter part of the proposal was not a practical proposition since this would mean the Company retaining a certain surplus over its requirements all the time.

The Union further proposed that some out of the surplus could be absorbed in vacancies due to retirement, and discharge on the ground of inefficiency, bad record, etc.

These proposals (except the one about compulsory leave which was not a practical proposition at all) were duly placed by me before the General Manager. As regards employing men in the Nampuk Test he said that it was not likely to be started till October and that about 40 to 50 men only would be required. As regards vacancies by retirements, he pointed out that there would be very few in the course of a year. He also pointed out that the Company did not employ men who were inefficient or had a bad record, and so there would not be any vacancies due to discharge of such men. As regards the main proposal of the Union to re-employ all strikers on the termination of the strike, and then effecting a staff reduction by discharge of the surplus his answer was as follows:—

"The proposal would have to be subject to the provisos that—

"(1) Staff reduction of the whole surplus would be carried out immediately.

"(2) The new men would be exception to the rule that the most junior men are selected for staff reduction.

"(3) A month's pay in lieu of notice would not be given (since the men concerned have not worked for the last 6 months).

"It would therefore be equivalent to Company's proposal to re-employ strikers for the vacancies available on the principle of seniority, and would entail a large amount of clerical work without benefit to anybody, other than might be derivable during the interval between re-engagement and staff reduction of the men concerned which would probably not exceed 24 hours.

"It could not be accepted without full publicity being given to the above provisos without abatement before the engagement took place." (*Vide* Annexure G).

Regarding proviso No.3, I enquired why the Company was refusing to pay the usual month's earning on discharge, to the strikers remaining unemployed on termination of the strike, as certain men would be losing their jobs for staff reduction by the Company rendered necessary since the beginning of the strike (the Manager told me that in all fewer men were required now than were in employment at the commencement of the strike), and whether this refusal was meant to be a punishment for going on strike. The Manager stated that it was not a punishment but for the reasons already mentioned (namely, that the men have not been at work for the last 4 months), the Company could not give a month's earnings in lieu of notice. Subsequently, the Manager told me that he had thought over the matter, and was referring the question to the Managing Director in London. On receipt of a reply from London the Manager made the following offer:—(*Vide* Annexure "I").

"As there are fewer men required for full resumption of our work now than were in our employment before the strike, there will in effect have been a reduction of staff as between 2nd April and the date when we are again fully at work. As you have pointed out, the men who are unfortunately losing their jobs owing to this reduction would have qualified for one month's pay under the rule that we instituted late last year, if the reduction had been necessary at any other time. We have therefore decided to offer an *ex-gratia* payment equal to one month's normal earnings \* to the men so affected, on termination of the strike.

"The question then arises as to how the men who cannot be re-employed for that reason can be distinguished from the larger number who cannot be re-employed because their jobs have been filled by men engaged during the strike. We have come to the conclusion that no such distinction is possible, and have decided in the circumstances to extend the offer to all strikers to whom we cannot now give immediate employment.

"Those to whom we can now only offer temporary engagement will receive the payment on its termination, unless we are then able to place them in suitable 'permanent' vacancies.

"In all cases the payment will be made to men who are living in Company quarters on their giving up effective vacant possession of their quarters to the Company.

"The offer previously made then on termination of the strike we would defray the cost of repatriating displaced strikers and their families holds good. (The term 'families' may require definition.)

"The offer previously made that displaced strikers would be given preference in the filling of suitable vacancies occurring up to the end of July 1940 also holds good.

"All these offers are subject to the prompt effectual termination of the strike, with or without the agreement of the Union Officials. If they do not result in such prompt termination, the Company's intention is to bring up its necessary labour force to full strength by the engagement of new men (but still giving strikers preference if they present themselves in time), starting on the date when it becomes clear that the present efforts to arrive at a settlement have failed, but at latest on the 8th August."

"\* Method of calculation to be defined by the Company."

The Manager requested that the offer of the Company should be made known to all the strikers. I communicated the offer to the Labour Union but they refused to accept it. I then requested that the offer should be communicated to the general body of strikers in a meeting and that they should be allowed to say whether they accepted it or rejected it. The Union agreed to this proposal and called a meeting which I attended. The offer was explained to the strikers in clear and unmistakable terms and they all said that they refused to resume work on the basis of such an offer. They stated that they would not resume work unless all strikers were taken in.

The result of the meeting clearly showed that there was no room for conciliation, and amicable settlement of the strike.

Conciliation having failed, I shall now proceed to deal with the matters covered by the terms of reference one by one, and record my recommendations:

(1) The first term of reference relates to the time and method of employment of strikers. The present position is this. According to the latest figures supplied by the Company there were about 6,100 men employed on the date of the strike. At present there are 2,412 men employed (*vide* the figures in Annexure B and the figures in Statements A and B, enclosures to Annexure B). Out of these 210 (out of these 138 were working all along, under license from the Union, in the Medical Department) at Digboi and 52 at Tinsukia are old employees. There are thus 1,650 new men employed (*vide* Annexure C). Then staff reduction to the extent of 700 men is a new factor which has now emerged. The Company says that 700 men less than the number employed at the commencement of the strike are now required for full resumption of work. (The number may be more than 700 if the Company has to build up its full staff by gradual recruitment—*vide* Annexure C, paragraph (5).) The Company has therefore now vacancies available for 2,988 strikers. There are 250 more vacancies for men who would be required for only 2 or 3 months to make up arrears (verbally stated by the Manager). Taking these temporary vacancies the total number of immediately available vacancies comes to 3,238. (The figures supplied to me when the Company's offer was communicated to the Union were as follows:—

Now employed—2,580. Of these 562 at Digboi and 52 at Tinsukia are old employees. New men—1,996. Vacancies available for strikers—2,820 plus 250 temporary vacancies for 2 or 3 months).

Seven hundred and sixty-two old men being at work, as mentioned above, the number of strikers would be 5,338. After the available vacancies have been filled up, 2,100 strikers would be left without employment. It is obvious that it would be impossible to find employment for these men by July 1940—the time allowed by the Company in taking in men who may be left out of employment on termination of the strike. The greatest obstacle in the way of taking back all the strikers is, as is apparent, the recruitment of new men by the Company.

The question is whether this difficulty is an insuperable one. The Company's position is that the new men cannot be discharged on account of the assurance given by the Company not to discharge them under the conditions of settlement. I enquired of the Company if the new recruits had asked for any assurance (*vide* paragraph (4) of my letter No.14-D., dated the 31st July 1939—Annexure D). To this the Company has not replied. I take it therefore that no such assurance was asked for by the recruits themselves. It remains to be seen whether the Company gave any assurance gratuitously and if so, the nature of such assurance. The Company has furnished me with copies of certain bulletins (*vide* enclosures to the Manager's letter dated the 1st August 1939—Annexure A). Before dealing with these bulletins it will be necessary to state certain facts which have emerged from the information furnished by the Company. Out of the new men employed, 220 men were recruited from outside and the majority of new men presented themselves at Digboi and were engaged locally (*vide* Annexure A). In this connection I may quote from the letter of the Manager to the Hon'ble Premier dated the 10th July 1939 (copy—Annexure E):

"After providing for these essential services the Company gave fresh and repeated warnings to the strikers that failing their early return to work it would have to engage new hands (available in plenty) to enable it to restart and continue its normal operation and at one stage it called a halt in such new engagements so as to give the strikers a special opportunity of considering their position and returning to work."

It thus appears that apart from the 220 men recruited from outside all the others were locally engaged and that men were available for such engagements in plenty. It further appears from the Manager's letter, dated 2nd August 1939 (Annexure B) that no special notices or instructions were issued in connection with the recruitment from outside. From the Manager's letter, dated 1st August 1939 (Annexure A) it appears that only one notice to the following effect was published in a local newspaper. "Men who know their names to be on the waiting list for clerks at Digboi and others with not less than "passed Matriculation" qualifications who are desirous of taking up vacancies created by the strike, should send written application to the General Manager at Digboi as soon as possible. Those selected will receive instructions of joining within a few days. Accommodation will be available for them but not for families." This notice was published about the middle of April as would appear from the Company's letter. It would thus be seen that so far as new recruitments are concerned the only notice that was published did not contain any assurance that the new recruits would not be discharged under the terms of settlement of the strike. In his letter, dated 1st August 1939 the Manager has stated: "In the circumstances prevailing at the time it is inconceivable that new men would have faced the difficulties and dangers of taking up work here without an assurance that they would not be discharged as a result of any strike settlement." This statement, however, is not an answer to the question whether an assurance was really asked for and given.

I shall now deal with bulletins in which the assurance appears. They are enclosures to the letter Annexure A.)

The first one is No.3 of 1939, dated the 8th April, 1939. It runs thus: "Any men who come to work during the strike need have no fear that they will be discharged under the conditions of settlement. The Company would never agree to such a condition." In giving me a copy of this bulletin the Manager has added a note to it to the following effect: "The date of this following immediately after No.2 reflects the fact that the assurance was indeed necessary. The Union were putting it about that any men who came to work, new or old, would be discharged at the end of the strike." Bulletin No.2 referred to in the Manager's note is dated 7th April 1939, and runs as follows: "Any man failing to return to work on Monday, the 10th April or before cannot be guaranteed re-employment. From that date the Company will consider itself free to engage others, which means that only such former employees as are necessary to complete the staff required will have any chance of obtaining re-employment."

This bulletin makes it clear that the strikers were allowed time till the 10th of April to return to work. The Company did not contemplate engaging new men till that date. I fail to see therefore how the "assurance" given in bulletin No.3, dated 8th April 1939 could be taken to apply to new recruits. It was not known to the Company then whether the strikers would fail to turn up on the 10th, necessitating the employment of new men. I specifically asked the Manager to explain this point and his answer is contained in his letter, dated 2nd August 1939 (Annexure B). I quote the relevant portion:

"Some Sikhs returned to work in the Refinery on the 7th April. At a mass meeting of Sikhs on the morning of the 8th April efforts were made to dissuade further members of the community from returning to work by statements that the Union would never settle the dispute until all those who worked during the strike were discharged. Bulletin No.3 was accordingly issued to cover both new and old men. It is true at that time the company was not actually engaging new men but it was preparing to do so and it had previously given notice of its intentions in bulletin No.2."

The circumstances which led to the issue of bulletin No.3 as apparent from this explanation along with the language of the bulletin No.3, namely: "Any men who come to work during the strike", leave no room for doubt that this assurance was given to "black-legs" to whom obviously the threats held out in the meeting of the Sikhs on the 8th April applied. The next bulletin is No.4 of 1939 dated the 13th April, 1939. It runs as follows: "The Company wishes to make it clear to all its employees that they have nothing to gain by continuing this strike, because the Company is not going to yield to the Union's demands. On the contrary they have much to lose, because their jobs are being filled up by new men, who will not be discharged to make room for strikers. There are over 130 men at work today, 100 of these are new men. How many tomorrow? Think carefully. How much pay will be due to you at the end of this month?"

It is clear that this bulletin is addressed to the strikers to whom threats were held out that more and more men would be losing their jobs by their continuing to hold out. The bulletin is not addressed to the new recruits and clearly shows that before its issue 100 new men were already at work. These new men must have been recruited between the 10th April and the 13th April. There is no bulletin of any date between these two dates, giving to the new recruits any assurance that they would not be discharged. Then we come to bulletin No.7 dated 22nd April, 1939. It runs as follows: "The Company has already made it clear that it will not take back all the men who have gone on strike,

since new men have been engaged for certain jobs and they will not be discharged to make room for old men. It is likely that old men would soon like to return to work in large numbers. It will however be not possible to accept a very large number all at the same time, because it is necessary for one Department to be started before the next can begin. It will therefore be necessary to re-employ gradually until the whole of the Company's work is running again." From this also we see that the bulletin was directed to the strikers, pointing out to them what they were losing by holding out.

It may well be argued that new recruits who came to work after the last two bulletins of the 13th April and the 22nd April, did so with a knowledge of the contents, and took it that they would not be discharged. They cannot however take advantage of this assurance since it formed no part of the contract between them and the Company when they were given employment. As I have pointed out before, there is nothing to show that the new recruits asked for any such assurance, and in the only notice which was issued inviting recruits, this assurance was not mentioned. In view of all this, I am clearly of opinion that the difficulty of taking in all the strikers on the ground that the new men cannot be discharged is not a real one and is certainly not insuperable.

It appears that the Company has gone on steadily recruiting new men. This recruitment continued even after the appointment of a Conciliation Board was consented to and was announced. (*Vide* Annexure A and the appended statement.) Even if the Company agreed to the appointment of a Conciliation Board only for the very limited purpose of laying down the principles according to which jobs still available were to be given to strikers and future vacancies would be filled from out of strikers who would be left out now, it should not have gone on taking in further new recruits and further reducing the vacancies available for strikers. The number of men so appointed is, however, not large.

Then I come to the reasons which led the Company to recruit new men. In this letter dated 1st August 1939 (Annexure A) the Manager has stated as follows:—

"The Company has appointed new men—

(1) to keep running essential services, for example electric light and sanitation.

(2) to fulfil our obligations as mining lessees by protecting "certain oil wells making heavy water from suffering permanent damage. This work was carried out during the first two weeks of the strike by covenanted employees working 12 hour shifts".

"(3) to assist in the resumption of normal operations."

Regarding the first reason, it would not be out of place to mention that the Union allowed 138 men to work in the Medical Department and 10 men at the water pump station (*vide* foot-note to Statement B appended to Annexure B and Annexure C.)

In connection with the second reason, the Manager has made a further statement in his Demi-official, dated the 3rd August 1939 (Annexure F). He has quoted an extract from the lease which is as follows:—

"The lessee shall \* \* \* \* \* develop the said minerals without voluntary intermission in a skilful and workman-like manner and upon the most approved principles \* \* \* \* \*".

It is hardly necessary to discuss whether the stoppage of work by the strike comes under "voluntary intermission." I need only say that the reasons are sufficient for trying to resume work. This, however, does not prove that it was necessary to appoint men on a permanent basis. If men were available in plenty and recruits presented themselves in answer to a notice which did not contain such an assurance there was no need to appoint men on a permanent basis and in fact no assurance of permanency was addressed to the new recruits themselves. It may be argued that the Company does not want to throw adrift the men who came to their aid when they were faced with a difficult situation. But I believe that the old employees of the Company, many of whom have served the Company long and faithfully, also deserve some sympathy and consideration at the hands of the Company unless it is sought to punish them for going on strike. I need not comment on the events leading to the strike or the justifiability of the strike as these matters are outside the terms of reference. While it must be recognised that the Company has the undoubted right to decide how many men it will employ and whom it will employ, at the same time, having regard to their past services, the old employees of the Company have not forfeited their claims to be treated with sympathy and consideration.

A new factor which has emerged during the present negotiations, is staff reduction to the extent of 700 men. The Court of Enquiry recommended the formation of a Works Council which would discuss and bring to the notice of the Company questions of discharge, dismissal, etc. This Works Council could not be constituted on account of the strike. Since the formation of a Works Council was unanimously recommended by the Court of Enquiry, and has been accepted by the Company, I would recommend that a Works Council be formed immediately on the termination of the strike and the question of staff reduction may be deferred till after discussion of the matter in the Works Council, so as not to let it stand in the way of a settlement.

My recommendations, therefore, on the first term of reference are as follows:—

✓(1) All the strikers should be called back on termination of the strike, by discharging the new recruits. The cases of these new recruits may be considered by the Company in making appointments to future vacancies. The Company should have at least a week's time to take in the strikers by batches as re-instatement of all on one day may not be practicable. In the case of those strikers who have left Digboi 10 days' time may be allowed to them to rejoin. If they do not turn up within this period, the Company will be free to fill their places by other men.

(2) Any surplus over the requirements of the Company should be discharged, after a discussion of the question in the Works Council which should be formed immediately on termination of the strike. In discharging this surplus the usual principle of discharging the most junior men should be followed. The total service under the Company and not the period of service in any particular Department should be taken into account in deciding the question of seniority. In case of a break in service by a man resigning, or going away except on leave and subsequently rejoining the Company, the date of his re-engagement should be taken into account in deciding the question of seniority.

The Labour Union pressed before me the question of re-employment of Bungalow servants and contractors' men. The instructions received by me along with the terms of reference, made it clear that



the scope of my work was confined to the unanimous recommendations of the Court of Enquiry. The Court of Enquiry did not unanimously find that Bungalow servants were the Company's employees. To make recommendation about their re-employment would presuppose that they are the Company's employees. I am therefore not empowered to deal with their cases. Similarly I cannot deal with contractors' men as there cannot be any question of re-employing them under the Company.

I now come to the second term of reference which is as follows:—

"To explore the possibilities of settlement regarding any outstanding matters still in dispute between the Company and the Labour Union."

The Union stated that they had several grievances which were not covered by the unanimous recommendations of the Court of Enquiry. I pointed out that I had no power to deal with such grievances as I had been clearly instructed by Government to restrict the scope of my negotiations to the unanimous recommendations of the Court of Enquiry. (*Vide* instructions contained in the Chief Secretary's letter to me intimating the appointment of the Board.)

The Company's position was explained in the General Manager's letter to the Hon'ble Premier (Copy Annexure E—Page 3) to this effect: "The recommendations of the Court of Enquiry have been accepted to the full extent to which the Company is prepared to go in the matters which were considered by the Court." Again, paragraph (2) of the minutes of the meeting between the Company's representatives and the Union's representatives runs as follows: "Mr. Fleming stated that the Company had made very generous concessions and would concede nothing further on these recommendations and demands (except that answers had still to be given on Nos. 20 and 21). This being so a strike would benefit nobody" (*Vide* Annexure H.) In bulletin No. 4 appended to Annexure A the Company stated: "The Company wishes to make it clear to all its employees that they have nothing to gain by continuing the strike, because the Company is not going to yield to the Union's demands."

The respective positions taken up by the parties were reiterated by them before me. It would thus be apparent that there was no scope for negotiating an amicable settlement of the outstanding disputes.

I shall now proceed to deal with the unanimous recommendations by the Court of Enquiry and the action which still remains to be taken on them.

The Court of Enquiry made 28 unanimous recommendations. The first five recommendations relate to the recognition of the Union by the Company, improvement in the organisation of the Union and the maintenance of a friendly spirit towards the Company by the Union. The Company has recognised the Union and there is no dispute outstanding with regard to these recommendations.

The sixth recommendation is about the consideration by the Company of the possibility of a time scale among its unskilled and semi-skilled workers. From page 38 of the Court of Enquiry's Report it appears that the pay scheme of unskilled and semi-skilled labour was as follows:—

"Class (1).—12 annas per day flat.

"Class (2).—12 annas on engagement, but eligible for increase up to a maximum of 14 annas when specially skilled by experience.

"Class (3).—14 annas flat.

"Class (4).—14 annas on engagement but eligible for increase up to a maximum of rupee one per day when specially skilled by experience.

"Class (5).—Rupee one flat.

After the recommendation of the Court of Enquiry the Company has introduced the following Time Scale:—

"Class (1).—Annas 12 per day on engagement.

Annas 13 per day after 2 years' service.

Annas 14 per day after a further year's service.

"Class (2).—Annas 12 per day on engagement.

Annas 14 per day after 2 years' service.

Rupee one per day after a further year's service.

"Class (3).—Annas 14 per day on engagement.

Rupee one per day after 2 years' service.

"Class (4).—Annas 14 per day on engagement.

Rupee one per day after one year's service.

Re. 1-2 after a further year's service.

"Class (5).—Rupee one per day on engagement.

Re. 1-2 per day after one year's service".

A comparison of the two tables given above will show that the time scale covers a maximum period of 3 years and effects very little improvement on the scale of pay in the different classes. For example, in all the classes an increase of only 2 annas has been effected. That is all the result of the introduction of the time scale. I would therefore recommend that the Company may re-consider this matter with a view to extending the time scale to cover a reasonable period, say 15 years. The Company may impose efficiency bars at intervals during this period.

The seventh recommendation is about the consideration by the Company of the possibility of promotion by transfer for employees whose chances of advancement in their own Department are small. This has been accepted by the Company and nothing can be said about it until it is known how it works in practice.

The eighth recommendation is about the consideration by the Company of the possibility of granting personal allowances in cases of hardship through failure to obtain promotion or increment of pay. With regard to this the Company has observed as follows:—

"The Company has agreed to institute a time scale within grades for skilled men. This, coupled with acceptance of recommendation No. 7 has considerably improved the chances of promotion. The Company cannot see its way to grant personal allowance in addition."

I would recommend that the Company may re-consider this matter and accept the suggestion

of the Court of Enquiry in so far as it may affect men who have reached the maximum pay under the Time Scale and have no chances of promotion by transfer to other Departments.

As regards the Time Scale for skilled labour the Company has stated that it was prepared to consider modifying the grades in the direction of reducing them in number and to discuss with the Union the details of the Time Scale to be applied within each grade when negotiations were broken off. Since the Company has agreed to introduce a Time Scale I need only say that the scale laid down by the Company should cover a fair and reasonable period of service instead of stopping after 2 or 3 years as is the case in the scale introduced for unskilled and semi-skilled labour.

Recommendation Nos. 9 and 10 by the Court of Enquiry do not call for any action by the Company.

The eleventh recommendation of the Court of Enquiry relates to the grant by the Company of those religious holidays, with pay allowed by Government to Post Office workers. The Company allows 17 days' leave with pay to daily rate men. The monthly rate men receive 30 days' leave with pay. The Company has stated that within this total men may observe any chosen religious days as holidays with pay. From the information available I find that about 7 days in the year are allowed by the Postal Department as religious holidays (taking Hindu and Muhammadan holidays together). According to the Company's statement, an employee can choose and notify his religious holidays before-hand, and after allowing these holidays, the remaining number of days out of the total number of holidays allowed by the Company are allowed as leave with pay. In view of the recommendation of the Court of Enquiry I would recommend that the Company may re-consider the matter and allow those religious holidays observed in the Postal Department, over and above the leave with pay allowed by the Company.

The twelfth recommendation of the Court of Enquiry is about the re-employment of Abdulla. The man, I understand, was re-employed but the Union's grievance is that he was not re-instated in his previous position. The Court of Enquiry only recommended re-employment and did not say that he should be re-instated in his previous position. I have therefore no recommendation to make on this point.

The thirteenth recommendation is the consideration by the Company of the possibility of re-employing Ramani Mohan Dey. The Union states that the man presented himself at the Labour Office but was told that there was no vacancy. The Company has stated that it agrees to re-employ this man if he applies. In view of the statement of the Company I have no recommendation to make on this point.

The fourteenth recommendation is regarding the re-employment by the Company, in a job for which he is physically fitted, of Satyanarayan. The Union has made the same statement with regard to this item as with regard to item No. 13. The Company states as follows:—

"The Company was prepared to re-employ this man if he adopted a more reasonable attitude, but he has so far refused to accept letters from the Company." In view of the statement of the Company, I can only say that the man may be offered a job when there is a suitable vacancy, and if he refuses to accept it there will be nothing more to be done with regard to this item.

The 15th recommendation is regarding the establishment of the Labour Committee or Works Council. The Company has accepted the recommendation. It could not be formed so long on account of the strike. I would only recommend that the Union should co-operate in forming it as soon as the strike is ended. The Union seems to be reluctant to leave the final say in all matters to the General Manager. A body like this can only function successfully if there is good will and co-operation on both sides. The Union should accept the views of the Court of Enquiry in this matter and proceed to work, remembering that by accepting a Works Council on the lines recommended by the Court of Enquiry, it does not lose its right to have recourse to the remedies prescribed under the Trade Disputes Act in cases of major disputes. The fears and suspicions of the Union that to leave the final say in all matters to the General Manager may frustrate the purpose of this Committee in redressing grievances like housing, water supply and general welfare of the workers are premature, and may prove to be groundless. No useful purpose would be served by referring to the powers of Works Councils in other countries where there is legislative sanction behind them. The Union would be well-advised to co-operate in forming a Works Council as recommended by the Court of Enquiry.

The 16th recommendation is regarding the framing of service rules, governing questions of punishment, dismissal and discharge. The 17th recommendation is regarding the codification of service rules and notifications dealing with the conditions of service. These two recommendations have been accepted by the Company, but the Company has stated that work has been delayed by the strike. The Company will naturally need time to frame the rules, and I would only recommend that when framed they may be discussed in the Works Council before being finally adopted. This will give the Company a chance to ascertain the view point of the employees and see if it can adopt any of their suggestions.

The 18th recommendation is that the signature of the men warned or punished should be recorded on their service cards or in a register or both. The Company has agreed to accept this, and there is nothing more to be said about it.

The 19th recommendation relates to the examination of one Gopimohan Roy with the object of ascertaining whether the effects of his injury entitled him to compensation. The Company has stated as follows: "Gopimohan Roy was examined by our Chief Medical Officer on 4th March 1939 who considered that there was at the time no evidence of any eye injury. If any injury had been sustained previously its effect can only have been temporary." The Court recommended an examination of this man with a view to ascertaining whether he suffered any permanent injury or disability (vide page 17 of the Court of Enquiry's Report). Since it was found that there was no permanent injury or disability, there is nothing to be done by the Company on this recommendation.

Recommendations Nos. 20 to 24 relate to the construction, improvement and modification of quarters. The Company has accepted all these recommendations and observed that action has either been delayed by the strike or cannot be taken still after the strike. From the every nature of the work it will be seen that time will be needed to give effect to these recommendations. The Union

should recognise this and allow sufficient time for the recommendations to be given effect to. When the work is undertaken it may place its suggestions through the Works Committee.

Recommendation No.25 relates to a moderate increase in the number of water taps serving the labour lines. The Union's grievance is that the action taken by the Company has not effected any improvement as in some places 3 taps have been fixed to the same pipe which previously bore only one, with the result that a very meagre supply of water is obtained from each tap. The Company has stated (*vide* annexure B) that action cannot be taken on the recommendation until after the strike. The Company has therefore not taken up the position that necessary improvement has already been effected. I would recommend that satisfactory improvement may be effected at an early date and that the Union's grievance mentioned above may be taken into consideration.

Recommendation No. 26 relates to a moderate increase in the latrine accommodation in the labour lines. The Company has stated that the recommendation has been accepted but action cannot be taken until after the strike. Since the recommendation has been accepted I need only say that the recommendation may be given effect to as soon as possible after the termination of the strike.

Recommendation No.27 relates to the grant of a small house allowance to employees for whom no accommodation is available. The Company has accepted this recommendation and grants 10 per cent of pay to such employees. The action taken is sufficient and there is no outstanding grievance on this point.

Recommendation No.28 relates to the consideration by the Company of the possibility of introducing an efficiency bonus. The Company's statement is as follows:— "Consideration by the Company of the possibility of introducing an efficiency bonus has confirmed its conclusion that efficiency is already adequately allowed for in its present pay scale."

I would recommend that the Company may reconsider this matter, as an efficiency bonus is different from wages and Provident Fund. The introduction of such a bonus will be given an encouragement to the employees and go a great way in bringing contentment to them.

8th August 1939.

K. K. HAJARA.  
Board of conciliation.

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## ANNEXURE II

The Resolution of the Government of Assam, dated the 10th July 1939, by which this Committee of Enquiry has been appointed runs in these words :—

The strike at Digboi and the developments in that connection have been for some time past the subject of intense public agitation, particularly with regard to the firing incident of 18th April, and the demand for an independent Tribunal has been insistent from various quarters. But though the Magistrate enquired into that incident in a public enquiry and some matters still being before the Court are obviously *sub judice*, Government do not think it fit to ignore the persistent public demand for an independent Tribunal to enquire into the matter as far as is legally possible, and they have therefore decided to refer certain matters arising out of the strike at Digboi and the events related thereto to a Committee of Enquiry to be presided over by Sir Manmatha Nath Mukerji, a retired Acting Chief Justice of the Calcutta High Court. As regards the firing incident the scope for further enquiry into it will evidently be limited by the fact that matters which are or may become *sub judice* could not be the subject matter of direct enquiry by this Committee. The Committee will however be authorised to make such further enquiries in the matters which are not or are not likely to be *sub judice*, as they may consider necessary. Mr. G. D. Walker, M.B.E., I.C.S., Commissioner of Divisions, will be associated with Sir Manmatha Nath Mukerji in regard to item (2) of the terms of reference, as Member of the Committee of Enquiry. The Government also think it desirable to obtain some impartial opinion regarding the origin and causes of the strike in order that they may take action by which strikes of this nature can be avoided in future. Government sincerely hopes that all possible help and co-operation will be extended to the Committee by all concerned so that the Committee might get all the available evidence to come to a just and proper finding on the issues involved.

The terms of reference will be—

- (1) to enquire into the events leading to the incident of the 18th April and into those subsequent thereto in so far as they are not *sub judice* ;
- (2) to enquire into the measures and actions taken by local authorities before, during and after the occurrence ; and
- (3) to consider the origin and causes of the strike and to suggest means whereby strikes of this nature can be avoided in future.

The wording of the Reference presented some difficulty. The preamble to the Reference obviously makes a distinction between "the firing incident" of the 18th April 1939, and other "matters arising out of the strike at Digboi and the events related thereto". So far as the firing incident is concerned, it says that "the scope for further enquiry into it will evidently be limited by the fact that matters which are or may become *sub judice* could not be the subject of direct enquiry by the Committee". At the date on which the Committee commenced its sittings, namely the 7th August 1939, the position was that the firing incident itself was not *sub judice*, but, at the same time, there was nothing to prevent the said incident being *sub judice* again or, for the matter of that, any of the events connected therewith becoming *sub judice* in future in some shape or form. Therefore, there was in reality no scope at all for any further enquiry into the firing incident. Also, it was not understood what was the significance of the word 'direct' used with reference to the enquiry, if any, that was contemplated. Again, while on the one hand the preamble of the Resolution stressed the fact that the strike at Digboi and the developments in that connection had been the subject of intense public agitation, particularly with regard to the firing incident of the 18th April 1939, and that the Committee was being appointed in response to the persistent public demand for an independent Tribunal to hold an enquiry into the matter as far as legally possible, it was on the other hand apparent that the incident of the 18th April 1939 could by no means be inquired into by the Committee, not merely because it might again become *sub judice* and so such enquiry was not legally possible, but also because it was expressly excluded by term (1) of the Reference except for the very limited purpose specified in term (2) thereof. In the end, however, taking the whole Reference together and applying to it the rule of interpretation that the terms thereof are to be understood in the light of, but not as controlled by, the preamble, and putting on it a reasonable though not too strict a construction, we came to the conclusion that the incident of the 18th April, 1939 itself was to be excluded from the inquiry but if there was some specific charge as regards measures and actions of some particular local authority or authorities which called for investigation, such investigation will be permitted. It was, however, considered desirable to hold this part of the investigation *in camera* with proper facilities to all parties concerned therein to present and establish their respective cases.

Term (1) of the Reference runs in these words :—

To enquire into the events leading to the incident of the 18th April and into those subsequent thereto in so far as they are not *sub judice*.

It is clear that once the firing incident is excluded the wording of the term must be regarded as unduly wide. But I take it that the enquiry, in order it may be relevant and at the same time profitable, must be in respect of matters which have a bearing on the strike itself, and should include such matters as the origin and causes of the strike, [which forms the subject-matter of the first part of term (3)], as also matters relating to the continuance thereof. To deal with these matters, it would have been enough, but for a reason which I shall presently give, to start with the proceedings of the Court of Enquiry appointed by the Assam Government on the 16th August 1938 under Section 3 of the Trade Disputes Act, 1929 to enquire into the conditions of work of the Assam Oil Company, Limited, at Digboi ; because, before that Court were put forward in a crystallized form the grievances of the Labour Union as representing the 'direct' employees of the Company (as distinguished from 'indirect' employees, that is to say employees of the contractors who work for the Company), as well as the views of the Company with regard to those grievances. But in the proceedings before us reference has repeatedly been made to the 'attitude' of the Company towards the Labour Union since its inception as being one of the main factors contributing to the strike ; and so it is necessary to go back for a while to the events that preceded the appointment of the said Court.

As regards the early history of the Union certain dates are to be found in the oral evidence before us, but perhaps it would be more correct to rely upon the dates that were accepted by the Court of Enquiry in their Report. It appears that the 'direct' employees of the Company at a general meeting held on February 22nd, 1938 decided to form a Labour Union and that in pursuance of the said decision the Union was formed and its office-bearers were appointed. The Union demanded recognition from the Company, to which the Company replied by a letter dated April 29th, 1938 that recognition

must be contingent on various conditions and asked for certain informations regarding the constitution of the Union. The Union did not reply to that letter, but, on June 20th, 1938, applied to the Government of Assam for registration under the Trade Unions Act, 1926. This registration was eventually accorded, the registration certificate being received on August 7th, 1938. In the meanwhile, the Union presented to the Company, on July 27th, 1938, a list of the "General Demands of workers of the Assam Oil Company, Limited". These demands were twelve in number, the first one of which was, "Unconditional recognition of the Assam Oil Company Labour Union." The Company thereupon, on July 30th, 1938, applied under Section 3 of the Trade Disputes Act, 1929, for the appointment of a Court of Enquiry, replying to the said demand for unconditional recognition as follows:—

"But unconditional recognition means accepting something we know nothing about and just as a man does not buy something with his eyes shut so the Company must see what the facts are about the Union.

The Company's letter of 29th April stated,—

"that satisfactory answers were required to certain questions. These included—

- (a) Do the Union's members represent a large body of the Company's workmen ?
- (b) Whether its President and Committee were properly elected by the members ?
- (c) Are the Union's rules properly framed ?

But the letter was written to show all the points which occurred to us at the time to which the founders of a sound Union should give special attention. We had hoped that an early reply would have enabled us to give advice, which we are still ready to give.

The Company has been and is ready to recognise a sound Union, but would expect that when properly formed it would be registered".

On August 16th, 1938 the Board or Court of Enquiry was appointed by the Government. The recommendations of the Court of Enquiry will have to be adverted to in detail hereafter, but here I may be permitted to refer to their conclusion on the question of unconditional recognition. It was apparent that there was a good deal of unwillingness on the part of the Company to comply with the demand, and I may also go further and say that the Company were far from enthusiastic over the matter, at any rate in the state in which the Union was at that stage. The Company, however, explained their attitude by saying—

"The Company is prepared to recognise a properly organized Trade Union, which is generally representative of the Company's employees".

The Court of Enquiry, while regarding this on the face of it, as a perfectly reasonable attitude, was of opinion that it was not an attitude which the Company should rigidly insist on maintaining, and that to do so would undoubtedly retard and might even completely prevent recognition. They expressed the view that the Company should accord the Union early recognition and should negotiate on the rules and formalities later, as they expected that such recognition by the Company "will create a more favourable atmosphere for their discussion and will induce the Labour Union to adopt a more friendly attitude". As this attitude of the Company towards the Union at its inception has been constantly referred to before us on behalf of the Union as having been persisted in by the Company in their subsequent dealings with the Union, I quote here an extract from the Report of the Court of Enquiry on this point. It was observed:—

"In dealing with the matter of recognition we have so far regarded it mainly from the standpoint of the Company. We feel, however, that we should not leave the subject without some words of advice to the Union. We need not reiterate our opinion that the establishment of a trade union is inevitable, and that it would be to the advantage of both the employer and the employee. We need not stress further the advantage to the employee of a fully representative Union or the weak position of the officials of a Union that is not representative. But we do desire to draw the attention of the Labour Union to the obvious and urgent necessity of placing its affairs on a more business-like footing. The evidence of the Joint Secretary (Witness No. 1) showed that there is considerable lack of organization at present. The executive of the Labour Union would do well to study the recommendations of the Royal Commission on the management and organization of trade unions. They would also be well advised to make themselves familiar with the provisions of the Indian Trades Union Act XVI of 1926. Under this Act, their liability does not end with registration. Section 28 lays down that they are to submit certain statements and returns to the Registrar of Trade Unions appointed by Government. The evidence of the Secretary makes it very clear that they will not be in a position to submit those when called upon to do so, and failure entails penalties under Section 31. Some measure of organization, therefore, is not only desirable in the interests of efficiency and with the object of gaining the respectful rather than the grudging recognition of the Company; it is also essential if the Union and its executive are to avoid incurring penalties.

Another point on which we would offer advice to the Labour Union is the attitude it has adopted as against the Company. The formation of a union undoubtedly confers strength upon the body of employees. But this accession to strength in no way makes it necessary or desirable to make a display of it, still less so in a violent and tyrannical manner. The formation of a union undoubtedly leads to the discovery of grievances and leads to their being voiced with greater facility and greater strength. But it is a matter of regret if the discovery of grievances should be allowed to lead to rancour and bitterness, and if real grievances should be allowed to breed imaginary ones. We trust that the executive of the Labour Union will do every thing in their power to check the unfortunate tendency in all these directions which has manifested itself at times during the dispute. We cannot but condemn such behaviour as the burning of the not unreasonable bulletin of the Company regarding the recognition of the Union—an act calculated to inflame the minds of the ignorant. We disapprove of a spirit which led to deliberate failure to reply to a not discourteous letter of the Company. We should disapprove very strongly of any attempt to introduce a racial element into the dispute, and we also

advise the Union to avoid, as far as possible, any element of communalism in its organisation. While congratulating the Labour Union on its efforts to ventilate real grievances and overlooking reasonable exaggerations in its demands, as affording a basis for bargaining, we cannot but reprehend certain officials and members of the Union for statements in their evidence which were either incorrect or so exaggerated as to deceive the Court. All these faults and excesses are calculated to hamper the progress of the Union, by rendering it an object of suspicion both to the Company and to the Government, and by engendering a spirit of bad feeling, inimical to the consideration of and negotiation regarding grievances".

The advice given, as aforesaid, did not have its desired effect. This was apparent not only from the correspondence between the Company and the Union that followed the proceedings of the Court of Enquiry but also in the proceedings that were had before us. At all subsequent times the Union continued to put down every point of disagreement, every matter on which the Company were not prepared to see eye to eye with the Union, as being due to a hostile attitude or at all events to want of sympathy on the part of the Company. This latent and lingering suspicion growing in volume from day to day has, in my opinion, been one of the root causes of the unfortunate events that followed. What share, if any, of the blame for this state of things will attach to the Company will necessarily have to be discussed hereafter.

Mr. Hiralal Ganguli in opening the case on behalf of the Union said in so many words that he "was levelling a charge against the Company for bringing about the strike" and that the Company were responsible in two ways: *first*, by not complying with 'the essential conditions', and *secondly*, by their attitude prior to the enquiry in not recognising the Union. Mr. Chaudhuri, one of the Joint Secretaries of the Union, in the course of his evidence, formulated 'the main grievances' of the workers as consisting of three heads: (1) Insecurity of service, (2) Insufficiency of pay, and (3) Non-improvement of general living conditions. In the correspondence that passed between the Company and the Union shortly before the strike as well as in some of the resolutions of the Union (to both of which detailed reference will have to be made hereafter) an expression will be found "vital demands of the workers, time-scale and increment in wages", or simply "vital demands". On behalf of the Union it has been explained that 'the vital demands' are the more important, or what has been otherwise called 'the major issues', amongst the twelve demands, a list of which had been presented by the Union to the Company on July 27th, 1938, as already stated. One therefore has to take all these materials together in order to ascertain the grievances of the employees which might possibly have formed the origin and causes of the strike.

For the purpose of examining the grievances of the employees which are alleged to have led to the strike, the solid bed-rock beneath which we need not attempt to explore is, as I have said, the proceedings of the Court of Enquiry. Except as regards one point, namely the question of status of bungalow servants, which the Union asserts was withdrawn from the consideration of the Court on account of an unfortunate incident to which reference will presently be made, there was a thorough and most sympathetic examination by the Court of the grievances of the employees such as they were at the time. That incident forms what may be regarded as the ultimate basis of a charge of 'Victimization' which has been very strongly urged as against the Company. It took place on the 21st October 1938. It was the dismissal of one Mohamed Ismail who was a bearer on Rs.40 a month of Mr. Hayman, an employee of the Company. Mr. Chaudhuri, a Joint Secretary of the Union, described the incident in these words:

"While the Court of Enquiry was functioning, one of our prominent workers, by name Mohamed Ismail, who appeared as a witness in the Court and produced a document from which it was proved that the bungalow servants are Company's employees, was dismissed. The Company took such strong objection to this that immediately after he came from the witness-box he was discharged. His brother (named Abdulla) also who was working in the same Company was discharged for the same reason on the same day. By way of protest we sent a resolution to the Company and also submitted a written petition to the Court saying that the Company had broken their undertaking. The Court itself requested the Company to take back Ismail and his brother. But within the time allowed by the Court, the Company did not reconsider the case. So, ultimately, perhaps on the 24th, we formally withdrew all the witnesses from the Court on that issue."

It is not for us in this Enquiry to go into the intrinsic propriety or otherwise of the dismissal of Mohamed Ismail. Even were it necessary to do so, no verdict could be pronounced without examining Mr. Hayman as a witness. (But the fact remains that Mohamed Ismail was dismissed and dismissed on the very day that he gave his evidence before the Court and immediately on his return therefrom.) It is idle to expect that the Union would make a distinction between Mr. Hayman on the one hand and the Company on the other and put down the dismissal as an act of Mr. Hayman and not an act of the Company: Whatever justifying cause, if any, that there may have been for the dismissal, the act, in my opinion, was injudicious in the extreme and was eventually productive, as it should have been anticipated by its author, of incalculable harm. As observed by the Court of Enquiry it placed a weapon in the hand of the Union which they were not slow to use. An offer made by the Company to pay Mohamed Ismail a money compensation for the dismissal was refused, to keep alive the plea of victimization, and Mohamed Ismail, as the evidence shows, has been made a martyr of, enjoying an allowance of Rs.30 a month ever since. The case of Abdulla, however, stood on a different footing altogether. The Court of Enquiry went fully into his case. It was found that he was guilty of persistent and obstinate insubordination and the representative of the Labour Union had no alternative but to admit before the Court a gross act of disobedience on his part. The Court recommended as an act of grace on the part of the Company to offer him further employment, if he was willing to obey orders. This recommendation was given effect to; and in the arguments before us his name was not prominently referred to in connection with the charge of victimization. It should also be pointed out that it has been shown to us that the recommendations of the Court of Enquiry and of the Government as regards the other individual cases of dismissal or discharge have all been given effect to to the extent that was possible, and no question has arisen before us in respect of any of those cases.

During the period that intervened between the sitting of the Court of Enquiry and the submission of their Report, the Company dismissed a number of their employees, and since the submission of the Report and till April 11th, 1939, some more men were also discharged. The following statement will give the particulars:—

## At Tinsukia—

	Men
November, 14th	7
November, 28th	6
December, 9th	11
December, 23rd	7
December, 30th	5
February, 16th	6
March, 2nd	8
March, 17th	5
April, 1st	8

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## At Digboi—

April, 11th	11
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So far as the discharges at Digboi are concerned, no point has been sought to be made out of them before us on behalf of the Union. The men dealt with in that way were men who had been employed on a temporary basis to do a certain piece of work and as soon as that work was finished their services were dispensed with. There was a mistake made by the Company as regards payment of wages in respect of 5 of these men but it was rectified as soon as it was discovered. It is the discharges or dismissals at Tinsukia which have been referred to in the case presented before us on behalf of the Union as instances of 'victimization'. Though 'victimization' is the word that has been used, what the Union means by it is something quite different; for, there is no evidence, nor has there been any attempt made to suggest that the men dealt with as aforesaid were men who had any connection with the proceedings before the Court of Enquiry or were leading men of the Union or that it was upon any special ground that they were selected for being so dealt with. What the Union really meant by the use of the word "Victimization" was, as far as I have been able to make out that the men were got rid of arbitrarily and without justifying necessity, and that their services were dispensed with without any reference to the Union who had the right to be consulted so as to be able to consider whether these discharges or dismissals were called for or were really necessary. Furthermore, these instances are also relied on on behalf of the Union as showing: *firstly*, insecurity of the services of the employees; *secondly*, unwillingness on the part of the Company to allow the Union to perform what according to the Union is one of their legitimate functions, namely to see that an employee may not lose his appointment without just cause; and *thirdly*, that the recognition of the Union by the Company was a mere sham, which was forced upon them by circumstances and which they were grudgingly putting up with without intending that the Union should be able to do any real work for the benefit of the employees: they purported to represent. How far these charges have any substance will now have to be considered.

I shall begin with the summary of the Recommendations of the Court of Enquiry as contained in their Report submitted to the Government on the 7th January 1939. The summary is here reproduced:—

## "I. By the Court—

- (1) The preliminary recognition of the Union by the Company, as a conciliatory gesture, followed by
- (2) A friendly and immediate discussion by the representatives of both sides of the Union's rules and constitution and of the Company's conditions of recognition.
- (3) Some relaxation of the conditions suggested by the Company.
- (4) An improvement in the organization of the Union.
- (5) The maintenance of a friendly spirit towards the Company by the Union.
- (6) The consideration by the Company of possibility of a time-scale among its unskilled and semi-skilled workers.
- (7) The consideration by the Company of the possibility of promotion by transfer for employees whose chances of advancement in their own department are small.
- (8) The consideration by the Company of the possibility of granting personal allowances in cases of hardship through failure to obtain promotion or increment of pay.
- (9) That the Chief Inspector of Factories should be instructed by Government to examine the adequacy of the protection afforded by the welding glasses provided by the Company to its employees.
- (10) The Chief Inspector of Factories should be instructed by Government to keep a watch on the incidence of occupational diseases; and that to assist him in this duty, the Company should instruct its Chief Medical Officer to maintain a record of such diseases, when they come to his notice or to that of his subordinate medical staff.
- (11) The grant by the Company of those religious holidays, with pay, allowed by Government to Post Office workers.
- (12) The re-employment by the Company of Abdulla (witness No.17), provided he agrees to obey orders.
- (13) The consideration by the Company of the possibility of re-employing Ramani Mohan De (witness No.20).
- (14) The re-employment by the Company in a job for which he is physically fitted of Satya Narayan (witness No.41).
- (15) The establishment by the Company of a Works Committee or Labour Council.
- (16) The framing of Service Rules, governing questions of punishment, dismissal and discharge.
- (17) The codification of Service Rules and notifications dealing with conditions of service.
- (18) That the signature of men warned or punished should be recorded on their service cards or in a register or both.

- (19) The examination of Gopi Mohan Roy (witness No.31) with the object of ascertaining whether the effects of his injury entitled him to compensation.
- (20) That the programme of the construction of quarters for employees who have none should be speeded up as far as possible.
- (21) That the Company should try to ascertain the real housing requirements of the Tinsukia labour force and draw up its programme accordingly.
- (22) That the programme of the improvement of unsatisfactory quarters should be speeded up as far as possible.
- (23) Modifications in the type of 'mistris' and 'clerks' married quarters.
- (24) The construction of sufficient quarters for men with large families, as soon as possible.
- (25) A moderate increase in the number of watertaps serving in the labour lines.
- (26) A moderate increase in the latrine accommodation in the labour lines.
- (27) The grant of a small house allowance to employees for whom no accommodation is available.
- (28) The consideration by the Company of the possibility of introducing an "Efficiency Bonus".

II. By Khan Bahadur Sayidur Rahman and Mr. Omeo Kumar Das:—

- (1) The modification of the system of grading skilled workers, and the institution of a time-scale within each grade.
- (2) The adoption by the Company of a 44-hour week.
- (3) The grant by the Company of full pay for the first 7 days of sick leave.
- (4) The re-employment by the Company of Hari Nath Mazumdar (witness No.61).
- (5) The grant of three months' sick leave to Jafar Khan (witness No. 62).
- (6) The payment of an ex-gratia bonus to Abdul Rashid (witness No. 65).
- (7) The framing of Service Rules ensuring security of service.
- (8) Strict enforcement by the Company of its rule forbidding bachelors and families in the same row of barracks.
- (9) The necessity for a close and constant supervision of the hospital diet.
- (10) The consideration by the Company of the possibility of appointing a Health Officer.

III. By Mr. Omeo Kumar Das:—

- (1) That in order to avoid any possibility of misrepresentation in future, cards should not be maintained for bungalow servants not employed by the Company.
- (2) That the Company should consider the possible re-employment of Jafar Khan (witness No.62) in some sedentary occupation for which he may be medically fit.

By a Resolution dated 9th February 1939 the Government passed the following orders:—

I. Regarding the recommendations on which the Court were unanimous, they endorsed all of them:

II. Regarding the recommendation of Khan Bahadur Sayidur Rahman and Mr. Omeo Kumar Das:—

- (a) *Re*—Time scale for skilled workers, they declared that if the Company found time scale unsuitable they should at least take suitable steps to ensure that the prospects of such workers are not unduly blocked for any considerable length of time.
- (b) *Re*—Adoption of a 44 hour week, they were not prepared to express any opinion as the existing 45½ hour week had been adopted quite recently and appeared to be in advance of other employers, but said that they would be prepared to examine the question further if the Union so desired.

III. Regarding Mr. Omeo Kumar Das' recommendation for an increase in rates of pay of the Company's unskilled and semi-skilled labour, they were unable to come to any conclusion in the absence of reliable data as to the cost of living a matter on which an independent examination will be undertaken in future.

IV. They recommended further,—

- (a) That so long as the anomaly *re* Bungalow servants exist there was no objection to the Company's practice of registering them so that they may get the benefit of medical attendance, and allowing them to purchase foodstuffs from the rice godown.
- (b) That the Company should reconsider all the cases of dismissal or discharge referred to in the recommendations including the case of one Gopinohon Roy.
- (c) That a body of rules should be framed by the Company to ensure security of service as that would lead to a clearer understanding between the Company and its employees.
- (d) That though the leave rules for illness were generous enough the Company should consider the possibility of granting full pay for the first 7 days.
- (e) That regarding enforcement of the rules forbidding location of bachelor and married employees in the same row of barracks, hospital diet and appointment of a Health Officer, no opinion need be expressed as the Company had given assurance for necessary improvement.

It is not disputed and indeed there is evidence before us to that effect that by far the majority of the recommendations have been implemented by the Company. It is not necessary to detail, item by item, those that have been carried into effect; but what is more important is to find out what has not been done in that respect. For, the failure on the part of the employer to redress the grievances of the employees is what all genuine strikes are due to. And in considering this question the point to be considered is what the employees themselves or rather the Union, which represents the employees, regard as a serious failure rather than the intrinsic merits of any particular recommendation which may not have been implemented so far. In this part of the enquiry we have fortunately for our assistance a body of documentary evidence which helps us to proceed from point to point. This documentary evidence consists of the correspondence that passed between the parties after the sittings of the Court of Enquiry were over.

We find on December 28th, 1938, a letter from the Union to the Company enclosing therewith a copy of the following resolution:—

"This general meeting of the members of the A. O. C. Labour Union has learnt with extreme regret and deep dissatisfaction, the unjustified and unreasonable dismissals



of a good many of its members, especially from Tinsukia, showing a baseless cause "reduction in staff". This unwise and undesirable attitude of the Company, while the dispute, with regard to the demands submitted by the Union, is under a arbitration of a Court of Enquiry, requisitioned by the Assam Oil Company, Ltd., and appointed by the Government, and that while the question of such dismissals is already covered by our 6th demand, *viz.*, "Security of service and adequate compensation in cases of wrongful dismissals; a machinery consisting of representatives of employers and of the Union should be set up to deal with suspensions/dismissals", has convinced the members that the Company cares little to await the publication of the report of the enquiry or to abide by its decision. In August last the Company apprehended trouble and to avoid the so-called trouble approached the Government as a result of which the Court of Enquiry sat, but how queer is this that, notwithstanding the findings of the same Courts what these would be and their usefulness, the Company has thought it fit to decide its own way; hence it is quite evident from the Company's actions that the Company itself is trying to worsen the situation for which the Labour Union Committee or its members cannot reasonably be held responsible.

This meeting, however, draws special attention of the Company authorities to the above facts and expecting conciliatory attitude demands an immediate solution of the problem in question acceptable to the Labour Union. In absence of such response this meeting strongly urges upon the Company to declare their policy in this connection with a frank and open heart and authorizes its officers to decide the course of action to be adopted promptly if no satisfactory reply from the Company comes forward".

A point that is noteworthy in connection with this Resolution is that a strike is threatened to be promptly resorted to in case no satisfactory reply came from the Company.

By this time it should be noted, 31 men had been discharged from Tinsukia. The 6th of the twelve demands of the Union was, "security of service and adequate compensation in the cases of wrongful dismissal; a machinery consisting of representatives of the employers and of the Union should be set up to deal with suspensions or dismissals." And the 9th demand was, "Existing system of registering candidates and appointing workers should be radically changed and replaced by competitive examination system; a Board consisting of equal number of representatives of the Union and of the Management to be set up for the purpose". Item 15 of the unanimous recommendations of the Court of Enquiry was "the establishment by the Company of a Works Committee or Labour Council"—a machinery representative of the Company and the Union to deal with cases of dismissals, etc. The Court expressed the hope that with a change of heart it would be possible for such a body to deal with matters more satisfactorily and added:

"In the event of such Committee being established it must be understood by the Union that the General Manager will, as claimed by the Company, retain the last word on all matters of discipline, appointment, discharge, dismissal and management generally. We cannot support the demand of the Union that the employees should be given any share in making appointments or in engaging labour as put forward in General demand No. 9 below".

In the Resolution aforesaid the Union was resenting the discharges before the establishment of the Works Committee or Labour Council. The position at the moment was that the Court had not yet submitted their Report (which appears to have been submitted later on on January 7th, 1939). And indeed when the Report came out it appeared that the establishment of the Works Committee or Labour Council was dependent on the preliminary recognition of the Union and also the implementing of at least some portions of the recommendations contained in the first five items of the unanimous recommendations of the Court, much of which had to be done by the Union itself. This position apparently was not realised by the Union. But even then they would be held to be right if it can be shown that the Tinsukia discharges were not *bonafide* made,—a suggestion which has been made before us not only in respect of these particular discharges, but also as regards all discharges generally that were made up to April 11th 1939. So far as this matter is concerned it would be just as well to record here the opinion I have formed. It is clear upon the evidence that the possibility that there would be men surplus to requirements was envisaged by the Company early in 1938 and it was due to two causes: (1) the supply of oil wagons by the Railway which dispensed with the necessity for preparing tin cans, and (2) mechanical improvements which would replace manual labour. The possibility of such surplus was mentioned before the Court of Enquiry. Before us the Union was not able to deny these causes; and its representative had to profess ignorance on this subject. The discharges were made not all at one time, but in batches and at intervals. It will also be noticed that near about and during the period of *Ramzan* (in January and up to the middle of February) there were no discharges, obviously because discharges, about that period would cause undue hardship. As the Company has stated before us, these discharges were arranged with a certain amount of discretion so as not to throw out too many unemployed men at the market at a time. I am satisfied that the discharges at Tinsukia, as and when made, were made *bonafide*, for no employer can be expected to retain the services of men for whom he has no work to provide.

On December 29th, 1938, the Company replied:—

1. I acknowledge receipt of your letter of 28th instant enclosing a resolution of the 27th instant.
2. It was stated several times at the Court of Enquiry that in various places there is a surplus of labour being carried. This was particularly heavy at Tinsukia.
3. Security of service does not mean that an employer must continue indefinitely to employ men for whom there is not sufficient work. It does mean that a man will not be dismissed without good reason and we have added the extra help of 30 days' pay and fares home for all over one year's service dismissed through no fault.
4. There have been no wrongful dismissals.
5. The Company has already in the matter of wages granted more than any Court of Enquiry is likely to recommend.

6. I would be obliged if you would say what under your rules you mean by "prompt action". In this connection I enclose a copy of a notice I am posting at Tinsukia. Copies will also go on Digboi notice boards."

The notice referred to in the last preceding letter was in these words:—

- "1. A resolution has been sent to the Company regarding staff reductions at Tinsukia.
2. The Company has introduced the system of giving 30 days notice or 30 days pay to all men dismissed for no fault after a year's service. This shows that the Company values the services of its workers and that no man will be dismissed without careful consideration. There have been other improvements in terms of service.
3. It is well known that there has been surplus labour at Tinsukia. The Company has been most considerate in dealing with this and has been careful not to throw a lot of men out of employment at one time.
4. The Company therefore counsels all workmen to consider calmly. The Company also gives warning that if any stoppage unfortunately happens it will not take back any men above those actually required for the work."

On January 27th, 1939, there was a joint meeting of the officials of the Union and of the management of the Company in which two points amongst others were settled:

- (a) That as the Union was feeling difficulty in collecting subscription from its members the Company agreed that while it will not be possible for the Company to deduct Union subscription from members' pay because the Union was an entirely voluntary body, the Company will assist in the realisation by allowing a collector on behalf of the Union to remain posted near the pay-table on pay-day.
- (b) That it was agreed that the General Manager of the Company or his representative will receive representations from the Union on the subject of the grievances or welfare of the employees of the Company who are members of the Union.

Other items discussed at that meeting all seem to point to a friendly spirit on either side and a genuine desire on either side to provide a constructive basis on which something could be achieved of real value both to the Company and the employees. But this spirit was to change soon.

On February 13th, 1939, at a meeting of the Union a resolution was passed in pursuance of which on the next day the Union wrote to the Company—

".....As the dispute is pending from long it would be, therefore, fair and a gesture of good will on your part, not merely to give immediate effect to all the unanimous recommendations of the Court, but also to consider favourably without further delay its majority recommendations with due regard to the most vital demands of the workers including the timescale and general increment in wages.

We would, therefore, expect you to send us a clear and categorical reply to the points raised above, according to the resolution adopted at the General Meeting of members and workers of the Union on February 13th, as enclosed herewith."

To the above the Company replied on the same day:—

3. Certain items of the summary of recommendations require the full text of the Report which Government has not yet published. We have as you know, asked Government to publish it immediately.

Wherever possible the recommendations will be dealt with without waiting for this

4. We draw your attention to the fact that the Report contains recommendations regarding improving your Union organization and we in turn would like to know what action you intend taking to effect this.
5. We would draw your attention to the fact that at meetings now being held by your Union there is much talk of strikes. We warn you that the Company's decision on the Report will not be influenced either by strike talk or by strike. We put it to you that it is the plain duty of the Union to have such matters discussed calmly in the interests of the labour. All Company employees know that the Company deals with labour in a spirit of sympathy and good-will and we must say plainly that we shall continue in this spirit but we shall not be moved by threat."

From the above letter it does appear that the Company were alleging that "strike" was being openly discussed at the meetings, while at the same time the Company was being asked to give effect to the unanimous recommendations and to consider favourably the majority recommendations. On February 17th, the Union wrote protesting against the dismissal of another batch of 8 (actually 6) workers at Tinsukia, which to the Union appeared as betraying an intention on the part of the management to provoke the workers to go on a strike. It stated that a strike was a "grim reality" which the Union would be compelled sooner or later to resort to and that the threat of a strike was not a mere threat.

On February 18th, the Company replied that the reduction was due to the plain reason that there was not enough work for them, that the men themselves knew that, and that the Court of Enquiry had never said that the Company should continue to keep on men for whom there was no work. The letter went on to say:—

6. You say that it is extremely difficult to understand the real policy and attitude of the Company. Company's policy is to give, secure employment to as many as are required, to employ these men on good wages, to assist men by Provident Funds, to provide for old age, to make the conditions of work and the place healthy, to provide free medical treatment and generous wages up to 3 months for those who have the misfortune of ill-health, to provide free education and later to provide employment whenever possible for the sons of employees, to be considerate to those staff reduced by paying them 30 days' pay.
7. All the Company's employees know these facts. If you mislead men into thinking that the Company must continue to employ them when there is no work to justify it the responsibility will be yours.

8. I would also draw your attention to the Notice of 29th December 1938. The Company has been careful to staff-reduce only a few men at a time so that if there is any chance of our finding employment for them in some other department this will be done and so that if there is no work in the Company there will not be too many at one time looking for work elsewhere. That notice still stands.

9. In these circumstances a heavy responsibility rests on you if you encourage men to strike when they have nothing to gain. I shall publish this letter if I consider it necessary".

On February 18th was the next letter of the Union, a very long one. It asserted that the very findings of the Court of Enquiry and its recommendations regarding reinstatement of several workers would show that there was victimization and wrongful dismissal, and referred to the case of Mohamed Ismail in support. It repudiated as untrue the explanation that the discharges were due to there being men surplus and averred that while old hands were discharged, the Company were taking new men through contractors to fill up vacancies. And it emphasized that till the dispute was finally settled by the Court, the 'status quo' should be strictly maintained.

On February 19th a meeting of the Union was held in which a resolution was passed condemning the explanation of the dismissals or discharges as uncompromising and unsatisfactory, calling upon the Company to reinstate the dismissed hands within a week and urging on the Company to give a clear and categorical reply within a week in respect of the vital demands of its workers, time-scale and increment in wages. Failing which, the Resolution stated, the workers may be driven to ultimate strike action without further notice.

This Resolution was communicated to the Company with a suitable covering letter on February 20th, 1939, in which it was asserted that the patience of the workers had been exhausted owing to repeated unjustifiable dismissals and non-fulfilment of their vital demands for the last one year that the workers were feeling exasperated by reason of the Company following a "dangerous policy of divide and rule by favouritism".

On February 20th, 1939, there was a reply by the Company to the Union's letter of the 18th, in which amongst other things it was said :—

"It is definitely not true that more contractors' men are being taken at Tinsukia to fill vacancies. There are no vacancies".

It was now time to consider the recommendations of the Court of Enquiry for the Government Resolution on them was passed on February 9th, 1939. The Company, after consulting the Board of Directors at home, were ready and they invited the Union to join with them in considering the recommendations. On February 24th, 1939, the Union in a letter, remarkable for the enunciation it contained of the propositions and principles relating to labour and capital, as understood by the Union, and in which once again the policy pursued by the Company was condemned and the case of Mohamed Ismail once more referred to, pointed out that "no permanent reconciliation or collaboration was possible if the Company stick so zealously to the position that whatever they may have done so long was just and proper in every respect and in every sense". A most astounding aspersion was made in the letter in connection with the recommendation which the Court of Enquiry had made to the Company to reconsider the question of reinstatement of some of the dismissed employees. It was worded thus :—

"The Court has conveniently forgotten that exactly that very right (*i.e.*, the Company's right to deal with their employees in the matter of pay, promotion, suspension, degradation or dismissal) is being challenged throughout the world. So naturally they failed to pronounce their judgment even in clear cases of victimization or wrongful dismissal where facts have compelled them to recommend the Company for reinstatement or for careful consideration".

The letter ended :—

"Before we meet to consider the report in details, it is therefore absolutely essential to know the Company's categorical reply to the points raised in previous letters and in the Resolution adopted at the general meeting on February 19th. Reinstatement of dismissed hands is also absolutely essential to restore good faith and calmer atmosphere".

On March 1st there was a reminder by the Union which has to be quoted, for it looked more business-like than the the previous letter. It said :—

"In continuation of our previous letters, we would like to draw your pointed attention to the position that you have not yet sent us any definite reply to the clear-cut issues raised in our letters and resolutions. The issues may be summarised as follows :—

Is the Company prepared to restore the *status quo* by reinstatement of all workers, dismissed during the period under dispute, to grant immediate recognition to the Union, and to give immediate effect to the unanimous recommendations of the Court of Enquiry and the Government recommendations, as the conditions precedent for further negotiations on the basis of Majority report with due regard to the Union's vital demands regarding time-scale and increment in wages ?

The Union considers that immediate restoration of the *status quo* and recognition of the Union are vitally necessary for restoring proper atmosphere for consideration of the Government recommendations and the Court's findings".

On March 3rd there was a reply by the Company. It ran thus :—

"Regarding recognition we have already stated that *pr. liminary* recognition has been accorded. Minutes of your meeting with us on 27th January indicate the next step necessary and if this is taken you need not fear that we shall raise any unreasonable obstacles to full recognition, though we shall look for a reasonable response from your side to Recommendations by the Court, Nos. 2, 4 and 5 on page 26 of the Report.

We intend that when you meet us you should hear from us what steps we are at present able to announce in the matter of the Court's recommendations. We have nothing to add to what we have already written you in our letter of 20th February 1939 regarding the "*status quo*".

We are prepared to meet your representatives here to-day at 5-15 or to-morrow at 12-45 p.m."

On the same day there was another Resolution of the Union in these words :—

“This General meeting enters its emphatic protest against the still one more offensive taken by the Company by dismissing eight more workers of Tinsukia on 2nd March 1939.

This meeting endorses the Resolution adopted at the General Meeting of workers and members of the Union on February 19th and draws attention of the Company to the Strike Ultimatum given in it as the Company has signally failed to restore the *status quo* and to meet any of the vital demands of the Union”.

On March 4th there was a joint meeting the minutes of which have to be quoted to show that from them it would seem calm was about to be restored. The minutes run thus :—

“1. The question was raised as to whether we should discuss to-day's situation or start from where we left off and it was agreed that the two things were closely related and we should start with where we left off.

The first question was therefore the practical one of recognition and the Company point of view was that the Union was entitled to speak for its members once it has given satisfactory evidence as to who they are.

2. The Union representatives said that their Committee were of opinion that a list of members should only be submitted after recognition and would be kept up quarterly.

3. After discussion in which it appeared that this matter of providing satisfactory evidence of membership in advance might prove an insuperable difficulty Mr. Fleming offered to be satisfied to start with if a senior Government Official, probably of the Audit Department, were invited by both sides (*i.e.*, the Union and the Company) to check the Union's records and certify the number of actual members. He was willing to continue conversations while this was awaited and to accept an authenticated list of members later when co-operative working had established confidence.

The Union representatives said that it would possibly take time to make such arrangement and pointed out that the recognition of a Union should not be hindered on a question of its members being a minority.

General Manager said that the Company was not interested in whether the Union represented a minority or a majority. What he wanted to know was whom the Union stood for.

He repeated the offer.

4. Union representatives considered this but said that no further delay in discussion was desirable and they offered that one of them should bring along the original membership application forms which could be scrutinised and counted. The Company agreed to accept this beginning and it was arranged that Srijut Pritam Singh should take the forms to the Labour Superintendent's office on Monday, 6th instant.

5. In the course of the foregoing discussion the situation at Tinsukia was considered. Mr. Fleming said that he was not prepared to discuss reinstatement since these men had already been carried for many months and their jobs did not actually exist.

6. The Union representatives said that they did not consider themselves authorised to say the number of men necessary in a department but they wished to represent the men. They thought they could have been consulted and the men found jobs somewhere else.

7. Mr. Fleming said that there could not be any guarantee of finding jobs elsewhere but the Union had written asking that the Company should first see whether this was possible and he had arranged for this and it had been done. Men discharged from Tinsukia had been given their pay in lieu of notice, that their permanent work was no longer available but many of them had found temporary work in Digboi.

8. It was agreed that the Union could announce as follows :—

“The Union had asked that Tinsukia men should be given a chance of work in Digboi.

The Company had pointed out that such work is temporary and we do not know how long it may last in each case.

But the Company accepted the Union's suggestion that Tinsukia men should get the chance of such jobs if any were offering and equal opportunities for other work for which they are suitable, whether such work is permanent or temporary”.

9. It was agreed to meet early in the coming week.”

On the same day a letter came from the Union the following two passages in which are important :

“If recognition means anything it ought to be expressed in action. Unless the Company is prepared to meet the labour point of view even half-way, recognition means nothing in substance”.

“You have again repeated a clear negative answer to our demand for restoration of the *status quo* by reinstatement of all workers dismissed during the period under dispute. That rather definitely closes the door against all reasonable negotiations. You have not only declined to restore the *status quo*, but also you have taken one more offensive by dismissing eight more workers at Tinsukia yesterday. Fully knowing the high feeling of workers, you are deliberately acting in an offensive way”.

The letter ended with a postscript finally drawing the Company's attention to the resolution of March 3rd.

On March 8th, there was another joint meeting. One of the items in it was minuted thus :—

“Recognition.—The application forms which had been checked over were referred to and General Manager said he was prepared to record the following :—

The Company recognises the Union's right to represent its members and safeguard their interests as set out in its rules.

The Company in thus taking a step forward in terms of the Recommendations of the Court of Enquiry does so on the understanding that the Union will on its part implement recommendations Nos. 4 and 5 on page 26 of the Report.

It is also understood that the Union will supply an up-to-date list of its members and that this list will be corrected later to tally with the numbers shown by the Government audit when that takes place at the end of this financial year. The records shown to the

Company are not in good shape and it is agreed that the Union will take immediate steps to amend this so that up-to-date records will be available to provide actual evidence of whom the Union represents.

This was agreed."

At this meeting all the recommendations of the Court of Enquiry were taken up item by item, a very large majority of the unanimous and non-unanimous recommendations being agreed in by the Company, those not accepted being matters of very small importance. In view of the questions that have arisen before us it is necessary to state specifically what happened to two of the major items of the unanimous recommendations:—

"Item 15—Establishment of a Works Committee or Labour Council.—The Company accepted in principle subject to the remarks of the Court in this connection.

"Item 28—Possibility of instituting an efficiency bonus system.—The Company would not accept as it considered that wage scales and Provident Fund were adequate."

During the next few days matters went on smoothly—Draft rules on certain matters regarding quarters, house allowances, time-scale for unskilled and semi-skilled labour, pay-scale for skilled men and list of holidays being prepared by the Company, and the Union sending in their suggestions on the same, and agreement being also attempted to be reached on outstanding points on which the Company had either accepted the recommendations or conceded to the demands.

On March 11th, 1939, there was a joint meeting at which the Union asked if the Company would not concede to a few more of the Union's demands specifying them as follows:—"e.g., in the matter of gratuity, profit-sharing bonus, increment to all who had not yet had them and full pay from the beginning of any sickness." They put it on the ground that such concession would "enable them to satisfy their members and avoid the strike which they otherwise expected to follow." The Company replied that they had already made very generous concessions and would concede nothing further on these recommendations and demands except as regards construction of quarters for employees and the arrangements to be made at Tinsukia for the housing of the labour force there, and made it clear that a strike would benefit nobody.

It would seem that at this point of time the question of Tinsukia dismissals either as instances of victimization or of insecurity of service had receded to the background and that the Union wanted the "concessions" on the heads specified above in order to satisfy the members who were already bent on a strike. That the Company had agreed in the meantime to give the Union notice beforehand of discharges to be made at Tinsukia appears from a letter of the Company, dated 16th March 1939, by which the Union were advised that 6 more men were to be discharged on the next day and as usual the most junior men would be selected. It was also stated in the said letter that there was temporary work available for all these men at Digboi, provided they first drew their pay including pay in lieu of notice and reported at the Labour Office at Digboi by a particular date.

On March 17th, 1939, there was again a joint meeting the minutes of which show that the Company were giving a day's leave to each of the three principal officers of the Union to help in the preparation of an up-to-date list of its members so that the same might be ready by the 31st March, and also that the Company were anxious to publish the draft rules regarding increments in order that they might apply to the 1st March increments.

On March 20th, 1939, there was a reminder by the Company to the Union informing them that the 6 discharged men of Tinsukia had not reported themselves to the Digboi Labour Office and the jobs on which they were to be put could not be left vacant after that day as the work for which they were required was urgent; and the Union, on the same date, replied that the men would arrive at Digboi by the same night and would report themselves at Digboi Labour Office the next morning.

On the 21st March 1939, the Union represented to the Company that out of the 6 men discharged at Tinsukia as aforesaid 2 had served the Company for more than 3 years, while there were 5 men with less service to their credit who had not been touched, and that work at Tinsukia was being minimised by engaging contractors' men, and asking that the discharged Tinsukia men should be given permanent jobs at Digboi in the place of men who had been engaged during the last 8 months and should get their old pay.

On the same day there was another joint meeting in which amongst other things the statement of the Union that 5 junior men were still employed at Tinsukia was considered and their names being given by the Union, the Company undertook to look into the matter.

On March 22nd, 1939, the Company wrote in reply to the letter of the Union of the day previous:

"..... We regret we are not prepared to go back upon the terms of engagement of men who are already serving at Digboi. We would point out that we have already shown every possible consideration for the men at Tinsukia whose jobs unfortunately ceased to exist:

- (a) by keeping them on for months in employment with no return to the Company,
- (b) in giving them one month's pay in lieu of notice and fares back to their homes for themselves and families,

- (c) in giving them first chance of any suitable work available in Digboi if they preferred to stay here. The only suitable work available at Digboi at present is temporary.

We regret that your proposals for still further concessions in respect of these men, partly at the expense of other employees, are not acceptable.

As regards the giving of work to the contractor, formerly done by Company labour, we find that there are one or two recent instances where this has occurred owing to misunderstanding.

It was not our intention and will not continue."

It is unnecessary to follow the correspondence too closely any further. But about this time the Company put up a notification, dated 20th March 1939, which ran in these words:—

"The Company has recognised the Assam Oil Company Labour Union as competent to represent its members.

Members and non-members will be treated equally by the Company in all respects.

Any employee or group of employees can bring their troubles to the Labour Superintendent in exactly the same way as hitherto if they wish to do so."

This notification was objected to by the Union in their letter, dated March 27th, 1939. They said :—

“Regarding your notification about recognition of the Union, we would like to point out that it was issued without any consultation with the Union. The text of the notification needs improvement and elucidation.

We would like to bring to your notice that the notification has created a good deal of misunderstanding among workers regarding the intention of the Company and the nature of recognition of their Union.

This was due to the fact that in the first paragraph the Company has made a mere mention of the fact that ‘The Company has recognised the Assam Oil Company Labour Union as competent to represent its members’. But in the next two paragraphs the Company has given undue emphasis on the equality of treatment of members and non-members alike and on the continuation of the same system of representation of grievances of its employees through the Labour Superintendent *exactly* in the same way as before.

We do not dispute the right of the Company to treat all its employees equally and fairly. Nor do we question its right to deal with their grievances through the Labour Superintendent for its own satisfaction, unless and until the way of handling those grievances by the Labour Superintendent becomes really prejudicial to the best interest of labour. It is also always open to the Union to suggest a better machinery for dealing with the grievances of its employees even for the satisfaction of the Company. The problem will be greatly solved if the Works Council is set up according to the recommendation of the Court.

But we would like to submit that it was rather misleading and quite unnecessary to lay emphasis on those two points along with the mere declaration of recognition of the Union. It does not quite fit in. Every employee knows that the Company cannot but take its stand on the principle of treating all its workers equally and that the Labour Superintendent exists for the purpose of dealing with labour.

In the way the recognition of the Union has been mentioned, it would appear that it was nothing of much importance and it meant for the Company no change in the previous system of representation of labour. If the Company does not mean that, it ought to clarify the position properly.

We hope the Company would agree with the view that the recognition means a vital change in the previous system of representation of its employees. It also means much more than the mere right of the Union to represent its members in the numerical sense. It means primarily the recognition of the principle of collective bargaining *through* the sound system of Trade Unionism. If the Company really means to foster the spirit of healthy Trade Unionism, as it has repeatedly declared to do so, it cannot but necessarily mean discouraging, at least, not encouraging the selfish and demoralising spirit of blacklegging. Non-members (among labour in general) are called ‘blacklegs’ in the phraseology of Trade Unionism. The Company ought to realise how strongly Trade Union members feel about those few non-members who prefer to act against the best interest of the majority of workers. A healthy development of Trade Union means a gradual elimination of that anti-social spirit and selfish individual tendency. Viewed in proper light, this class of workers, however loyal they may appear to be for their petty self-interests, do not generally add to the dignity and efficiency of the Company. On the contrary, they not only constitute a perpetual menace to social good, but also do stand in the way of developing better relations between the employers and the Union.

We, therefore, suggest that the said Notification should be replaced by the following one :—

‘The Company has recognised the Assam Oil Company Labour Union as competent to represent its members and on all matters affecting the interests of labour.

‘The Company recognises the sound principle of collective bargaining through a representative Trade Union of its employees. It is also convenient for the Company to deal with labour collectively through the Union than individually. The Company will, therefore, encourage in every way the development of a healthy spirit of Trade Unionism among its workers.

‘The Company declares once again that all its employees will be treated equally and fairly.

‘Any employee or group of employees can, however, bring their troubles to the Labour Superintendent in the same way as hitherto if they wish to do so. This concerns the Company’s internal management’ ”.

On March 28th, 1939, the Union wrote a letter in which they formulated “the two outstanding issues of vital importance”, which they demanded should be speedily and satisfactorily solved before other points are taken up for consideration. They said :—

“They are *firstly*, the problem of reinstatement of dismissed hands and of finding suitable permanent service for the staff-reduced hands of Tinsukia; *secondly* the problem of Bungalow servants.

Dismissed workers fall under the following categories :—

1. Those who were recommended by the Court for re-employment.
2. The case of Muhammad Ismail, a member of the Executive Committee of the Union, who was dismissed from service immediately after he had appeared as an important witness of the Union.
3. Those who were dismissed during the Court of Enquiry.
4. Those who were dismissed during the period under dispute on the plea of reduction of staff.
5. Those who were prevented from appearing as witnesses owing to the dismissal of one prominent witness.”

In the same letter reinstatement of Abdulla was insisted on, it being said that his re-appointment, which was appreciated, was not enough. The reinstatement of Mohamed Ismail was also asked for. It was also said that the Union was “organically bound to stand by Bungalow servants as they were equally members of the Union”.

In their letter of March 30th, 1939, the Company made it clear that as regards recognition of the Union they were not prepared to make any form of announcement which might be interpreted as modifying the Company's attitude regarding the voluntary character of membership of the Union.

They also said :—

"We are ready to discuss the constitution of the Works Council immediately after outstanding agenda are disposed of, which we hope will be this week, but would point out that the writing, reading and answering of long letters does not help either side to put through business with satisfactory expedition".

In the next letter of March 31st, 1939 the Company made it clear that there had been no victimization and that the reinstatements recommended were being dealt with individually. As regards Bungalow servants they said they were not Company's employees and the Company had nothing to do with them. So far as Tinsukia discharged men were concerned they repeated, in effect, that to give them permanent jobs at Digboi at the cost of Digboi men would not be fair.

On the same day the Company wrote to the Union that they were going to discharge 11 men from Digboi about the middle of April and 5 men from Tinsukia on April 1st. A list of the names was given in a letter and in it it was said :—

"We regret that there is at present no suitable work, even of a temporary nature, for these men in Digboi.

All with more than a year's continuous service whether on permanent or temporary engagement will be offered a month's pay in lieu of notice, and fares back to their homes for themselves and their families, according to rule. Men on permanent engagement but of less than one year's continuous service will receive fares only".

By a letter dated April 1st, 1939 the Union protested against the previous reductions at Tinsukia, the non-fulfilment of the vital demands and the refusal to entertain the question as regards Bungalow servants and observed :—

"Thus the Company has not only failed to reinstate the dismissed workers of Tinsukia or to discontinue its policy of continuous dismissal there, but also has extended its scope of offensive to Digboi proper. We, therefore, do insist that this policy of continuous dismissal on the plea of surplus staff without any previous and proper consultation with the Union must be definitely discontinued. We must also definitely know who are and what is the number of workers whom the Company regard as 'surplus'. Before the Company dismisses a single worker on that plea, we must be convinced of the *bona fide* of the proposed reduction and that there is really no scope of work for them. We must also jointly find out the proper way for reduction of any really surplus staff without causing hardship to any permanent worker or workers in the line already suggested.

We, therefore, urge upon you to reinstate those dismissed workers of Digboi immediately and to institute a joint enquiry to go into the question of reduction thoroughly".

On April 2nd the Union took the decision to go on a protest strike for one week. The Resolution that was passed ran in these words :—

"This General Meeting, after carefully considering the situation created by the Company by the continuous and persistent dismissal of workers batch by batch, on the plea of reduction of staff, over and above the failure on the part of the Company to reinstate other dismissed and victimized workers during the period under dispute and to fulfil their vital demands from long, is compelled to come to the conclusion that all attempts of the Union Executive to reason with the Company during the long period in order to solve satisfactorily the burning problem of dismissal and other outstanding issues, have definitely failed.

"This meeting wants to point out that although the Assam Oil Company Labour Union has deferred its strike action in spite of presenting to the Company repeated ultimatums and made every possible effort at conciliation, the Company has persisted, despite vehement protests, in its double-edged policy of repression and minor concessions, in dismissing workers again and again in clear violation of the *Status Quo* principle and even of the assurances given during the negotiations, thereby adding fuel to the fire. The Company has persisted in this suicidal policy well knowing the high feeling of workers and the growing discontent owing to the very actions of the Company.

"This meeting, therefore, does not want to continue any further unfruitful discussions with the Company's management or to give any further time to the Company, as that would serve no useful purpose, until and unless the Management definitely discontinues its present policy of repression.

"This meeting accordingly declares to go on a PROTEST STRIKE FOR ONE WEEK from Monday morning, as has been notified to the Company, as a mark of protest against the policy and to get their just demands fulfilled according to the repeated ultimatums presented to the Company.

"This meeting yet makes a final appeal to the Company to concede their just demands within the week, and not to force the workers to continue the strike, as a last resort, till their just demands are fulfilled.

"This meeting also urges upon the Assam Ministry to bring prompt and effective pressure upon the Company to restore "*Status Quo*" and to settle the long-pending dispute amicably and satisfactorily."

On April 3rd, 1939, the strike commenced. It was, with the exception of some arrangement for disbursing and receiving of salaries and wages and for medical aid, conservancy and lighting, a complete strike, of more or less 6,000 workers in Digboi and 4,000 workers in Tinsukia. To the question as to the origin and causes of the strike I have given my most careful and anxious consideration, but I regret to have to say that I am unable to hit upon anything which might reasonably justify the Union in adopting the course that they took. So far as the attitude of the Company towards the Union prior to the appointment of the Court of enquiry is concerned, I find that agreeably to the recommendations of the Court of Enquiry the Company lost no time in giving the Union at first a preliminary recognition and thereafter a full recognition, the latter well in advance of the Union's move to do what the Court of Enquiry had asked them to do in order to qualify themselves for the purposes. As regards the

Works Committee or Labour Council, the prospect of its establishment was immediately in view. 'Non-fulfilment of vital demands!', 'dangerous policy of divide and rule by favouritism', 'policy of oppression and repression', and the other general charges that are to be found in the letters which the Union addressed to the Company are matters about which no instances were ever given and with regard to which no evidence has been adduced before us. Some of the "strikers", examined as witnesses before us and specially asked about the matters, were unable to tell us what grievances they themselves had, and only repeated that they would not go to work unless the other "strikers" would do the same. The only sore item, which had any foundation in fact, was the reduction of staff at Tinsukia, which I have already found was *bona fide* and legitimately made. In that matter again, the Company were exercising a discretion in favour of the discharged hands to the extent that it was possible for them to do. It is true that they could not comply with the suggestions of the Union for the whole-sale re-employment of all the discharged men but they gave reasons for their inability with which no fault could be found. I regret to have to say, that I can not see what justification the Union could have to connect these discharges with the one case of dismissal, namely that of Mohamed Ismail, during the sittings of the Court of Enquiry, and to persist in thinking that all the discharges were but cases of victimization, notwithstanding that repeated assurances to the contrary were being given by the Company. Indeed as has been already pointed out, it would seem that at one point of time the Union too were satisfied about the good faith and propriety of the discharges and only asked for better conditions for the men on their re-employment. On the other hand, it is apparent from the correspondence that with the findings and recommendations of the Court of Enquiry the Union was not completely satisfied, and that when they came to know of them they began their campaign by catching hold of the Tinsukia discharges and threatening to stick to the ultimatum of strike they had given before the establishment of the said Court. They were obsessed with a notion of "status quo" which is something like this, that so long as the recommendations of the Court of Enquiry were not given effect to the management had no right to get rid of hands even though there was no work available for them. Acting on this notion, and always remembering the attitude in which the Company had in the beginning viewed the prospect of the formation of a Labour Union and also putting down every little item of disagreement between them and the Company to the credit of that attitude, they stiffened more and more in their desire to have a strike and they eventually had it. It will be observed that it was only on 28th March 1939, at a very late stage in the correspondence, that the question of status of Bungalow servants was raised—a matter on which the Court of Enquiry had spent a good deal of their labours without being able to arrive at unanimity, and on which the Government in their Resolution pronounced that:—

'Some anomaly exists but (they) see no objection, while this anomaly exists, to the Company's practice of registering them so that they may get the benefit of medical attendance and to purchase foodstuffs from the rice godown'.

As some evidence has been given before us as regards the status of these employees I may be permitted to observe, although the question itself is not for my determination, that while the privileges aforesaid are not to be denied to them, and while their pay and prospects are matters with which the Company cannot be altogether unconcerned, it will, at the same time, be impossible to treat them, unless they be such classes of servants as Chowkidars, Sweepers, etc., who are common to several bungalows,—on the same footing as employees of the Company; for, it would be disastrous if they feel that their real masters are not those whom they serve but the Company as a whole. The question may be easily solved with a little consideration on the part of all concerned in it, if only a solution is attempted to be arrived at in a proper spirit. But the point to be noted here is that the question was not regarded by the Union as of importance at any stage of the correspondence except towards the very end. If one studies the correspondence with care one cannot fail to observe therein the fact that there were two currents running simultaneously: One, a spirit of friendliness on the surface on the part of the Union, which would encourage the Company to discuss with them the questions that had to be solved; and the other, much below, a desire to call a strike, threat of which was being uttered almost every now and again.

Not being able to discover a justifying cause for the strike it has been a puzzle to me why the employees came to entertain such a bitter spirit towards the Company as was in evidence amongst some of the witnesses examined before the Court of Enquiry (as noticed in their Report) and was also noticeable in no small measure in the witnesses who came before us to support the Union's case. It is not for me to enquire into the condition of labour in general in so far as this Company is concerned, apart from the specific points which the Union has been taking exception to, and I do not propose to embark on such enquiry. But a careful perusal of the proceedings before the Court of Enquiry and their Report, in so far as they relate to the conditions of service of the employees of the Company in all their aspects, as also the general evidence that has been adduced before us as regards the arrangements which the Company have made for the treatment of diseases, education, etc., of the employees and their families (some of which I had the advantage of seeing in the course of a visit that I paid to the place) have satisfied me that the Company have been far from inconsiderate or apathetic as regards the welfare of those whom they employ. In making these observations I should not be taking as suggesting that nowhere is there any room for improvement or that the Union would be unjustified in insisting on still better conditions. But this bitterness I have not been able to account for.

To return to the question which is pertinent for my consideration, it would be sufficient for me to say that there is no semblance of a justification for urging that the Company were responsible for the strike, far less that they provoked it. And I am further of opinion that it was because of an unreasonable attitude in which the Union persisted—owing to its infancy and to want of experience and knowledge of realities on the part of its officials and possibly also at the result of a faith in fantastic doctrines and unfounded hopes which were brought into the minds of its members by influence from outside—that the strike which was being threatened for long ultimately became a 'grim reality'. I cannot help referring to the fact that the Union were not in a position to produce their books and papers, some of which were specifically called for by the Company in our presence—documents which, if they are in existence would have shown the nature of their proceedings and the value of their Resolutions.

As regards the incidents, before and after the firing incident of April 18th, 1939, which are said to be instances of improper conduct and excesses on the part of Company's men and also of public authorities including the Police and the 'Military' (by which term was meant the men of the Assam Rifles and which meaning the word will bear wherever it is used in this Report), a very large number



were mentioned on behalf of the Union in the course of the opening of the case. Later on they handed up to us a chronology of the said incidents with particulars showing the nature thereof and what actions, if any, were taken thereon. These incidents cover a period commencing from April 16th to 20th, July 1939. With regard to almost each and every one of these incidents the Union, besides informing the local authorities, namely the Police and the Magistracy, also wrote or wired to the Hon'ble the Premier, and, in some cases, to the Hon'ble the Finance Minister. Before us, however, evidence has been led in respect of only some of these incidents. These will have to be dealt with now, grouping them under the respective heads under which they fall.

*I—Forcible recruitment by the Company's people with the aid of the Police and/or the Military.*—Put quite shortly, the allegation of the Union is that in order to nullify the strike, the local Police and the Military, accompanied by the Company's people, used to visit lines and *basis*, mostly at night, and also used to wait at the Railway Station at hours when trains would arrive, that they used to openly canvass recruits, sometimes terrorizing and using force on them as well, and that on some occasions they used to assault those who were unwilling to go back to work or refused to be enlisted. It has been alleged that people who were asleep were roused from their sleep by knocking at their door, much higher wages than ordinary were offered, and even some were carried away with their belongings on lorries or vanettes which had been brought there for the purpose. The sum and substance of the charges was that this close and unwarranted collaboration of the Police and the Military with the Company's people was an obstacle to peaceful picketing on the part of the Union's volunteers and also tended to nullify the strike by the employment of new entrants. I have examined the evidence bearing upon these matters and the conclusions I have come to are the following:—

The presence of volunteers who numbered about 1,200, with their officers of different grades and who are claimed on behalf of the Union as having engaged themselves in peaceful picketing and in moral persuasion, but the conduct of some of whom has been proved by unimpeachable evidence as being very much the reverse, necessitated protection to be given the Company's people when they went out to fetch men who had either previously intimated to the Company of their intention to join or to go back to work or were likely to do so if they were approached by the Company's people. It may also be that on some occasions some particular individual was pressed to come or was pushed away when he refused, or some offer of higher wages was made or some advice was given or inducement offered. But I am unable to hold that the Police or the Military did anything else beyond giving the protection that was required. I do not believe the statements which some of the witnesses have made to the effect that threats were uttered or that it was said that "You will have to come when there will be firing" or "We will stab you," etc. Nobody in his senses would, at a time when a strike of this magnitude was on, think of recruiting workers by threat or violence. I appreciate fully that the presence of the Police and the Military on these occasions should be resented by the strikers, because enlistment of new workers would make the strike a failure. But unless the law be, which it is not, that the declaration of a strike would paralyse the concern to the extent that the employer should, until the strike is called off, be precluded from taking those who may be willing to come back or from enlisting new men—a position which would leave the employer entirely at the mercy of the employee,—this contingency could not be helped. Much has been sought to be made out of the fact that these excursions used to be undertaken mostly at night and under cover of darkness; but the answer of the Company is, and that to my mind is a satisfactory answer, that it was only after night fall, when the activities of the volunteers would have abated that there would be less chance of opposition proceeding from them.

There is evidence on the side of the Company that the practice of the Police and the Military accompanying the Company's people and escorting intending workers lasted from April 10th to April 16th, and that on April 17th the Commandant of the Assam Rifles, on the advice of the Superintendent of Police, stopped the Military escort altogether, while Police escort too was restricted only to accompany willing workers from one part in Digboi to another. On the other hand there is evidence on the side of the Union to the effect that the practice did continue even after April 16th and there were complaints to that effect from the Union to the authorities, *e. g.*, a petition to the Hon'ble the Finance Minister, dated April the 23rd, a complaint to the Magistrate, dated April the 26th, and a petition to the Hon'ble the Premier, dated May 12th. It appears that there is a letter of the Hon'ble the Finance Minister in which he stated that on some date towards the end of April he had himself seen the vanette with the men of the Assam Rifles far outside the limits of Digboi. Upon such materials as were placed before us and in the face of the statement aforesaid I am unable to hold that the practice entirely ceased as alleged on behalf of the Company.

*II—Horse charges by Mr. Tainsh.*—These incidents are said to have taken place on 6th April and on 27th June, 1939. Mr. Tainsh holds the post of Cost Engineer to the Company. So far as the first of these occurrences is concerned it is plain upon the evidence of Mr. Tainsh himself, coupled with the evidence of Amar Singh who struck me as quite a reliable witness as also the evidence of other witness on the point, that exasperated at the situation created by the strike and possibly on account of the activities of the volunteers, Mr. Tainsh on that morning came to think that there was 'mob-rule', that the Police were under-staffed and that it was up to himself to take the situation in hand. Accompanied by two syces on the back of two ponies and he himself seated in the back of a horse and with a polo stick in hand, he rushed about from place to place, knocked down with the head of his horse or struck down with his polo stick quite a number of volunteers. He has been unable to account for the presence of the syces with him on the occasion, and I do not understand what he meant by saying in his evidence,—“The reason I went out that morning was partly for exercise and partly because I wanted to test the discipline of red-shirts, which I thought was not very good”. That he did abuse the volunteers by calling them "red-shirt monkeys" I have no doubt. As regards the second occurrence Mr. Tainsh apparently had no recollection of it while giving his evidence, but upon such evidence as there is of it, especially that of the boy Omeobandu Nath, I must hold that charge also has been established. This incidence took place in the evening when Mr. Tainsh, on horse back, but alone, pushed down volunteers with the head of his horse and thereafter laughed and rode away. I regret to have to observe that

this sort of behaviour on the part of a superior officer of the Company, and especially at such a time as it then was, was highly provocative and bound to be widely resented. The Police may have had justification for not taking any action because no cognizable offence was disclosed. But that Mr. Tainsh's behaviour on these occasions did embitter the situation still further I do not doubt. After the first incident Mr. Lingeman had warned Mr. Tainsh with an advice—"We should all be careful to avoid giving cause for allegations against us", and Mr. Tainsh would have done well to take serious notice of this warning.

III—*Assault on Mitharam Gogoi*.—This incident took place on the night of May 29th, 1939 at about 11-30 p.m. It may best be described in the words of Mitharam Gogoi himself:—

"A man on duty with me went to his house and I was coming along. Then I was assaulted by Kurban Singh. I know Kurban Singh. There were two sepoys with him. One sepoy caught me by the hand and Kurban Singh hit me on the head with a short stick. I somehow returned to my quarters. In the morning I was taken to the Company's hospital at Muliabari. I reported the matter to Sridhar Doctor and asked him to treat me. I requested him to enlist me as an indoor patient, as I had none at my quarters to look after me. Sridhar Doctor told me that there was no vacancy in the indoor ward and so I had to be in my quarters. I insisted on him to give me a seat in the indoor, but he refused, with the result that I had to return to my quarters. Kata Singh, my Commander, took me in the Union motor. He took me to the thana in the car. The Officer-in-charge handed over to me a piece of paper to make it over to the Magistrate. The Magistrate (witness said 'Barrister') handed over to me another paper, after examining me by opening the bandages. He then made it over to Pal Doctor. He refused to admit me, saying that there was no seat vacant. After that he kept me there for one night. In the morning the doctor came at about 9 a.m. and I showed him my shorts and shirt stained with blood. The doctor took away the temperature chart. After that doctor Pal came to me and told me to go to my quarters. I had fever, but I cannot say how many degrees. At about 10-30 in the morning I returned to my quarters which is about a mile from the hospital. I was wearing a *dhoti* and when I was shivering with fever I put it round my body. On my way to my quarters Gurda Sing took me to the Union Office. He gave me a seat and went to fetch a car. After about an hour he took me to my quarters".

The version of the occurrence which the witness gave in this court was very different from what he gave to the Union Office, for in the letter which the Union Office wrote to the Magistrate about this incident on the very next day it was said:—

"Mitharam Gogoi while returning from duty at Muliabari Stone Crusher line was caught suddenly from behind by one man and two others in Khaki half-pants and shirts who have beaten the said volunteer seriously as he was laid down there. That he has been seriously wounded will be evident from Doctor's report, if called for. Dr. Sridhar Ghose has attended him in the first aid".

It will be observed that the report shows that the assailant was not named and also that Dr. Sridhar Ghosh had given him first aid.

On June 1st there was a letter from the Union to the Magistrate in which it was said:—

"Our volunteer named Mitharam Gogoi, who was sent under your instructions to Assam Oil Company Indoor Hospital on morning of 30th, was turned out the following day by Mr. Pal and Mr. Dutt without proper treatment. The volunteer had a temperature of 102° at the time. In this connection we have also to report that our red-shirt volunteers generally are refused medical assistance and that their very presence at the dispensaries or at any other premises of the Company is extremely resented".

The Magistrate held an enquiry but got no clue to the identity of the assailants.

This incident has been put forward in support of the allegation of the Union that the Company's medical officers either declined or delayed or, in any event, were reluctant to attend to strikers who required medical aid. The evidence of Dr. Dutt satisfies me that Mitharam Gogoi really required no treatment beyond what he got. An ingenious attempt was made before us to show that on the cards of the patients some letters were put for making an invidious distinction between "strikers" and "non-strikers", but this attempt, in my opinion, has not been successful. It seems that the distinguishing letters were put on the cards only for the purpose of calculating wages in respect of men who were not on strike.

IV—*Assault on Ramrup Hajam*.—About 15 days after the strike commenced this incident took place. No clear version has been given before us of this incident, Ramrup Hajam himself being with fever on and shivering when he gave his evidence, and the witness who came to support him not having any particular intelligence. The incidence was something like this: Ramrup who is a barber had gone on strike and had the Labour Union red badge on him. He had gone to Bapupumbasti to cut the hair of a military man, as he said. Several sepoys (i.e., military men), were on the top of a hill, some of them did not like that a man who was on strike should ply his trade in that locality, and one of them kicked him with his boots. There is no reason to suppose that the occurrence did not take place.

V—*Knocking down of Kalpanath by Mr. Hayman's car*.—This incident took place on May 11th, 1939. Kalpanath himself informed the Magistrate about it in these words:—

"I have the honour to bring to your notice the fact that my humble-self along with two other Union volunteers were on duty yesterday near European Club when Mr. Hayman drove his car so rashly that myself was knocked down with injuries on my left knee at about 4-45 p.m. before I could avert the danger. I was then occupying a side of the road but the car left no margin for me and did not stop to see what happened with me. The other two volunteers were then sitting under a tree about 9 ft. away from the road and witnessed with horror this incident. The matter was reported to the Officer-in-charge, Police Station within an hour of its occurrence. I appeal to you to inquire into the matters and do the needful."

Before us Kalpanath has added what happened to him after the incident :—

"I reported the matter to Chakravarti Babu, a clerk of the Union Office. I then went to the thana and reported the matter. He took the notes and asked me to go to him the next day. The next day I went to the thana and the officer sent me to the hospital with a chit. At the hospital the doctor was a European Sahib. I was in a red shirt and I told him that the *thanadar* had sent me there. I showed him the chit from the thana. He examined me a little, but he did not give any medicine or apply any bandage and asked me to go away. He however measured the girth of my knee and returned to me the chit. I then went back to the thana and handed over the chit to the *thanadar*. The *thanadar* did not speak anything to me, but asked me to go away."

As regards the fact that the occurrence took place, there can be no doubt. The question is whether it was as alleged on behalf of the Union or accidental as alleged on behalf of the Company. The Magistrate Mr. Umaruddin has said :—

"A complaint was made to me and I sent the case for investigation. Later on I met the investigating officer and from what I ascertained from him I concluded that the case would be sent on a charge-sheet. Later on the Superintendent of Police supervised the case and ordered the submission of final report."

It is difficult, in my opinion, to make out how, in either view,—intentional or accidental—a trial could be escaped.

But the charge levelled against the Company's Medical Officer has been completely negatived as the injuries on examination were found to be mere small abrasions on the left knee, requiring no medical assistance. Kalpanath's own evidence that he went about limping for a mile or more is also sufficient for this purpose.

*VI—Assault on Kamal Ahir.*—This incident took place on April 16th, 1939. Kamal Ahir was roughly handled by Asu Singh and Gurdit Singh, employees of the Company, and was abused, felled down and injured with a spear on the knee and then Gurdit Singh sat on his chest for some time. This occurrence is more or less proved. The Officer-in-charge of Digboi thana took Gurdit Singh to the thana with the spear. What was found in the investigation is not clear, but the result was that the case was not sent up.

*VII—Persecution of Bungalow servants.*—Shortly put, the case of the Union is that taking advantage of the temporary absence of the Bungalow servants, who were on strike but were still occupying their quarters adjacent to the respective bungalows to which they were attached, the Company's people brought out and cast away or misappropriated the articles that were in the rooms and then locked up the rooms. The incidents range from about 5 or 6 days after the commencement of the strike, to about 6 weeks or even 2 months later, all the time the rooms being occupied by men, who were not working and in whose place other men must have been employed. This itself was sufficient justification for a desire on the part of the Company's people to get the rooms vacated for the occupation of the newly-employed men. The temporary absence of the servants was due, in most cases, to the fact, that they had gone to attend the meetings of the strikers which as the evidence shows were being held almost daily in the evenings. It has been proved that notices were given by the Company either served personally or were posted up—and then the articles were brought out and kept at a safe place pending application by the owners to get them. I am not satisfied about the truth of the evidence which the Union's witnesses have given as regards wanton mischief or misappropriation of the articles. And I do not think the action of the Company's people, in the circumstances, deserves any condemnation.

*VIII—Insulting the National Flag.*—This topic concerns two kinds of act :—One, acts done on diverse dates at Tinsukia and at Digboi during the period of the strike ; and the other, acts done at Tinsukia on one particular day. The first series of acts are said to be of the nature that the Military used to snatch away the flags carried by volunteers and to tear and trample them under foot. I am of opinion that some incidents of this nature may have happened but I am unable to regard them as sufficiently serious, because I do not see that these were any but sporadic cases and were certainly not in pursuance of an organized design to offer an insult to the nation or any section thereof. The other incident is alleged to have taken place on the 8th April 1939, the day on which an order under section 144 of the Code of Criminal Procedure passed by the Deputy Commissioner on the 5th April 1939 was served and the volunteers were being disarmed accordingly. The version of this incident as given by the Joint Secretary to the Union was this :—

"At the time of serving this order we the Union officials were called to the Police Station by the Magistrate, Mr. Umaruddin, and the Superintendent of Police, when they wanted that the volunteers who were standing on the roads on duty with their flags—each flag containing a stick—should be disarmed of their sticks immediately. We asked for some time to disarm them, as there were a large number, until 4 p.m. on that day. The Superintendent of Police agreed to this. There was a written undertaking signed by both that we would get our volunteers disarmed by 4 p.m. and that till that time no force should be applied to disarm them. It was for Digboi and Tinsukia as mentioned in the order. After this was written, the Superintendent of Police went to the phone and phoned Tinsukia Police, saying that arrangement had been made with the Union Officials that they would disarm their volunteers by 4 p.m. and so there need not be any forcible disarming of volunteers before that time. On hearing this, I left the Police Station and started for Tinsukia in a car. As soon as I reached Tinsukia I found a few volunteers standing in front of the Union Office with torn flags in their hands. There were a few outsiders also, who told me that the flags were forcibly taken out by the Military soldiers and were torn by them. I found a few soldiers standing by the gate before the Union Office and a few torn flags lying before them. Immediately after my arrival at Tinsukia I saw the Inspector of Police at Tinsukia (a Muhammadan) and told him that I was just then coming from Digboi from where I had heard that the Superintendent of Police had instructed him (the Inspector) not to have any forcible disarming of volunteers. But as a matter of fact forcible disarming had been done. So I made a formal complaint to him.

In reply the Police Inspector told me—"I do not hear what has happened. You will get time up to 4 p. m. You go on disarming your volunteers silently". I told him that, although he might not like to hear what happened he should keep the broken pieces of the flag sticks, as I wanted to make a written complaint. He again repeated, 'Do whatever you like, I do not want to hear what has already happened.' I advised the Union Officials to take whatever they had in their hand and go to the Police Station and report there."

It has been proved, however, that before the order of the Superintendent of Police was communicated to the Tinsukia Police the disarming of volunteers was complete. What was done to the flags and to the sticks to which they were attached were all done before the Tinsukia Police came to know of the respite which had been granted by the Superintendent of Police.

*IX.—Lodging of the Military in the Tinsukia family quarters.*—Notwithstanding the exaggerations that are noticeable in the evidence relating to this matter, I am clearly of opinion—I personally had a view of the quarters—that it was highly indiscreet on the part of the Company's Officials to lodge the Military in these quarters. This action must have caused considerable inconvenience to the families that were occupying them, and the only thing that may be said in its favour is that there was no other place readily available in which the Military could be accommodated at the time. Even then, I am of opinion, the authorities aforesaid must have their share of blame in this respect, for they should have tried and found out some other quarters to lodge the men.

I have now dealt with all the incidents in respect of which evidence was given on behalf of the Union. I take it that these incidents were selected by them out of the very large number of the incidents of which they complained all through the period of the strike, because these were the incidents which they regarded as being of sufficient importance and being capable of proof. Proof of these incidents was given by them in order to make out that the Company's people were guilty of improper conduct and the Police and the Military were guilty of excesses, and that such improper conduct and excesses were responsible for the continuance of the strike inasmuch as they created a well-founded impression in the mind of the strikers that a policy of repression was being pursued in order to stifle the strike—a policy which always fails in its object. So far as the Company's people are concerned, it must be said that there have been acts of indiscretion, here and there, to which exception could justly be taken; but such acts were only the acts of the individuals who committed them, and cannot be attributed to any policy on the part of the Company itself. It would certainly have been blameworthy if the instances of use of force or violence, such as they were, on the Union volunteers could be connected with any line of action which the Company had laid down for its loyal employees or could be held to have met with the approval of the superior Officers of the Company *qua* such Officers. But that was not the case here. In a strike of this magnitude, which was being kept up by means of intensive picketing accompanied at times by measures which savoured of intimidation and sometimes also by the use of physical force, of which there is abundant reliable evidence on the record, it would have been strange if some incidents of this nature had not happened. So far as the Police and the Military are concerned, I am unable to hold that their conduct, as disclosed in connection with these incidents, has been such as to call for any very serious notice. Authorities responsible for the maintenance of peace had a most trying time, and what they did in the shape of protective or preventive measures were nothing but what the situation called for and were certainly not in the nature of excesses.

So far as the question of continuance of the strike is concerned, if it be suggested that the same was due to anything that was done by the Company, the Police or the Military, I must say I am unable to agree. The Company must have been anxious to see that the strike ended: it was neither profitable nor pleasant for them that it should continue. As for the strikers themselves, it is only natural to presume that they would be glad to join work, provided, of course that their grievances, if any, would be removed. But on this point I have painful recollection of the answers which some of the witnesses gave to questions I put to them to ascertain what exactly their grievances were. Some of them, almost in so many words, admitted that they did not know what grievances they themselves had, but were not willing to go back to work so long as so many of their co-workers would remain on strike. Others made demands as regards higher wages and salaries, too inflated to bear any examination, and for which it has not been shown to us that there is any parallel anywhere. And yet 10,000 men went on persisting in the strike for months together, some of them appearing before us as witnesses without having the certainty of being able to get even one meal a day, others keeping body and soul together by borrowing or even begging. And yet we know that the Government had interceded, and the Hon'ble the Premier, the Hon'ble Finance Minister and others were doing their best to bring about a settlement. The responsibility for the continuance of the strike must, in my opinion, be laid at the door of those who were bent on keeping it up, much in the same way as they were responsible for bringing it about.

In making the above remarks I must make it clear that I have not referred to the firing incident at all. The bearing of that incident on the question of continuance of the strike is a very different thing altogether; for an incident of that nature, in whatever manner it may have happened and quite apart from the question whether it could be justified or not, is bound to have its repercussion in the minds of the workers and goad them on to persist in the strike.

Item (2) of the Terms of Reference is in these words:—

"To enquire into the measures and actions taken by the local authorities before, during and after the occurrence."

So far as this item of enquiry is concerned, it was held in three compartments:—

(A) An enquiry as to specific allegations, intended to be supported by the examination of witnesses, which was held *in camera* with proper facilities to the parties concerned to present and establish their respective cases,

(B) An enquiry into general allegations, which was also held *in camera*, with the lawyers remaining present if they so liked,

and

(C) A strictly confidential enquiry, all but the Officer concerned being excluded.

## ENQUIRY (A)

The Officers concerned in this Enquiry are:—(1) Mr. Misra, Officer-in-charge of Digboi Police Station, (2) Mr. Chaudhury, Officer-in-charge, Tinsukia Police Station and (3) Mr. Lloyd Rees, the Additional Superintendent of Police.

(1) *Mr. Misra*:—

(a) A volunteer named Benimadhab is said to have been abused and felled down on the ground by this Officer on the morning of April 4th, 1939; and (b) on July 16th, 1939, there was a fracas between one Amar Singh on the one hand and one Gurbux Singh on the other and it is alleged that when thereafter Amar Singh went with his witnesses to the thana he found the Officer engaged in a friendly chat with Gurbux Singh who then abused Amar Singh in the presence of the Officer, and that the said Officer refused to take down Amar Singh's report or hear him or his witnesses and pushed them out.

As regards (a) Benimadhab himself was not examined, it being said that he was ill. Two witnesses came to support the allegation, but their versions are conflicting; and a third witness has only said that he saw Benimadhab lying on the ground and Mr. Misra pulling him by the ankles. The witnesses appear to have had a grudge against Mr. Misra. Mr. Misra's version is that Beni Madhab was one of the batch of some 20 or 30 volunteers who were doing *Satyagraha*, lying in front of cars and this version, which I fully believe, exonerates him altogether. So far as (b) is concerned Amar Singh is supported by another witness, but here again both had reasons to bear a grudge towards Mr. Misra, whose version puts a different complexion on the incident. It appears upon Mr. Misra's version that following the fracas, a large crowd with sympathy for Amar Singh had collected in the thana premises and had taken up a rather threatening attitude. In such circumstances, I think it should be held that Mr. Misra was justified in pushing the crowd out of the thana premises.

This Officer had a singularly strenuous time and, as far as I can judge, he did his best to hold the scales even between the parties.

(2) *Mr. Chaudhury*:—

The complaint concerning this Officer is that he, on April 8th, 1939, in defiance of the order given to him by the Superintendent of Police not to disarm volunteers before 4 p.m., on that date, continued to disarm the volunteers and in that process violence was done to the flags that the volunteers were carrying. This Officer was in charge of the Tinsukia Police Station on the day in question and has said that he was on that day engaged in disarming volunteers but he got no such orders. He has also said that if such an order was received by anybody else it would have been communicated to him. The fact seems to be that by the time the order was received at the Tinsukia Police Station the disarming of volunteers was complete.

(3) *Mr. Lloyd Rees*:—

(a) It is said that on the night of June 2nd, 1939, this Officer unnecessarily searched the persons of some volunteers and that on that occasion he took away from the pocket of one Suraj Ball, an Assistant Commander of the volunteers, a note-book which contained 3 G. C. notes of Rs. 10 each and never returned them to him. (b) It is also said that on the night of June 4th, 1939, the Officer abused a Volunteer Captain named Akaddas Ali, struck him 3 or 4 times on the head with a torch and also declared that he would beat him in the presence of all if he did not go away to his own quarters.

So far as (a) is concerned, it is denied by the officer. There may have been a search for weapons, but the story of the snatching away of the note-book containing the 3 G. C. notes is unbelievable even upon the evidence of the two witnesses who sought to prove it, having regard to what according to them, was said by the Officer at the time. As regards (b), the incident was enquired into by the Magistrate, who as the result of the enquiry wrote to the Union as follows:—

"I am to inform you that the Additional Superintendent of Police had to take recourse to search as on the previous nights some persons were actually found roaming about late at night in suspicious circumstances with concealed weapons and also for the fact that nightly occurrences of violence were taking place. So far as the question of assault on Volunteer Captain Akaddas Ali is concerned, the Additional Superintendent of Police informs me that except for having a pure joke with him he had no intention of causing any offence to him. You are presumably aware that at my suggestion the Additional Superintendent of Police called in Sadhu Singh the next day and explained the actual position to him and expressed regret for the misapprehension caused by his action. As I understand you have made a grievance of this matter before a representative of the All-India Congress Committee despite the Additional Superintendent of Police's expressing regret for his action I do not think that any further action in the matter is now called for on my part".

I think the matter should have been closed down with the expression of regret by the Officer.

## ENQUIRY (B)

This part of the Enquiry concerned (1) Mr. Routledge, Superintendent of Police, (2) Lieutenant Murray, Officer Commanding Assam Rifles, (3) Maulvi Mohamed Umaruddin, Special Magistrate at Digboi and (4) Mr. Gunning, Deputy Commissioner of Lakhimpur.

*Mr. Routledge*:—

With the exception of a few specific charges the allegations against this Officer were of a general nature, amounting to bias and partiality in favour of the Company and against the Union, but extending over a variety of matters. We put questions to the Officer on the points considered relevant.

His evidence was to the following effect:—The Government approved of his taking all reasonable measures to ensure the exercise by the employees of the Company of their right to proceed to work if they were willing to do so, and he followed the instructions of the Government which he from time to time received. Bungalow servants, who were on strike, used to go out during the day and sometimes returned late at night. On one such occasion some 20 or 30 of them could not get into their quarters

because the Assam Rifles Patrol, who were guarding the areas on account of intimidation by the volunteers, would not let them in, and so a system of issuing passes for the servants by the employers had to be introduced. The Union objected saying that passes from them would be enough. How the system eventually worked he could not say. Allegations were being persistently made by the Labour Union that men of the Assam Rifles were going far way into the *bastis* in order to help the Company in recruitment, but what was actually done was to provide escorts to the Company's Officials and to escort the officials and the workers who would be willing to come and work. It was on his report that the order under section 144, Criminal Procedure Code, was passed by the Deputy Commissioner on April 5th, 1939 (an order passed not against the strikers only but against all including Company's men who might come within its mischief). As regards his omission to take down the information which was given to him in connection with the firing incident on the night of April 18th, 1939, after the first information had been recorded, his explanation was that he did not consider that information true. (On this point we cannot be expected to express any opinion as to whether he was right or wrong, because the firing incident itself was not the subject matter of our enquiry and we do not know about its particulars.) It was he who wired for the Assam Rifles on April 2nd, 1939, in view of the threatened strike. The Military Police used to take their orders from their own Commandant but in practice they had been put under the charge of this Officer and there were instructions in writing that if difficulty was felt they should take their orders from him.

(2) *Lieutenant Murray* :—

In answer to questions put by us, this Officer said that the instructions that were given to the men of the Assam Rifles were to the effect that they should not travel with members of the Company, that they should not carry arms inside the lines or interfere with the workers. As regards the allegation that the Military were going about in plain clothes with the object of helping the Company in recruitment, the Officer referred to the fact that there was a complaint of that nature made by the Union about April 11th, 1939, and on enquiring into the matter he sent the following reply to the Officer-in-charge of Digboi Police Station embodying its result :—

" I have the honour to report that a lorry load of Assam Rifles escorted a party of loyal workers from the Jubilee Sports Ground to the East Gate of the Refinery on the night 10/11th April 1939. The troops did not leave the lorry and were all in uniform. There were no Civil Police or Military Police in 'Lungis' in the lorry. No Civil Police accompanied the party and the loyal workers transported in a separate lorry. The time was approximately 10 p.m.....Very clear orders have been issued to troops engaged in patrol work and I enclose a copy for your scrutiny and any further suggestions you may have to make about them".

Asked about his omission to mention in the First Information, in connection with the firing incident, the fact that there was a second firing that was alleged to have taken place that night, the Officer replied :—

"The information that was lodged was for Assam Rifles as a whole and I did not make a separate report for myself. That accounts for the omission with regard to the second firing in the information that I had lodged."

(Obviously, it is not possible for us to comment on this statement, for the firing incident is outside the scope of our enquiry.)

Asked as to why, when he was aware of the fact that the situation had become very tense and that obstructions had been put upon the roads by the strikers, he sent out the patrol party on the night of April 18th, 1939, in charge of a mere Jamadar, the Officer replied that that Jamadar, though an Indian, was holding the Governor's Commission, and was an officer who, in his opinion, was competent to control the situation.

Except as regards the sending out of the patrol on the night of April 18th, 1939, I have no fault to find with this Officer. But, I am certainly inclined to the view that notwithstanding the status of the Jamadar as an Officer, a much better discretion would have been exercised if some superior officer should have been given the lead of the party on that fateful night.

Mr. Towler, the Labour Superintendent of the Company, described the situation of April 16th, 1939, in his evidence in these words :—

" We were asked to go and pick up some men at the Pengan Road. As we arrived, whistles were blown and a large crowd of volunteers and others collected on the road and the road was blocked by trestles, cart and people. The escort released us from that and we started towards Digboi again. We had been asked to pick up some other men on the back boundary road (behind the golf-course). As we were coming down that road, the road was again blocked with logs, bullock carts and people, stones and bricks were thrown and the cars were damaged slightly. After about half an hour, we were released by the Assam Rifles.

Q.—You said after the 16th you had no more escort from the Assam Rifles. What reason was given for the withdrawal of the escorts ?

A.—In view of the temper shown on the occasion, it was unfair to expose the Police to that sort of incidents. That was the reason."

The last answer of the witness is significant. The feeling that the strikers had against the Assam Rifles as helping the Company and frustrating the strike, even though wrongly entertained, had gone up to the highest pitch. The situation had become tense in the extreme. A little forethought, therefore, would have enabled the officer who was responsible for sending out the patrol on that night to see that a higher officer than an Indian Jamadar was required to cope with the situation. I am of opinion that if such a wise step had been taken the events of that night would not have happened—loss of three lives and injuries to five or six men.

(3) *Maulvi Mahamed Umaruddin* :—

This Officer was the Special Magistrate at Digboi from April 8th to 16th and again from April 20th. He was asked about the inquiries into certain incidents that he made.

I have no comments to make about him. Indeed the representatives of the Union more than once admitted before us that he was quite fair throughout.

(b) Mr. Gunning—So far as this officer is concerned, there were two points urged against him:—(a) that he refused to give the Union a copy of the order under section 144, Criminal Procedure Code, which he had made on the April 5th, 1939; and (b) that he was so unsympathetic to the strikers that on April 19th, 1939, the day after the firing incident, when he was at Digboi, he visited the Bungalows of the Company's Officers, but did not even go to the Hospital to enquire about the injured men.

So far as (a) is concerned, it seems that it did not strike him at the time that a copy of the order might be required for the purpose of an application which the Union might make either to a Superior Court for rescinding or cancelling the said order. The reasons which weighed with him in refusing to grant the copy, as appears upon his evidence, were firstly that the application for copy was from a person who was not concerned with the order and, secondly, because copies of the order had already been served on the persons directly concerned at Digboi, and an acknowledgment had been taken from them together with an undertaking to co-operate in giving effect to the order. We are of opinion that the error was a *bona fide* one. As regards (b) the officer has explained that the day was a day of crisis in the subdivision, that he reached Digboi in the afternoon after attending a conference at Binsukia in the morning and had to rush back to Dibrugarh from Digboi as quickly as possible after paying a hurried visit to the General Manager, only, as a very disorderly mob had collected there threatening to prevent the *post-mortem* examination.

#### E. N. Q. U. I. R. Y (C)

From a talk we had with Maulvi Mohamed Umaruddin we got a fair idea of the kind of lawlessness and terrorism that the regiments of volunteers of the Union were practising during the period of the strike in the name of peaceful picketing and moral persuasion. The account he gave confirmed our conclusions to the same effect, at which we had arrived on the unimpeachable evidence that we had before us.

Mr. Gunning told us—“On the 16th April 1939 there was a large meeting attended by M.L.As. Speeches were made by a lot of people, including Hon. Ghandra Barua, President of Provincial Congress Committee. He and others made certain remarks which brought about an immediate change for the worse in the situation at Digboi. For example, he said: ‘‘I believe they (the Company) have not accepted your demands. The Police must obey the orders of the Congress Government.’’ The Superintendent of Police came to see me on the 17th and reported what had happened. I sent an express cipher wire on 18th April 1939 to Government mentioning the effect of the speeches of the 16th. I asked the Prime Minister not to let M.L.As. make speeches at Digboi or Dimasit, and avoid those places. I visited Digboi on 19th and examined the position. I sent a demi-official to the Chief Secretary, saying that the incident was a result of speeches of the 16th. On the 18th I followed my express cipher by a demi-official to the Chief Secretary about the proceedings of the meeting of the 16th. The effects were to delay settlement and make the efforts of peace-makers even more difficult than they were already?’’

We also sent true copies of some of the speeches delivered at the meetings of the Union on diverse dates, e.g., on June 11th and 24th, August 3rd, 9th and 11th, and August 12th. These copies, if they have correctly reproduced the speeches, show that the speeches were full of lies and misrepresentations, highly inflammatory and objectionable, beyond measure. In these speeches propaganda of the worst form was being carried on, charging the Ministry and especially the Hon'ble the Premier with weakness and bad faith, inciting the audience to violence and egging on them to be resolute and unbending. Such speeches could not but serve to keep the strike going.

Two matters which we had also been asked to look into were: (1) How it came about that the instructions given by the Government prohibiting the recruitment of workers by the Company were misinterpreted and made to apply to recruitment of domestic servants; and (2) how the contents of a ‘‘secret’’ letter conveying certain instructions for the Police got into the Press and came to form the subject-matter of a highly objectionable article in an issue of the *Statesman*, casting serious aspersions on the Ministry. We have conferred with Mr. Gunning, the Inspector-General of Police on the point and have also got Mr. Routledge's answers to certain questions that we put to him. These two matters I proceed to deal with.

(1) Mr. Routledge, on the 23rd April 1939, got a letter which the Deputy Commissioner with the approval of the Hon'ble the Finance Minister had addressed to the General Manager requesting him to stop recruitment of new labour from outside Digboi pending attempts at settlement and on the next day he wrote to the Deputy Commissioner asking for more specific instructions on certain points, one of which was—‘‘Does outside labour include new Bungalow servants? I presume not’’. He also sent a telegram to the Deputy Commissioner on April 26th, 1939, soliciting immediate orders on his letter aforesaid. The Hon'ble the Finance Minister was communicated with by the Deputy Commissioner and the first reply which he gave on April 24th, 1939, did not clear up the point and, to say the least, left the position doubtful. At this stage, in order to secure a peaceful atmosphere while negotiations for a settlement were proceeding, Mr. Cumming, being of the view that the attempted recruitment of Bungalow servants would be fraught with as much danger of disturbance as recruitment of any other kind of labour—a fact about which there was no doubt whatever—perfectly *bona fide* interpreted the prohibition as applying to Bungalow servants as well and issued instructions containing that interpretation for the guidance of the officers, until more definite orders could be got from the Government on the point. The Deputy Commissioner was consulted by Mr. Gunning before he issued the instructions aforesaid. Ultimately on April 28th, 1939, the Government issued instructions by a telegram that the Deputy Commissioner's request to the Company to stop recruitment of new labour was not to apply to domestic servants. On receiving this telegram the Deputy Commissioner immediately repeated its contents to the General Manager of the Company and to Mr. Routledge. In my opinion, there was sufficient room for the misapprehension and none of these Officers acted otherwise than *bona fide*.

(2) We have not been able to get any material on which we would be justified in holding that the contents of the "secret" letter were divulged by anybody. But we have been told that the contents of the letter were read out openly in the Assembly before the article in question appeared in the *Statesman*.

Item (3) of the Terms of Reference runs thus:—

"To consider the origin and causes of the strike and to suggest means whereby strikes of this nature can be avoided in future."

About the origin and causes of the strike I have already expressed the views I hold. The outstanding features of this strike I have already pointed out in sufficient detail, and I may summarise them as being the following:—

1. That the strike was resorted to without any really justifying grievance.
2. That the Labour Union, which was responsible for bringing it into existence, had notions about the respective rights of Capital and Labour which are not correct and cannot be justified.
3. That it is far from established that the Labour Union was conducting its affairs in the way in which a statutory organisation is expected to do.
4. That there are indications that many of the strikers themselves had no idea of the grievances for which they had gone on strike, and it is not at all clear that the strike resolution represented the wish of the majority; and further it would rather seem that once the strike was declared all had to join and keep the strike going.

AND

5. If I am permitted to refer to what was informally communicated to my learned colleague and myself in the course of the Enquiry, the strike could easily have been put an end to at any moment, if it was possible to restore the *status quo ante* by taking back into work all the men who were out.

The parties at our request have furnished us with their suggestions as to what should be done. These are annexed to this Report in two Appendices A and B for such use as they may be of to the legislator. But bearing the above features of this particular strike in mind, and taking into consideration circumstances which generally attend all strikes and with a view to an easy, cheap and speedy solution of the problems that would arise in connection with genuine strikes, I would suggest that legislation should be resorted to in order to provide for the following amongst other particulars:—

(a) Before a Union is granted registration there should be a proper inspection by some responsible officer for the purpose of ascertaining if the membership of the Union extends to a majority, say at least two-thirds, of the workers whom the Union purports to represent, that its books and accounts are in order, that its proceedings are conducted in a sufficiently satisfactory manner and that its funds are sufficient to provide for at least living wages to the whole body of workers for, say at least, six weeks or two months. Registration is to be granted on the above requirements being fulfilled, and its continuance should also depend on the said conditions, remaining satisfied. (Act XVI of 1926, S. 10).

(b) It should be declared that a strike which is designed or calculated to cause severe personal discomfort or inconvenience to the employer is illegal even though it is not otherwise illegal (Act VII of 1929, S. 16.)

(c) It should be declared that trade dispute must be something fairly definite and of real substance, not a mere personal quarrel or a grumbling or an agitation (Act VII of 1929, S. 16.)

(d) Some provision should also be made making it clear that there is no trade dispute where all that happens is that an intruder intervening as a mere mischief-maker, actuated by personal or political motives sets up strife which was previously not thought of by any of the employers or workmen concerned and the dispute only exists in the mind of such intruder as a possible result of his intervention [Act VII of 1929, S. 16. See *Gonway versus Wade* (1909) A. C. 506.]

(e) There should be a machinery ready for determining on the genuineness or otherwise of a threatened strike. Such machinery may consist of a Board consisting of two representatives interested in Labour, two representatives of Capital and one independent Chairman. Appointments of them may be made for a year at a time. If a strike is intended, it must be upon a Resolution passed by votes of more than three-fourths of the members of the Union in the case of a Union or more than a half of the workmen in other cases.

Notice of the intended strike is to be given to the Board accompanied with a copy of the Resolution and also of the demands specified in detail, and copy thereof is to be given to the employer so that the latter may within say three days of the receipt thereof submit his answer to the demands to the Board. The Board will then, as soon as possible, say within a fortnight, determine upon the genuineness or otherwise of the strike and make a declaration to that effect. Upon such declaration being made the strike will be deemed a lawful strike.

(f) On such declaration being made and after giving the employer a week to comply with the demands or to arrive at an amicable settlement, if possible, the strike may be declared.

(g) On such a strike being declared, the *status quo* will have to be maintained until the strike is called off.

(h) To avoid complications the same Board may thereafter function either as a Conciliation Board or as an Arbitration Board, on orders obtained from Government upon a requisition being made by the Board itself, and its decision will be final and binding upon the parties.

The subject is one which appertains to List III, the Concurrent Legislative List, in the Government of India Act, 1935, being item No. 29 thereof.



In regard to item (2) of the terms of reference for which alone I was associated with Sir Manmatha in the enquiry I find myself practically in agreement with him, at least so much so that it seems quite unnecessary for me to make any remark.

Page 14.—

Sir Manmatha writes :

“Upon such materials as were placed before us and in face of the statement aforesaid I am unable to hold that the practice entirely ceased as alleged on behalf of the Company.”

On behalf of the Police I ought to point out that escorts continued to be given to actual workers going to or returning from work ; or proceeding from work in one part of the field to work in another. It was nowhere proved that any of the instances from April 17th onwards concerned the taking to work of any who had not previously joined or rejoined.

Page 15—IV Assault on Ramrup Hazam—

Sir Manmatha writes :

“There is no reason to suppose that the occurrence did not take place.”

The “occurrence” was that a sepoy kicked Ramrup with his boots. It is safer I think to say that a *prima facie* case for enquiry has been made out ; but in the absence of any enquiry it is unsafe to assume that the evidence of Ramrup that a sepoy kicked him is entirely true. An investigation would have been of great advantage in clearing the sepoy of blame, or of proving an offence against him. The Magistrate attempted to make the investigation more than once, but on each occasion Ramrup did not turn up. (*Vide* evidence of Maulvi Umaruddin, Extra Assistant Commissioner.) I think the presumption from the obvious reluctance of the complainant to substantiate his charge was that, if not entirely false, it contained a considerable amount of falsehood, or concealed the real truth.

Shillong,

The 1st December 1939.

G. D. WALKER,

Commissioner of Divisions.

### ORDERS BY THE GOVERNOR

The 15th December 1939.

No.4572-G.S.—The following notifications issued by the Government of India in the Political Department are republished :—

No.44-W., dated New Delhi, the 6th December 1939.—In exercise of the powers conferred by sections 3, 4, 8 and 10 of the Foreigners Ordinance, 1939, as applied to certain Administered Areas by the notification of the Political Department, No.319-I.B., dated the 28th August, 1939, and of all other powers enabling him in that behalf, the Crown Representative is pleased to direct that the following amendment shall be made in the notification of the Political Department, No.12-W., dated the 4th September 1939, namely :—

In the Schedule annexed to the said notification, for modification (i), the following modification shall be substituted, namely :—

“(i) references to the Central Government or the Provincial Government shall be construed, in respect of the British Reserve in Manipur, as references to the Governor of Assam, and in respect of the other Administered Areas as references to the Resident.”

No.45-W., dated New Delhi, the 6th December 1939.—In exercise of the powers conferred by sections 3, 4, 8 and 10 of the Foreigners Ordinance, 1939, as applied to the Khasi States, including the Shillong Administered Areas, and of all other powers enabling him in that behalf, the Crown Representative is pleased to direct that the following amendment shall be made in the notification of the Political Department, No.13-W., dated the 4th September 1939, namely :—

In the Schedule annexed to the said notification, for modification (i), the following modification shall be substituted, namely :—

“(i) references to the Central Government or the Provincial Government shall be construed as references to the Governor of Assam,”

No.4574-G.S.—In exercise of the power conferred by sub-section (1) of section 92 of the Government of India Act, 1935, the Governor of Assam is pleased to direct that the provisions of the Assam Agricultural Income-tax Act, 1939 (Assam Act IX of 1939) shall have like force in all the Excluded Areas in Assam specified in the Schedules to the Government of India (Excluded and Partially Excluded Areas) Order, 1936, as they have in other parts of Assam.

No.4575-G.S.—In exercise of the power conferred by sub-section (1) of section 92 of the Government of India Act, 1935, the Governor of Assam is pleased to direct that the provisions of the Assam Finance Act, 1939 (Assam Act X of 1939) shall have like force in all the Excluded Areas in Assam specified in the Schedules to the Government of India (Excluded and Partially Excluded Areas) Order, 1936, as they have in other parts of Assam.

J. P. MILLS,

Secretary to the Governor of Assam.

The 12th December 1939.

No.9862-H.—The following notification issued by the Government of India in the Finance Department, is republished for general information :—

No.F. 4 (25)-R. I./39, dated New Delhi, the 25th October 1939.—In pursuance of regulation 15 in Schedule IV to the Superior Civil Services Rules, the Governor-General in Council is pleased to make the following amendment in the Supplementary Regulations governing the procedure relating to the grant of passage benefits, published with the notification of the Government of India in the Finance Department, No.F. 4 (8)-R. I. (B)/37, dated the 15th September 1938, namely :—

In sub-regulation (1) of regulation 5 of the said Regulations,—

(1) after the word “certificate” the words “that he performed the journey in his

own car, or, as the case may be, a certificate shall be inserted in the form of certificate, the figure "1" where it first occurs, and the asterisk, brackets, figure and words "(2. I certify that I performed the journey in my own car.)" shall be omitted and (3) the foot-note shall be omitted:

H. G. DENNEHY,  
Chief Secretary to the Government of Assam.

The 12th December 1939.

No. 7725-G.J.—In exercise of the powers conferred by section 7 of the Employment of Children Act, 1938 (Act XXVI of 1938), as subsequently amended by Act XV of 1939, the Governor is pleased to make the following rules, the same having been previously published as required by sub-section (1) of the Act:

**RULES**

1. These rules may be called the Assam Employment of Children (Workshops) Rules, 1939.
2. In these rules, "the Act" means the Employment of Children Act, 1938 (XXVI of 1938).
3. An Inspector appointed by the Provincial Government may enter any workshop wherein persons are employed, in any of the processes set forth in the Schedule to the Act, or any premises which he may suspect to be a workshop, and may take on the spot, or otherwise, such evidence of any persons, and exercise such other powers of inspection as he deems necessary for carrying out the purposes of the Act.
4. (1) Any medical practitioner registered under the Medical Act, 1858, or under any Act of any legislature in British India, providing for the maintenance of a register of medical practitioners, may grant certificates of age in respect of young persons in employment or seeking employment in a workshop.  
(2) The fee for the grant of each certificate shall be four annas only.
5. A certificate of age granted under rule 4 shall be in the form appended to these rules.

*Form of Certificate*

[Rule 5 of the Assam Employment of Children (Workshops) Rules, 1939.]

Address.....  
Date.....

I hereby certify that I have personally examined (name)..... son/daughter of..... (caste, etc.)..... residing at..... and that he/she has completed his/her twelfth year. His/Her descriptive marks are.....

Thumb impression.....

Medical Practitioner.....

Register No.....

6. These rules shall take effect from the 1st October 1939.

No. 7726-G.J.—In exercise of the powers conferred by Section 7 of the Employment of Children Act, 1938 (Act XXVI of 1938), as subsequently amended by Act XV of 1939, the Governor is pleased to publish the following draft rules for general information of all persons concerned and notice is hereby given that the draft rules will be taken into consideration after the 15th March 1940.

Any suggestion or objection which may be received by the undersigned in respect of the draft rules before that date will be taken into consideration.

**DRAFT RULES**

1. These rules may be called the Assam Employment of Children (Railways other than Federal Railways) Rules, 1940.
2. In these rules, "the Act" means the Employment of Children Act, 1938, (Act XXVI of 1938).
3. An Inspector appointed by the Provincial Government may enter into Railways other than a Federal Railway wherein persons are employed in any occupation connected with the transport of passengers, goods or mails, and may take on the spot or otherwise such evidence of any persons and exercise such other powers of inspection, as he may deem necessary for carrying out the purposes of the Act.
4. (1) Any medical practitioner registered under the Medical Act, 1858, or under Act of any Legislature in British India providing for the maintenance of a register of medical practitioners, may grant certificates of age in respect of young persons in employment or seeking employment in a workshop.  
(2) The fee for the grant of each certificate shall be four annas only.
5. A certificate of age granted under rule 4 shall be in the form appended to these rules.

*Form of Certificate*

Address.....  
Date.....

I hereby certify that I have personally examined (name)..... son/daughter of..... (caste, etc.)..... residing at..... and that he/she has completed his/her fifteenth year. His/Her descriptive marks are.....

Thumb impression.....

Medical practitioner.....

Register No.....

No. 7728-G.J.—In exercise of the powers conferred by Section 7 of the Employment of Children Act, 1938 (Act XXVI of 1938), as subsequently amended by Act XV of 1939, the Governor is pleased to declare that the prescribed medical authority referred to in Section 3C and sub-section (2) of Section 6 of the said Act, shall be a "Civil Surgeon" "Subdivisional Medical Officer" or any registered medical practitioner in Assam.

(3)

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No. 9.

**REVENUE DEPARTMENT.**

**Land Revenue.**

**NOTIFICATION.**

No. 1142L.R.—18th January 1935.—The following report of the Bengal Board of Economic Enquiry on rural indebtedness, together with connected papers, is published for general information. Any public bodies or individuals who desire to make any representations regarding any of the recommendations should submit them to the Secretary to the Government of Bengal, Revenue Department, on or before the 15th of March, 1935.

O. M. MARTIN,

*Secy. to the Govt. of Bengal.*

**Preliminary Report of the Board of Economic Enquiry on rural indebtedness.**

The Board was constituted by Government Resolution of 1st December 1933 to conduct inquiries into such economic matters as might be referred to it by the Local Government and to initiate and conduct, subject to the sanction of Government, enquiries into other economic matters.

2. The personnel of the Board was not finally settled till 26th February and the first meeting could not take place till 14th March. In the meantime, however, the note of Government dealing with the indebtedness of the agricultural population of Bengal and discussing the broad aspects of the problem had been circulated to all members. Apart from the question of reconciling the diverse reports of the Jute Committee this is the only subject which has been referred to the Board in accordance with the terms of reference.

3. His Excellency Sir John Anderson was good enough to open the first meeting with a short address which was much appreciated by all the members. A general discussion of the scope of the Board's activities followed and the extent to which it would be necessary for it to make inquiries on its own behalf and the agencies it could employ. It was pointed out that there was a vast volume of statistical information available about the budget and economic condition of agricultural families in Bengal in settlement reports and the publications of the Government of India and the publications of the Agricultural Department of the local Government and the reports of the Banking Committee. The general feeling, however, was to the effect that nothing could be done until this material had been investigated and epitomized and placed before all the members in a convenient form. Arrangements must, therefore, be made for remedying the deficiencies and making supplementary inquiries. It was felt that, if nothing else was necessary, local inquiries must be made as to the extent indebtedness had increased during the last three years of depression.

4. A Statistical Sub-Committee was then selected to undertake these duties. Another sub-committee was appointed to study the legislation which had already been undertaken or suggested in this and other provinces with a view to relieving the problems of usurious interest and growing indebtedness. A third sub-committee was formed to

study the constitution of the new land mortgage banks and other forms of credit societies and to make suggestions for their improvement and development. Both these sub-committees were given the task of studying the financial aspects and considering what sort of staff would be required if a scheme of debt conciliation and rural insolvency proceedings was approved in principle.

5. The Statistical Sub-Committee decided to rely in the first place on the inquiries which had been made in February to March 1934 by the Collectors in two or three villages of each circle in the Province. The information thus gathered as regards 6,359 families in sixteen districts was collated in the statistical laboratory of the Presidency College of Professor Mahalanobis, one of the members of the Board. The object of the analysis was to find out how many families there were in Bengal of the classes with which the Board was chiefly concerned, i.e., those with a stable interest in their lands who were mainly dependent on agriculture for their livelihood who could be classified as solvent, of doubtful solvency, or as insolvent. The test which it was decided to apply was that families whose debt did not exceed twice their present income after deducting the food consumed could be placed in the first class, those whose principal debt did not exceed four years' income in the second class, while those whose debts exceeded the latter figure must be regarded as insolvent. When the forms were devised however the importance of the area which each family cultivated as a *prima facie* indication of its ability to maintain itself in comfort in normal years and to give it reasonable prospects of a surplus wherewith to repay its debts was not realised and the forms did not lend themselves easily to this analysis. There were other defects in the forms also. From the majority of the forms as filled up it was difficult to ascertain the amount of interest that had accumulated and the actual difference between the principal indebtedness in 1928 before the depression and in 1933 after the depression. For this reason the Professor was obliged to base his statistics on the principal indebtedness, ignoring interest. As the scheme recommended by the Board is based on a general belief that the money-lenders are prepared at the present time to sacrifice the greater part of their accrued interest provided they are given sufficient assurances of the repayment of the capital, this defect is not perhaps serious. To some extent it has been neutralised by taking the income at the height of the depression for purpose of comparison with the debt.

More serious defects are the small proportion of the families in each district and therefore in the Province as a whole whose circumstances were investigated and the incurable difficulty of expecting the uneducated tenants of Bengal to remember their outgoings and incomings of three years ago or even to give accurate statements of their present debts, much less of their actual expenditure. The scientists among our members were also much impressed by Professor Bowley's report to the effect that no reliance could be placed on figures based on specimens unless those specimens were selected strictly at random. The instructions to the Circle Officers had been to select typical villages for their enquiries. When, however, the specimens represented so small a portion of the aggregate as they did in the case of these inquiries, most of us thought that the main thing was that no specimen should be abnormal or it must vitiate the results for the district, and this is all that the instruction to the Circle Officer meant in practice.

6. The tests which Professor Mahalanobis was able to apply to the statistics collated for Faridpur, the first district completed, satisfied him that the results were on the whole satisfactory. The general resemblance of the results subsequently placed before them for other districts completely satisfied the other members. The statistical committee were able to present the figures given in Appendix I as a working basis and the Board at their meeting in August accepted them and decided that no further inquiries were essential at this stage, though all additional or supplementary material available should be used for purposes of verification and comparison. Certain inquiries on a revised form were being made in certain districts. They were made under the personal supervision of Babu Nihar Chandra Chakravarty, the Board's Assistant Secretary. They were designed to remedy the defects which experience had disclosed in the previous inquiries, especially those due to varying interpretation by the inquiring officers of the rules laid down for their guidance and hence to eliminate as far as possible the personal element. The results of these supplementary enquiries are summarised in Appendix II. The summary of the results of an economic enquiry made by the Settlement Department in Rangpur is given in Appendix V.

7. On one point of particular importance the inquiries hitherto referred to threw very little light. The purpose of the debt conciliation scheme as outlined in the Government note was to relieve the agricultural debtors. Some members of the Board were inclined to believe that the scheme was almost equally of advantage to the creditors. It was one of the chief assumptions on which we were working that the money-lenders as a whole had failed to collect any interest, much less any part of the capital of their outstanding loans, during the last three years. Some of them might have sued their debtors in the civil courts, but owing to the absence of purchasers at a reasonable price execution proceedings dragged on indefinitely, and if the land was sold it was difficult to get possession or to find other cultivators to take settlement. If the number of cases in which the creditors sold up their debtors was say 5 per cent. only and in 95 per cent. of cases the debtors paid nothing and remained in possession of their land without any penalty, the consequence in course of time would be that the present indebtedness of the vast majority of agricultural population would be wiped out by limitation and the mahajans would lose their capital. If there was anything in this view, then legislation was as essential in the interests of the mahajans as in the interest of the debtors.

By the courtesy of the Inspector-General of Registration, all the Sub-Registrars in the Province were addressed to make particular inquiries as to the proportion of tenants with decrees recently executed against them or hanging over them, but the results have not yet come in.

8. The material which the Board has accepted may be summarised as follows:—

There are 50 lakhs of agricultural families with a permanent and transferable interest in their lands. They are mainly occupancy raiyats though some tenure-holders who cultivate part of their lands are included and some under-raiyats. Agricultural labourers and temporary under-raiyats or bargadars are excluded.

23 per cent. are not in debt at all.

43 per cent. are in debt less than two years' income (Class A):

Total debt Rs. 27 crores.

16 per cent. are in debt less than 4 years' income (Class B).

Total debt Rs. 23 crores.

The total indebtedness is in the neighbourhood of Rs. 97 crores.

22 per cent. of the 22 lakhs of families in the second class have land less than 2 acres and 21 have more than 8 acres. 21 per cent. of the 8.5 lakhs of families in the third class have less than 2 acres and 11.5 more than 8 acres.

9. While this information was being collected, the other sub-committees and the staff of the Board were considering the legislation and experiments that had been made in other provinces and in certain native states and seeking to find an answer to the questions put before them by Government. It was realised that the problem was immense and that it did not matter for practical purposes whether 40 per cent. or 70 per cent. of the agricultural families were in debt or whether their average debt was Rs. 50 or Rs. 150. The real figures for any individual family would only be ascertained when the actual work of dealing with their debt began if then the work of conciliation could only be undertaken as an experiment and the only practical question was the extent of the experiment. This was dependant not on the programme, but on the resources of Government as regards finances and staff.

9A. One of the questions asked in the Government note was whether the agriculturists had sufficient surplus to repay their existing debts. From the figures given in Appendix I, Table 1, there is an average deficit between income and expenditure of 22 rupees. In Bankura the annual deficit is as much as 83 rupees and the agriculturist spends nearly twice his income. But in Chittagong there was an even heavier deficit according to the figures given by the inquiring officers in 1928 before the depression started. On the other hand, in the districts where the subsequent inquiries were made which are summarised in Appendix II, a surplus is shown in all districts which goes as high as 29 rupees in Dacca in 1928. The Board are of opinion that much importance cannot be placed on the figures for income and expenditure either in 1928 or 1933. The important thing is that the average debt shown in the last column is in all cases considerably less than one year's income in 1928. Expenditure has been shown to have decreased by 40 per cent. between 1928 and 1933. There is no reason why it should not decrease still further. There is a possibility also that income may again approximate the figures of 1928, as the price of rice has already gone up in all districts. The Board are therefore of opinion that all the families whose capital debt does not exceed twice the income of 1933 can repay their debt after the conciliation or adjustment by equated payments spread over a period of from 10 to 15 years.

As regards the families in class B whose debts are between 2 and 4 years of their calculated present income, the position is not so clear, but for similar reasons the Board are of opinion that if excessive interest is ruthlessly cut down, they should be able to pay off all their debts in equated payments spread over 15—25 years. In this class everything depends on the amount of land each family has and we have unfortunately not got the figures of average debt of families with 2, 4, 6, 8 acres of land, respectively. The average debt of this class

is 270 and the average income of all families was 218 in 1928. We see no reason to suppose therefore that all families in this class with more than 2 acres of land are not in possession of the necessary surplus. It is probable that the average debt of families with between 2 and 8 acres is less rather than more than the average.

The idea of the Bill which has been drafted is that an Adjustment Board should take up every case and deal with it as a whole. All the debts of each family must be reported and examined and instalments for payment will then be fixed. The civil courts will have no jurisdiction as regards the debtors who have come under the operation of the Act except as regards debts incurred after the award and decrees for such debts cannot be executed until the awarded debts have all been paid. If the debtor fails to exercise economy and to pay off his instalments, the Certificate Officer will issue certificates, and in case of repeated defaults he will sell all the land and treat the debtor as an insolvent. In fixing the instalments the Board will have regard to the surplus. In adjusting the debts it will be guided by amicable arrangements agreed to by a proportion of the creditors under section 12, or by reasonable offers made by the debtor or creditor under section 14. In either case it will adjust all the debts of that particular debtor and there will be no great difference of principle or system.

As regards insolvents who roughly correspond with the class whose debt exceeds four years' income, there will be a difference of principle. In the case of the classes previously mentioned debts will not ordinarily be reduced below the amount of the principal. In the case of insolvents they will. As far as we know all existing and proposed schemes for rural insolvency proceedings provide for selling up all the property of the debtors with the possible exception of their homesteads, agricultural implements, and cattle. We propose to reduce the debts of the insolvent to the amount it is estimated he can pay in instalments extending up to 20 years provided he exercises rigid economy. Our proposal is not so likely to cause an upheaval in agrarian societies and should not give rise to any new problems. It is far kinder to the debtor because he will be left with his land and given another chance. If, however, he does not take advantage of this chance and if he fails to pay the instalments which may be fixed punctually, he must be sold up ruthlessly. Some of our members are of opinion that even his homestead should be liable to sale. It greatly reduces the value of the land to a purchaser if part of it is occupied as a homestead by the ex-tenant. There is a danger in leaving a large number of families on the land with no land of their own to cultivate. It can at best lead to an extension of the system of barga cultivation, which has generally been held to have a bad economic effect on agricultural conditions. Further it seems desirable to make a distinction between the fate of those debtors who are sold up as insolvents after their debt has been drastically reduced to the amount they can pay and those who have failed for perhaps no fault of their own to pay liabilities not so reduced.

10. The Bill referred to above (Appendix IV) is drafted on the lines of the Central Provinces Act and the Punjab Bill. Its main provisions are as follows:—

(a) A Debt Adjustment Board will be constituted in as many centres as Government finds possible to receive applications both from debtors and creditors of the agricultural classes. [Central Provinces Act, section 4 (1), Bill, section 3 (1).]

(b) It can dismiss any application summarily; if not it can call for detailed statements from both debtors and creditors and fix a date for hearing both parties within one month; the amount of debts not stated by the creditors will be treated as the amount admitted by the debtor. The Board can extend the time for application if it sees good reason, but is not bound to do so. [Central Provinces Act, section 7 (1), Bill, sections 7 (1) and 8 (2).]

(c) The Board, if the creditors and debtors to the extent of 60 per cent. of the debts agree to conciliation, can settle all the debts of that debtor and the award counts as a decree of a civil court. [Central Provinces Act, section 12, Bill, section 12.]

(d) The Board, if it thinks either debtor or creditor has made a reasonable offer, can make an award for all the debts provided the amount awarded is not less than the principal of the debt, otherwise it dismisses the application. [Central Provinces Act, section 15, Bill, section 14.]

(e) If after an award any instalment becomes overdue, it can be recovered by certificate procedure. [Central Provinces Act, section 13, Bill, section 14AA.]

(f) Debts incurred after the award cannot be sued for till all the certificated debts have been realised. [Bill, section 17A.]

*N.B.*—It is thought that this will deter mahajans from lending more to these debtors and that by notices in union boards and sub-registration offices it is possible to give sufficient publicity to the names of the people who have come under the operation of this Act.

(g) Where the Board judges a tenant to be insolvent, it can reduce the debt to the amount he can pay, say 75 per cent. of the value of his land or assets, and fix instalments for its payment. [Bill, section 14(B).]

(h) If the instalments are not paid punctually, the Board can sell up all the property except the homestead itself. It will pay creditors proportionately from proceeds and release the insolvent from any further liability. [Bill, section 15.]

(i) The civil court will have no jurisdiction while proceedings are pending before the Board and cannot interfere with their awards. All the lands which are the security for the awarded debt will be attached as under section 64, Civil Procedure Code. [Bill, section 7A.]

(j) The Board will notify the landlords of the debtor's lands and execution of rent decrees will be postponed for six months. [Bill, sections 14AAA and 17A.]

(k) The awards will be transferable and they can be taken over for collection by any approved credit society. [Bill, section 23 (1).]

The Board are in favour of legislation on these lines being passed at the earliest possible date and there are not many provisions in the Bill on which there are great differences of opinion. The exception is the question of the effect of attachment of the lands of the debtor till the award is discharged on the security of the landlord for his rent and how the payment of the current rent can be ensured. As a possible means of meeting this difficulty, the proviso to section 17A has been drafted for the consideration of Government.

11. The questions which have given rise to controversy and on which full agreement has not been reached are connected with the working of the proposed Act. The first point on which some of the members are not convinced is whether conciliation alone without some attempt at simultaneous part payment in cash or debentures of the



creditors' dues will yield results worthy of the organisation and expenditure involved. In the Government note it was suggested that unless payments in cash were arranged the creditors would have no inducement to agree to substantial reductions of their claim. All the members are in favour of Government starting land mortgage banks in every subdivision as soon as possible, but as it is regarded as an essential feature of such banks that they should not lend more than 50 per cent. of the market value of the debtor's land, it is felt that these banks will not, even if they could be established in great numbers in a short time, be of much help to the ordinary cultivator, the class which represents 70 per cent. of the rural population of Bengal. The essential feature of the existing rural co-operative banks is that each member should be security for all others and even if these banks were available in every village the scheme is too big to be worked on purely co-operative lines. If Government could see its way to raising Rs. 2 crores and distributing it like agricultural loans through its own officers in order to pay to each mahajan one out of 8 or 12 instalments of every awarded debt, the chances of the scheme being a success would be increased enormously. If Government thinks that its natural objection to take upon itself the odium of becoming the direct money-lender of the agriculturist is insuperable, it might be considered whether each union board could become a temporary bank lending money advanced by Government from a public loan. For a year after the first instalment had been advanced there would be no work to do and there would be time to get the account system in working order or to arrange for independent banks to take over the credits and liabilities. Whether any scheme is possible or not with this end in view the members who are doubtful still unhesitatingly recommend that debt conciliation and adjustment should be taken up on as wide a scale as possible. They are of opinion that the fact that the machinery of the Certificate Department will be available for realising their dues instead of the civil court and that the Certificate Officer will himself be responsible on application for taking the initiative and that the lands of the debtors will be attached all the time the instalments are being paid will be sufficient inducement, more especially perhaps to the creditors of families who are deeply in debt and from whom they cannot expect any voluntary payments. Though this is not exactly clear from the Bill some of the members contemplate that the Revenue Officer will be responsible for receiving all monies due to creditors and that the creditors will get nothing direct. This seems to be a heavy burden to put on the Revenue Officer, but it would avoid disputes and the giving of insufficient credit for payments actually made.

12. The next question was how far the working of the Act should be treated as an experiment. This is largely a matter of words because the scheme must be an experiment. It is obviously impossible to deal with the debts of 39 lakhs of families simultaneously. It has been assumed that no Board can deal with more than 600 cases a year and that it would take 680 Boards to cover the Province in three years even if their attention is confined to the 12-30 lakhs of solvent families with between 2 and 8 acres of land. (Appendix III.)

The Board contemplate that as a beginning one Board should be constituted in every Chaukidari Circle Officer's jurisdiction at once with the Circle Officer or a Munsif as President and that a second officer, preferably a junior Sub-Deputy Collector or a Settlement

Kanungo should be appointed as his executive officer and Certificate Officer. Two or three retired Government officers or non-officials would be members, and after this Board had acquired some experience each of the original members would go out with new members to work as subsidiary Boards independently. There are at present 179 Circles in Bengal and circles where there were many applications and where the work prospered would gradually be split up into two, each with its own Circle Officer and executive officer. The number of panels or subsidiary Boards in each circle would depend on the quality of the people available as members and the general progress. In order to complete the programme in three years, on an average each Board would have to be divided eventually into 6 or 7 subsidiary Boards working independently. The operation of the Act would be an experiment in the sense that its working would be constantly watched and its system varied as defects became apparent; further, considerable variations would be allowed in different areas to give an opportunity of testing various methods. But to judge the success of an experiment of this nature from the point of view of determining whether it was possible to prevent the agriculturists getting into debt again or whether in reasonable number of cases no loss at all to Government was involved would take 10 or more years. The Board are strongly of opinion that the scheme should not be treated as an experiment from this point of view; they say that similar schemes have been successful in one Indian State and that Government must act on the presumption that it will be a success because no alternative has been suggested by anybody and there is absolute agreement that the present indebtedness of the agricultural population and the inability of the mahajans to recover their full dues and to lend out more money even in urgent cases call for drastic remedies. It has been argued that as there is no other scheme to fall back on if this is a failure, it must be made a success by profiting from the mistakes and correcting the procedure, and altering the law. A set determination to proceed with the scheme in spite of failures and losses here and there will rally in its favour all workers social and political.

The Board do not, therefore, recommend that the Act should be applied only to a few districts or to one thana or subdivision even in each district.

13. It was the main recommendation of the District Administration Committee that Government should have their own resident officer in units as small as possible. It is the proposal of others including the Indian Chamber of Commerce that there should be in every group of unions resident officers to bring into co-ordination the work of the Agricultural, Industries, Co-operative and other departments. The scheme of our Board would work in with all these proposals of which the object was closer touch between Government and the people in the villages. Circles would become smaller and their Circle Officer would have wider and more diverse duties. With the help of their executive officers they might revise and then maintain the record-of-rights in their circles, they would execute all certificates, inspect co-operative banks and enforce jute restriction and other schemes connected with the economical development of the villages.

14. As regards the cost of the extra staff required, it is proposed that there should be a levy of  $1\frac{1}{2}$  per cent. in court-fee stamps on every application for adjustment and that the Circle Officer should

realise all instalments and pay the creditors and that there should be a levy of 3 per cent. on all sums collected and paid. If the creditors eventually paid these fees it would be much cheaper than the costs they would have incurred in civil courts.

15. The Bill as drafted provides for the reduction of the debts of insolvents to the amount they can pay in not more than 20 instalments. If a man's property is only worth 60 per cent. of his total debts, the mahajan by selling him up in the civil court would not realise as much as 60 per cent. of his claims. It is argued therefore that the creditors cannot lose by agreeing to such adjustment and the relief the scheme will give to such people is far more valuable than the relief solvent debtors will obtain. Sir E. Benthall after first being in favour of taking up the easier cases first is now of opinion that the definite objective should be to deal with the more difficult cases first. The majority of the Board are not in favour of limiting the operation of the Act as drafted to any particular class of debtors either in the first stage or eventually. In every area the class of cases given preferential treatment will depend on circumstances, e.g., if funds were available for paying instalments, then the money available should be used to benefit as many individuals as possible and cases of indebtedness of less than Rs. 200 might be taken up first: If any restriction is imposed the Board suggests that no cases of indebtedness exceeding Rs. 1,000 should be taken up and that families with more than 8 acres could be left out on the ground that such people could sell some of their land and look after themselves. If further restriction is necessary families with less than 2 acres could be left out because it is doubtful if such families can ever support themselves on the proceeds of their land alone. If their mahajans are willing to leave them alone and to get what they can gradually, Government would be doing the debtors no good by interfering. If they are in debt to any great extent it is impossible to prevent them becoming landless labourers sooner or later because they have no surplus wherefrom to pay interest or principal of any debt.

16. One of the points raised in the Government note was the prevention of future borrowing. Mr. N. Sarkar was very anxious that future borrowing should not be restricted too drastically. A man might want to buy more land and temporary borrowings to buy seeds, etc., might be necessary in many cases. The Board are of opinion that when say 6 out of 8 instalments have been paid there is no reason why the debtors should not be able to borrow again for productive purposes and they do not think that the provisions of the Bill as drafted will prevent it.

On the other hand the Bill seems to go far enough in preventing further borrowing. Until the awarded debt is discharged, the would-be lender will have no security except the ornaments or personal credit of his borrowers. Proceedings of the magnitude contemplated cannot go on anywhere in secret and the money-lenders should not be allowed to plead ignorance if before issuing a loan they have failed to ascertain whether the borrower has taken advantage of the Act or not.

17. All the members have agreed that arrear rents except those barred by limitation should be included in the certificated award and that possibly they should be given priority of payment; nearly all the members have agreed that the different tenancies of the debtor should

be attached on the analogy of section 64 of the Civil Procedure Code, until the awarded debt is paid off. But there are great difficulties in providing for the regular payment of current rent. The award will not be of much use to the creditors if in the meantime the tenant defaults and the landlord sells the holding under the Tenancy Act. But the landlords will resist the proposals vigorously if they think that their long admitted right to treat rent as a first charge is being encroached on. At first it was proposed that section 168 of the Tenancy Act should apply but this merely means that if the first sale subject to the encumbrance of the awarded debts fails, another sale free of this encumbrance will take place. The next proposal was that the debtors should be responsible for producing their rent receipts before the Revenue Officer each year, and that if they failed to do so he should take action under the Certificate Act, as if an instalment had not been paid. The proposal in the Bill is that the landlord can bring a suit for current rent, but he must give six months' notice before proceeding to execution. That would, it is thought, give time for the creditors to arrange for payment.

18. During the past few years there have been combinations of raiyats not to take settlement of purchased holdings and it is well known that certificates against the members of bankrupt co-operative banks filed by a liquidator are seldom successful. Past experience shows that there is a considerable danger that if defaults are common in any neighbourhood and many villagers are sold up, nobody will buy the land for fear of litigation and that the creditor, whether he be Government or a land mortgage bank or a private individual if he has to purchase, will not be able to settle the land. It was suggested that in the case of sales under this Act the purchaser should acquire the land with a clear title and only be responsible for money claims as compensation to any co-sharer who declared that he was not a party to the proceedings. Opinions are divided, but it seems doubtful if the general public would at present consent to any such special provision. If the Collector has the power to deliver possession to the purchaser by ejecting the old tenant or his sub-lessees, pending the decision of title in a regular civil suit, it is possible that if the public approve the principles and are satisfied that the instalments fixed for payment were well within the capacity of the debtor to pay, they will have no sympathy with defaulters and that the difficulty will not often arise. Section 14AAA as incorporated in the Bill for the consideration of Government may suggest lines on which a solution of the difficulty may be found.

19. The members are practically unanimous that interest on the awarded debt should not exceed 6 per cent. Whether it will be necessary to calculate this annually and to add it to the instalments is not certain. If Government or a bank advanced the amount it would be convenient if they could wait till all the instalments had been paid and then collect an extra instalment when the debtor was otherwise free from debt to cover all interest and expenses.

20. When the Bill was first drafted it was assumed on the analogy of the Central Provinces Bill that all awards would be registered. Most of the members are now of opinion that the registration will be unnecessarily expensive and troublesome. The awards will be filed in the office of the Conciliation Board or when the Board ceases to function in the office of the Revenue Officer who will carry on the executive functions of the Board. Record in this office should be given the effect of registration by the Act.

APPENDIX I.  
Table I—Provincial Table : Family averages of Land, Income, Expenditure, etc.

Districts.	No. of families surveyed.	Average earners.	Average Dependents.	Average family size.	Average land (in acres).	1928 Average (in rupees).				1933 Average (in rupees).			
						Income.	Expenditure.	Surplus.	Debt.	Income.	Expenditure.	Surplus.	Debt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Burdwan ..	490	1.80 ± .04	4.32	6.12 ± .11	6.06 ± .16	272 ± 8	276 ± 8	-4	138 ± 15	156 ± 6	197 ± 7	-41	219 ± 13
2. Birbhum ..	252	2.39 ± .07	4.04	6.43 ± .15	7.09 ± .47	338 ± 10	197 ± 6	+41	163 ± 25	172 ± 9	169 ± 8	+8	162 ± 16
3. Bankura ..	256	2.25 ± .08	4.33	6.56 ± .18	8.04 ± .59	146 ± 6	297 ± 10	-121	113 ± 17	86 ± 6	169 ± 12	-88	244 ± 17
4. Midnapore ..	559	2.40 ± .04	5.10	7.50 ± .11	11.13 ± 1.25	228 ± 16	238 ± 15	-10	95 ± 28	144 ± 9	166 ± 9	-22	187 ± 29
5. Murshidabad ..	233	2.19 ± .06	4.57	6.76 ± .17	5.98 ± .36	198 ± 13	187 ± 9	+11	52 ± 15	132 ± 3	142 ± 8	-10	106 ± 9
6. Jessore ..	490	2.30 ± .04	3.70	6.00 ± .09	7.13 ± .28	164 ± 5	165 ± 7	-1	52 ± 6	84 ± 3	97 ± 3	-13	81 ± 4
7. Nadia ..	304	2.35 ± .06	4.73	7.03 ± .16	12.03 ± .46	235 ± 9	239 ± 8	-4	105 ± 20	141 ± 6	168 ± 6	-22	199 ± 15
8. Pabna ..	297	1.92 ± .04	4.75	6.67 ± .17	4.13 ± .17	179 ± 6	149 ± 6	+30	101 ± 14	79 ± 3	82 ± 6	-8	156 ± 10
9. Bogra ..	397	1.92 ± .08	4.71	6.63 ± .12	5.74 ± .37	257 ± 8	236 ± 11	+21	114 ± 9	128 ± 5	134 ± 8	-6	150 ± 9
10. Baugpur ..	1,043	2.06 ± .03	5.24	7.30 ± .09	7.40 ± .20	220 ± 5	213 ± 14	+7	102 ± 7	99 ± 2	120 ± 3	-21	147 ± 6
11. Rajshahi ..	297	2.12 ± .05	3.98	6.10 ± .14	6.30 ± .28	222 ± 14	183 ± 7	+39	108 ± 17	113 ± 6	112 ± 4	+1	181 ± 19
12. Maida ..	77	2.71 ± .11	2.68	5.34 ± .21	5.31 ± .52	48 ± 6	49 ± 6	-1	6 ± 12	29 ± 4	26 ± 3	+3	11 ± 3
13. Dacca ..	549	2.26 ± .04	5.03	7.29 ± .10	4.29 ± .26	235 ± 7	250 ± 7	-15	158 ± 12	115 ± 4	144 ± 3	-39	236 ± 11
14. Faridpur ..	424	1.76 ± .04	4.72	6.48 ± .14	4.46 ± .21	207 ± 6	198 ± 7	+9	146 ± 7	105 ± 3	118 ± 5	-13	217 ± 10
15. Chittagong ..	344	2.43 ± .06	5.40	7.83 ± .14	5.47 ± .26	136 ± 30	225 ± 15	-89	90 ± 19	81 ± 5	166 ± 8	-76	265 ± 14
16. Tippera ..	345	2.02 ± .04	5.75	7.77 ± .15	3.98 ± .14	247 ± 6	230 ± 6	+17	197 ± 21	123 ± 3	121 ± 4	+2	230 ± 17
All districts	6,359	2.14 ± .01	4.75	6.89 ± .04	6.73 ± .14	218 ± 4	217 ± 3	+1	112 ± 4	114 ± 2	136 ± 2	-22	137 ± 4

Table 2—Percentage number of families in different debt class.

District.	No. of families surveyed.	Number of families in each class.				Percentage number of families in each class.			
		No. debt.	A.	B.	C.	No debt.	A.	B.	C.
1	2	3	4	5	6	7	8	9	10
1. Burdwan .. ..	490	120	197	92	81	24.5±1.3	40.2±1.5	18.8±1.2	16.5±1.1
2. Birbhum .. ..	252	62	138	37	20	24.6±1.8	52.8±2.1	14.7±1.5	7.9± 1
3. Bankura .. ..	258	51	66	45	96	19.8±1.7	25.6±1.8	17.4±1.5	37.2±2.0
4. Midnapore .. ..	559	225	209	62	63	40.2±1.4	37.4±1.4	11.1± .9	11.3±0.9
5. Murshidabad .. ..	292	57	133	25	17	24.6±1.9	57.4±2.2	10.8± .9	7.3±1.1
6. Jessore .. ..	490	142	240	59	49	29.3±1.4	48.6±1.5	12.1±1.4	10.0± .9
7. Nadia .. ..	304	51	176	29	48	16.8±1.4	57.9±1.9	9.4±1.1	15.9±1.4
8. Pabna .. ..	297	44	136	68	49	14.8±1.4	45.8±1.9	22.9±1.6	16.5±1.4
9. Bogra .. ..	397	97	159	63	78	24.4±1.5	40.1±1.7	15.9±1.2	19.6±1.3
10. Rangpur .. ..	1,043	252	460	186	145	24.2±1.7	43.9±1.9	17.9±0.8	13.9±1.3
11. Rajshahi .. ..	297	75	127	56	39	25.3±1.7	42.9±1.9	20.9±1.6	11.1±1.3
12. Malda .. ..	77	56	12	1	8	72.7±3.4	15.6±2.8	1.3± .9	10.4±2.3
13. Dacca .. ..	549	63	241	100	145	11.8± .9	43.9±1.4	18.2±1.1	26.1±1.3
14. Faridpur .. ..	424	72	195	77	80	17.0±1.3	46.0±1.6	18.2±1.3	18.8±1.3
15. Chittagong .. ..	344	59	101	57	127	17.1±1.4	29.5±1.6	16.7±1.4	26.8±1.7
16. Tippera .. ..	346	36	155	91	64	10.4±1.1	44.8±1.8	26.6±1.6	18.2±1.6
All districts .. ..	6,359	1,462	2,740	1,048	1,109	23.0±0.4	43.1± .4	16.5± .3	17.4± .3

Table 3—Percentage number of Families in Classes A and B, holding different quantity of lands.

District.	Number of families surveyed.	Number of families in Class A.	Percentage number of families in each land, Class A.							Number of families in Class B.	Percentage number of families in land, Class B.												
			0-2		2-4		4-6		6-8		Over 8.		0-2		2-4		4-6		6-8		Over 8.		
			3	4	5	6	7	8	9		10	11	12	13	14	15	16	17	18	19	20		
1. Burdwan ..	490	197	5.3 ± .7	9.9 ± .9	8.8 ± .8	5.7 ± .7	10.0 ± .9	92	2.0 ± .4	7.1 ± .8	3.5 ± .6	2.4 ± .5	3.7 ± .6										
2. Birbhum ..	252	133	9.9 ± 1.2	17.1 ± 1.6	10.7 ± 1.8	4.0 ± .8	11.1 ± 1.3	37	1.6 ± .5	4.4 ± .9	3.6 ± .8	2.4 ± .6	2.8 ± .7										
3. Bankura ..	258	96	2.7 ± .7	7.0 ± 1.1	3.5 ± .7	5.4 ± .9	7.0 ± 1.1	45	5.0 ± .9	6.6 ± 1.0	1.9 ± .6	0.4 ± .3	3.5 ± .8										
4. Midnapore ..	559	209	9.8 ± .9	9.8 ± .9	7.2 ± .7	3.1 ± .5	7.5 ± .7	62	1.4 ± .3	3.6 ± .5	2.1 ± .4	1.1 ± .3	2.9 ± .5										
5. Murshidabad ..	233	133	11.2 ± 1.4	19.4 ± 1.7	10.8 ± 1.4	7.8 ± 1.2	8.2 ± 1.2	25	3.0 ± .5	3.0 ± .5	1.7 ± .4	0.9 ± .3	2.2 ± .4										
6. Jessore ..	490	240	9.6 ± .9	10.4 ± .9	8.6 ± .8	5.1 ± .7	14.9 ± 1.1	59	3.5 ± .8	3.3 ± .8	1.2 ± .5	1.6 ± .5	2.5 ± .7										
7. Nadia ..	304	176	34.2 ± 1.9	19.4 ± 1.2	3.3 ± .7	0.7 ± .3	0.8 ± .2	29	1.6 ± .5	4.2 ± .8	1.6 ± .5	1.3 ± .4	0.7 ± .2										
8. Pabna ..	397	136	12.8 ± 1.3	10.6 ± 1.2	11.8 ± 1.2	4.7 ± .8	5.7 ± .9	68	6.7 ± .9	9.8 ± 1.1	4.4 ± .8	1.0 ± .4	1.9 ± .4										
9. Bogra ..	397	159	12.9 ± 1.1	11.6 ± 1.0	6.3 ± .8	4.0 ± .7	5.3 ± .7	63	4.5 ± .7	5.5 ± .8	3.3 ± .6	0.8 ± .2	2.3 ± .5										
10. Bangpur ..	1,048	460	7.9 ± .6	10.9 ± .6	7.1 ± .5	6.0 ± .5	12.1 ± .7	136	1.4 ± .2	4.9 ± .4	3.3 ± .4	2.8 ± .3	5.5 ± .5										
11. Rajshahi ..	297	127	8.7 ± 1.1	12.7 ± 1.3	8.1 ± 1.1	5.1 ± .9	8.1 ± 1.1	56	3.0 ± .7	5.1 ± .9	4.4 ± .8	4.0 ± .8	4.4 ± .8										
12. Maida ..	77	12	3.9 ± 1.5	2.6 ± 1.2	1.3 ± .8	1.3 ± .8	6.5 ± 1.9	1	..	..	1.3 ± .9	..	..										
13. Dacca ..	549	241	14.2 ± 1.0	15.1 ± 1.0	7.3 ± .7	2.2 ± .4	5.1 ± .6	100	4.4 ± .6	5.6 ± .7	4.4 ± .6	2.2 ± .6	1.6 ± .4										
14. Faridpur ..	424	195	14.6 ± 1.1	11.3 ± 1.0	10.4 ± 1.0	3.3 ± .6	6.4 ± .8	77	7.1 ± .8	5.9 ± .8	2.8 ± .5	0.7 ± .3	1.7 ± .4										
15. Chittagong ..	344	101	7.8 ± .9	10.9 ± 1.1	6.1 ± .9	2.6 ± .6	3.2 ± .6	57	4.7 ± .8	6.1 ± .9	3.2 ± .6	1.5 ± .4	1.3 ± .4										
16. Tippera ..	345	155	16.6 ± 1.3	12.7 ± 1.2	7.3 ± .9	3.2 ± .6	4.6 ± .8	91	8.7 ± 1.0	7.2 ± .9	6.9 ± .9	0.9 ± .3	2.9 ± .6										
All districts ..	6,359	2,740	9.6 ± .2	11.5 ± .3	8.2 ± .2	4.7 ± .2	9.2 ± .2	1,048	3.5 ± .2	5.1 ± .2	3.2 ± .2	1.6 ± .1	1.9 ± .1										

Table 4—Total Debt in each class together with Averages and Percentages.

Districts.	No. of families surveyed.	1933 : Debt in each class (in rupees).				1933 : Average Debt in each class (in rupees).				Percentage debt in each class.		
		A	B	C	A+B+C	A	B	C	A+B+C	A	B	C
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Burdwan .. ..	490	36,629	28,668	42,164	107,456	186	312	521	290	34.1	26.7	39.2
2. Birbhum .. ..	252	19,451	10,838	10,414	40,698	146	293	521	214	47.8	26.6	25.6
3. Bankura .. ..	258	13,505	12,097	37,305	62,907	204	269	389	304	21.5	19.2	59.3
4. Midnapore .. ..	559	31,570	21,985	51,052	104,607	151	354	810	313	30.2	21.0	48.8
5. Murshidabad .. ..	232	11,590	7,110	6,114	24,814	87	284	360	142	46.7	23.7	24.6
6. Jessore .. ..	490	17,344	11,178	11,865	39,837	72	189	232	115	43.5	23.0	28.5
7. Nadia .. ..	304	23,500	10,330	20,520	60,350	184	356	553	239	33.9	17.2	43.9
8. Pabna .. ..	297	12,046	12,743	21,571	46,360	89	187	440	188	26.0	27.5	46.5
9. Bogra .. ..	397	19,900	11,279	23,266	59,445	125	179	362	198	33.5	19.0	47.5
10. Rangpur .. ..	1,049	46,904	46,439	59,551	152,894	102	250	411	193	30.7	30.4	38.9
11. Rajshahi .. ..	397	13,969	14,659	25,358	53,886	109	262	768	243	25.7	27.2	47.1
12. Malda .. ..	77	335	15	490	840	28	15	61	40	39.9	1.8	58.3
13. Dacca .. ..	549	31,620	35,929	89,625	157,174	131	359	618	323	20.1	22.9	57.0
14. Faridpur .. ..	424	23,424	20,210	48,532	92,216	120	261	607	262	25.4	21.9	52.7
15. Chittagong .. ..	344	13,628	10,161	67,357	91,146	135	178	530	220	15.0	11.1	73.9
16. Tippera .. ..	345	20,969	31,526	44,019	96,534	136	346	599	311	21.7	32.7	45.6
All districts .. ..	6,359	336,304	235,157	569,753	1,191,214	133	270	517	243	23.2	23.9	47.9



**APPENDIX II**

**Table 1.—Family averages of land, income, expenditure, etc.**

Districts.	Number of families surveyed.	Earners.	Dependents.	Size of family.	Land (in acres).	1928 (in rupees.)				1933 (in rupees.)			
						Income.	Expenditure.	Surplus.	Debt.	Income.	Expenditure.	Surplus.	Debt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Midnapore ..	101	2.4	6.0	8.4	6.07	208	201	+7	103	143	158	-15	195
2. Tippera ..	304	1.9	4.9	6.8	3.01	171	163	+8	112	116	109	+7	250
3. Dacca ..	112	2.0	5.7	7.7	2.10	385	356	+29	192	302	302	..	302
4. Murshidabad ..	100	1.6	4.7	6.3	3.22	112	111	+1	12	100	103	-3	25
5. Mymensingh ..	313	2.0	5.0	7.0	3.07	214	208	+6	94	130	145	-15	200
6. Pabna ..	246	1.6	3.5	5.1	4.18	299	272	+27	70	178	169	+9	100
7. Bogra ..	372	1.9	3.7	5.6	3.80	192	147	+45	66	97	88	+9	96

**Table 2.—Percentage number of families in different debt classes.**

Districts.	Number of families surveyed.	Number of families in each class.				Percentage number of families in each class.			
		No debt.	A	B	C	No debt.	A	B	C
1	2	3	4	5	6	7	8	9	10
1. Midnapore ..	101	22	57	9	13	21.7	56.4	9.0	12.9
2. Tippera ..	304	41	145	66	52	13.5	47.7	21.7	17.1
3. Dacca ..	112	44	45	11	12	39.3	40.2	9.8	10.7
4. Murshidabad ..	100	39	61	..	..	39.0	61.0	..	..
5. Mymensingh ..	313	45	169	51	48	14.4	54.0	16.3	15.3
6. Pabna ..	246	66	156	20	4	26.8	63.4	8.2	1.6
7. Bogra ..	372	201	112	29	30	54.0	30.1	7.7	8.0

**Table 3.—Percentage of families in classes A and B holding different amount of land.**

Districts.	Number of families surveyed.	Number of families in class A	Percentage number of families in each land, class A.					Number of families in class B	Percentage number of families in land, class B.				
			0-2	2-4	4-6	6-8	over 8		0-2	2-4	4-6	6-8	Over 8.
			4	5	6	7	8		10	11	12	13	14
1. Midnapore ..	101	57	32.8	6.9	4.9	5.9	5.9	9	4.0	2.0	..	..	3.0
2. Tippera ..	304	145	25.0	12.5	5.8	2.9	2.0	66	9.9	6.9	2.6	0.7	1.6
3. Dacca ..	112	45	32.2	3.6	0.9	2.6	0.9	11	6.2	1.8	..	..	1.8
4. Murahidabad ..	100	61	23.0	22.0	8.0	1.0	7.0	..	..	..	..	..	..
5. Mymensingh ..	313	169	33.9	9.3	4.8	2.9	3.1	51	8.0	2.9	2.5	0.6	2.3
6. Pabna ..	246	156	35.4	10.2	7.7	3.2	6.9	20	5.0	1.2	0.8	0.4	0.8
7. Bogra ..	372	112	30.3	30.3	15.1	12.5	11.6	29	24.1	24.1	31.0	3.4	17.2

**Table 4.—Total debt in each class together with averages and percentages.**

Districts.	Number of families surveyed.	1933 : Debts in each class (in rupees).				Percentage Debt in each class.			Average debt in each class.			
		A	B	C	Total.	A	B	C	A	B	C	A+B+C.
		3	4	5	6	7	8	9	10	11	12	13
1. Midnapore ..	101	4,408	4,767	10,557	19,727	23.3	24.2	53.5	77	530	812	250
2. Tippera ..	304	14,618	20,177	41,240	76,035	19.2	26.5	54.2	101	306	793	280
3. Dacca ..	112	12,046	11,135	10,680	33,861	35.8	32.8	31.4	268	1,012	800	408
4. Murahidabad ..	100	2,490	..	..	2,490	100.0	..	..	41	..	..	41
5. Mymensingh ..	313	17,571	19,463	25,614	62,648	28.0	31.1	40.9	104	382	534	238
6. Pabna ..	246	16,131	6,695	1,796	24,622	65.5	27.2	7.3	103	335	449	137
7. Bogra ..	372	10,103	6,976	18,670	35,749	28.2	19.5	52.2	90	241	622	209

APPENDIX III

Table A.

Districts.	Families in thousand.				No. of Board required to deal within 3 years per 600 cases per year.				Circles in districts.			Estimated cost (in rupees).			Total debt (in lakhs).	Fees at 1½ per cent.
	A.	B.	C.	Total.	A.	B.	C.	Total.	No. of full time officers.	No. of half time officers.	No. of non-official Boards.	Establishment charges.	Pay of revenue officers.	Total.		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
1. Burdwan ..	47	22	20	89	26	12	11	49	7	14	28	2,11,680	1,51,200	3,62,880	2,57	3,85,500
2. Birbhum ..	52	15	8	75	29	8	4	41	5	10	26	1,77,120	1,08,000	2,85,120	1,59	2,38,500
3. Bankura ..	27	17	38	82	15	9	21	45	6	12	27	1,94,400	1,29,600	3,24,000	2,50	3,75,000
4. Midnapore ..	136	39	39	214	76	21	21	118	12	24	82	5,09,760	2,59,200	7,68,960	6,68	10,02,000
5. Murshidabad ..	63	12	8	83	35	7	4	46	6	12	28	1,98,720	1,20,800	3,28,320	1,17	1,75,500
6. Jessore ..	108	26	22	156	60	15	12	87	8	16	63	3,75,840	1,72,800	5,48,640	1,78	2,67,000
7. Nadia ..	62	10	17	89	34	6	9	49	8	16	25	2,11,680	1,72,800	3,84,480	2,13	3,19,500
8. Pabna ..	69	35	26	130	38	19	15	72	6	12	54	3,11,040	1,29,800	4,40,640	2,39	3,58,500
9. Bogra ..	59	23	29	111	33	13	16	62	3	6	53	2,67,840	64,800	3,32,640	2,10	3,28,500
10. Rangpur ..	120	49	38	207	67	27	21	115	9	18	88	4,96,800	1,94,400	6,91,200	4,02	6,08,000
11. Rajshahi ..	84	41	21	146	47	22	12	81	7	14	60	3,49,920	1,51,200	5,01,120	3,52	5,28,000
12. Malda ..	15	1	9	25	8	1	5	14	4	8	2	60,480	80,400	1,46,880	10	15,000
13. Dacca ..	178	73	105	356	99	41	58	198	9	18	171	8,55,360	1,94,400	10,49,760	11,58	17,37,000
14. Faridpur ..	145	57	60	262	81	32	33	146	9	18	110	6,30,720	1,94,400	8,25,120	6,84	10,26,000
15. Chittagong ..	28	15	35	78	16	8	19	43	5	10	28	1,85,760	1,09,000	2,93,760	2,49	3,73,500
16. Tippera ..	187	112	75	374	104	62	42	208	9	18	181	8,98,560	1,94,400	10,92,960	11,66	17,49,000
All districts ..	1,380	547	550	2,477	768	303	303	1,374	113	226	1,035	59,35,680	24,40,800	83,76,480	68,91	94,81,500

Table B.

Districts.	Families (in thousand).					No. of Boards needed in 8 years.				Circles in the Districts.			Estimated costs (in rupees).			Total debt (in lakhs).	Fees at 1½ per cent.
	Total families.	A	B	C	A+B+C.	A	B	C	A+B+C.	No. of officers (full).	No. of officers (Half).	No. of non-official Boards.	Establishment charges.	Pay of revenue officers.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. 24-Parganas ..	202	87	33	35	155	48	18	20	86	7	14	65	3,71,520	1,51,200	5,22,720	3,78	5,67,000
2. Hooghly ..	84	36	14	15	65	20	8	8	36	5	10	21	1,55,520	1,08,000	2,63,520	1,57	2,35,500
3. Howrah ..	37	16	6	6	28	9	3	3	15	3	6	6	64,800	64,800	1,29,600	69	1,03,500
4. Bakarganj ..	332	143	55	58	256	79	31	32	142	10	20	112	6,13,440	2,16,000	8,29,440	6,21	9,31,500
5. Dinajpur ..	201	87	33	35	155	48	18	20	86	7	14	65	3,71,520	1,51,200	5,22,720	3,75	5,62,500
6. Jalpaiguri ..	63	27	10	11	48	15	6	6	27	5	10	12	1,16,640	1,08,000	2,24,640	1,18	1,77,000
7. Mymensingh ..	601	259	99	105	463	144	55	58	257	18	36	203	11,10,240	3,88,800	14,99,040	11,24	16,86,000
8. Noakhali ..	151	65	25	26	116	36	14	14	64	5	10	49	2,78,480	1,08,000	3,84,480	2,82	4,23,000
9. Khulna ..	170	73	28	30	131	40	16	17	73	6	12	55	3,15,360	1,29,600	4,44,960	3,18	4,77,000
Total ..	1,841	793	303	321	1,417	439	169	178	786	66	132	688	33,95,520	14,26,600	48,21,120	34,42	51,63,000

### Explanatory Statement to Appendix III.

#### *Estimate for Debt Conciliation work in Faridpur.*

(The total number of families of the raiyats with occupancy rights in land has been taken from the total number of earners of the cultivating class shown in the Census Tables. Probably this is an overestimate because some families have more than one "Earner".)

Number of families of classes A, B and C debtors are 145,000, 57,000 and 60,000, respectively.

Progress of work—

600 cases per Board per year for whole-time Board.

Disposal of work in 3 years—

81, 32 and 33 Boards in all 146 Boards would be required for A, B and C classes, respectively.

Cost for each Board—

	Per mensem.
	Rs.
One Revenue Officer .. .. .	200
„ Orderly .. .. .	10
„ Clerk Peshkar .. .. .	30
„ Enquiry Agent .. .. .	30
Fixed travelling allowance for Enquiry Agent	10
Peon .. .. .	12
Boat hire, etc., for non-official members of Board .. .. .	20
Contingencies .. .. .	8
<b>Total .. .. .</b>	<b>320</b>

There are 9 circles in the district, each on an average with one Sub-Registrar, one Circle Officer, one Sub-Inspector of Schools and one Co-operative Auditor. Altogether they will give 18 officers' work if they work half time. If only one Revenue Officer be given for each circle and the works of the Boards are done to a large extent by non-official agency, the actual extra cost incurred by Government on gazetted officers will be the pay of these 9 Revenue Officers only. Each Subsidiary Board will, however, require its own clerk and peons and Enquiry Agent. Assuming, however, that half the pay of all existing Government officers proposed to be employed on this work should be included in the scheme. The calculation of cost is as follows :—

	Rs.
9 Revenue Officers for three years, 36 half-time officers or 18 officers, i.e., 27 officers in all for three years at Rs. 200 <sup>7</sup> per mensem	1,94,400
Establishment for 146 Boards at Rs. 120 per mensem for three years .. .. .	6,30,720
<b>Total .. .. .</b>	<b>8,25,120</b>

## APPENDIX IV.

## THE BENGAL RELIEF OF INDEBTEDNESS BILL.

A  
BILL

*to provide for the relief of indebtedness and the improvement of agrarian conditions in Bengal.*

WHEREAS it is expedient to relieve agriculturists from indebtedness and to improve the position of the agricultural population by helping them to settle their debts on fair terms ;

AND WHEREAS the previous sanction of the Governor-General required under section 80A(3) of the Government of India Act and the previous sanction of the Governor required under section 80C of the said Act have been obtained ;

It is hereby enacted as follows :—

Short title,  
extent and  
commencement.

1. (1) This Act may be called "The Bengal Relief of Indebtedness Act, 19 . . ."

(2) It extends to the whole of Bengal except the town of Calcutta as defined in the Calcutta Municipal Act, 1923.

(3) This Act shall come into force on such date and in such areas as the Local Government may, by notification, direct.

Interpretation  
clauses.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) The expressions "agriculture", "holding", "land", "tenant", "occupancy holding", "agricultural year", "landlord", "rent", and "village" shall have the meanings assigned to them in or under the Bengal Tenancy Act, 1885.

(2) "Loan" means a loan whether of money or in kind and includes any transaction which is in the opinion of the Board in substance a loan.

(3) "Debtor" means a person who owes a debt or debts, whose primary means of livelihood is agriculture.

(4) "Debt" includes all liabilities of a debtor in cash or in kind, secured or unsecured, payable under a decree or order of a Civil Court or otherwise, whether mature or not, but shall not include trading debts, arrears of wages, or any money for the recovery of which a suit is barred by limitation.

*Explanation.*—A debtor who temporarily ceases to earn his livelihood by agriculture or is prevented from so doing by reason of minority or sex or age, or bodily infirmity, does not by such cessation, or inability lose his status as a debtor, under this Act.

(5) " Prescribed " means prescribed by rules made under this Act.

(6) " Board " means a Debt Adjustment Board established under this Act.

(7) " Supplementary income " means any income derived by the debtor from any source other than by cultivation of land.

3. (1) The Local Government may, for the purposes of settlement between creditors and debtors as defined in this Act, establish a Debt Adjustment Board for any area in Bengal to which this Act has been applied under section 1(3). **Setting of Debt Adjustment Boards.**

(2) Such Board shall consist of a Chairman and as many more members as the Local Government may appoint. The Local Government may, for reasons to be recorded in writing, cancel the appointment of any member or dissolve any Board.

(2A) After the dissolution of any Board, the Local Government shall have power to appoint an officer to exercise all or any of the powers conferred under this Act on a Board as may be determined and notified by the Local Government.

(3) The Chairman and every member of a Board so established shall be appointed for a term not exceeding three years, but shall be eligible for reappointment on the expiry of his term.

(4) The Local Government shall have powers to delegate its powers under this section to the Commissioner of a Division.

(5) The quorum of a Board shall be prescribed by the Local Government.

(6) Where the Chairman and members of a Board are not unanimous, the opinion of the majority shall prevail, and if the Board is equally divided, the Chairman shall exercise a casting vote.

4. A debtor or any of his creditors may apply to the Board appointed for the area in which the residence or the major portion of the debtor's landed property is situate, to effect a settlement between the debtor and his creditors. **Application for settlement between debtor and his creditor.**

5. Every application to a Board shall be in writing and be signed and verified by the applicant in the manner prescribed by the Code of Civil Procedure (Act V of 1908) for signing and verifying plaints. **Verification of application.**

6. (1) Every application presented by a debtor to a Board shall contain the following particulars, namely :— **Particulars to be stated in application.**

- (a) the village and union where he resides ;
- (b) the particulars of all claims against him, together with the names and residences of his creditors ;
- (c) the particulars and the original amount of each loan ;

- (d) the particulars of all his property with the khatian numbers of his tenancies and the name or names of landlords, together with a specification of the value of such property and the place or places at which any such property is to be found ;
- (e) the particulars of any supplementary income including loans or investments in which he has an interest ;
- (f) the particulars of any mortgage or other encumbrances of his property.

(2) Every application presented by a creditor shall contain the following particulars, namely :—

- (a) the village or villages where the debtor and the creditor reside ;
- (b) the amount and full particulars of his claim against such debtor ;
- (c) the particulars of debtor's properties together with khatian numbers of holdings and the name or names of landlords as also of any investment made by the debtor and of any mortgage of debtor's property, so far as are known to the applicant ;
- (d) particulars about the debtor's supplementary income so far as may be known to him.

Procedure on receipt of application.

7. (1) On receipt of an application under section 6, the Board shall pass an order fixing a date and place for hearing the application :

Provided that the Board may at any time dismiss the application if, for reasons to be stated in writing, it does not consider it desirable or practicable to attempt to effect a settlement between the debtor and his creditors.

(2) Notices of the order under sub-section (1) shall be delivered to creditors and where the debtor is not the applicant notice of the order under sub-section (1) shall be delivered to him in such manner and in such form as may be prescribed in this behalf by the Local Government.

Attachment of debtor's property.

7A. At the time of making an order admitting an application under section 4 of this Act or at any subsequent time before final disposal under any of the provisions in the Act, notwithstanding anything contained in any enactment for the time being in force, the Board may, either of its own motion or on the application of any creditor, order the attachment of the whole or any part of the property in the possession or under the control of the debtor in his own right.

*N.B.*—The question was raised whether a clause similar to rules 58-61 of Order XXI of the Civil Procedure Code should be inserted here to provide for the summary adjudication of claims against the debtor, whose property was being attached. Section 19 might give the Board the necessary power to review its order of attachment on good cause being shown, but it was doubtful. If the words "in his own right" do not serve the desired purpose, it might be necessary to qualify possession as "legal" possession.



**7B.** Where an attachment has been made any private transfer or delivery of the property attached or any interest therein shall be void as against all claims enforceable under the attachment. Private transfer or delivery of attached property void.

**7C. (1)** Where the property is immovable, the attachment shall be made by an order prohibiting the debtor from transferring or charging the property in any way and all persons from taking any benefit from such transfer or charge. Order of attachment and its publication.

**(2)** The order shall be published in any manner the Local Government may prescribe.

**8. (1)** If, after examining the debtor or the creditor, the Board is of opinion that it is desirable to effect a settlement it shall deliver, send or publish in such manner as may be prescribed, a notice calling upon every creditor in case of an application under section 6, sub-section (1) or the debtor in case of an application under section 6, sub-section (2) to submit a statement as prescribed in section 6 and shall post a copy of the same in the Union Board office where the creditor or debtor as the case may be resides. Such statements should be submitted to the Board in writing within a month from the date of posting the copy in the Union Board office. Notice calling upon debtor or creditors to submit statements of debts.

In case of an application by a creditor under section 6(2), the Board shall in manner prescribed on receipt of the debtor's statement call upon his other creditors as disclosed from the statement to submit a statement as prescribed in section 6(2):

Provided that, if the Board is satisfied that any creditor or the debtor was for good and sufficient cause, unable to comply with such directions within the time fixed, it may extend the period for the submission of his statement of the debts owed to or by him.

**(2)** Every debt, of which a statement is not submitted by a creditor to the Board in compliance with the provisions of sub-section (1) shall be deemed to be the amount as stated in the debtor's application subject to the provisions of sections 12, 14 or 14A.

**9.** Every creditor submitting in compliance with a notice issued under sub-section (1) of section 8 a statement as prescribed in sub-section (2) of section 6 shall furnish, along with such statement, full particulars of all such debts and shall at the same time produce all documents (including entries in books of account) on which he relies to support his claims, together with a true copy of every such document: Procedure on submission of statement of debts.

Provided that a decree or order of a Civil Court shall be conclusive evidence as to the amount of the debt to which the decree relates, but the amount may be reduced in accordance with the provisions of sections 12 (1), 14 and 14B.

(2) The Board shall, after marking for the purpose of identification every original document so produced and verifying the correctness of the copy, retain the copy and return the original to the creditor.

(3) If any document which is in the possession or under the control of the creditor is not produced by him as required by sub-section (1), the document shall not be admissible in evidence against the debtor in any suit by the creditor or by any person claiming under him.

(4) The Board shall disallow any debt which may be found to be collusive and set forth to defraud other creditors. The reasons for such finding shall be recorded in writing.

Board to attempt amicable settlement.

**10.** The Board shall call upon the debtor and each creditor to explain his case regarding each debt, and shall use its best endeavours to induce them to arrive at an amicable settlement.

Power of Board to require attendance of persons and production of documents and to receive evidence.

**11.** (1) Any Board empowered under this Act may exercise all such powers connected with the summoning and examining of parties and witnesses and with the production of documents as are conferred on Civil Courts by the Code of Civil Procedure, and every proceeding before the Board shall be deemed a judicial proceeding.

(2) Any person present may be required by a Board to give evidence or to produce any document then and there in his possession or power.

Power of the Board to dismiss application.

**11A.** If no award is made under sections 12, 14 or 14B, or if in the opinion of the Board any applicant fails to pursue his application with due diligence, the Board shall dismiss the application.

Award in case of amicable settlement of 60 per cent. of debts, its registration and effect.

**12.** (1) If the debtor and creditors to whom not less than sixty per cent. of the total amount of the debtor's debts are due come to an amicable settlement, the Board may, following the same principles to the extent it considers equitable, make a settlement of all the debts in writing in the form of an award recording the amounts payable to each creditor and the manner in which and the times at which they are to be paid and the rates of interest payable till the awarded amount is liquidated. Such award shall be read out and explained to the parties present, and shall be signed or otherwise authenticated by the Board.

(2) An award made under section 12(1) shall be registered in the office of the Board and the effects shall be the same as if it had been registered under the Indian Registration Act 1918, and it shall then take effect as it were a decree of the Civil Court.

**13.** (Omitted.)

14. (1) If for any reason no settlement is made under section 12, but the Board is of opinion that the debtor or any of the creditors has made a fair offer, it may frame an award covering all the debts of such debtor following the principles of fair offers made by certain creditors as regards the dues of the remaining creditors. The award shall contain the same particulars regarding the amounts payable to each creditor and the manner in which and the time at which they are to be paid and the rates of interest payable till the awarded debts are liquidated as provided for in the preceding section.

Award in case of fair offer by any of the parties.

(2) In no case under this section shall a loan be reduced to an amount less than the original principal, except with the consent of the particular creditor concerned.

14A. (1) Notwithstanding anything contained in this Act in all proceedings before a Board, it shall give priority to secured debts, and the mortgage or any lien on a debtor's property shall subsist till the whole of the amount, for which an award has been made in respect of such debt, has been duly discharged.

Priority of secured debts.

(2) All questions of priority between secured creditors shall be determined by the Board in accordance with the priority of the dates on which the instruments creating such securities were executed.

(3) The Board shall arrange the creditors in such order of priority as it thinks fit having regard to the date on which the debts were incurred, and other circumstances which the Board considers relevant and shall make an order for the allocation among the creditors according to their priority as determined and in proportion to the amounts shown against each and shall specify in each case the latest date upon which the instalment is to be paid commencing from the next agricultural year. The Board shall assign payment of the amount of each instalment as far as practicable to two or three creditors to avoid multiplicity of payments.

14AA. (1) If a debtor defaults in paying any amount due in accordance with the terms of an award registered under sub-section (2) of section 12, or under sub-section (1) of section 14, such amount shall be recoverable as a public demand on the application of the creditor made within ninety days from the date of default.

Recovery of sums due under award.

(2) Where the Collector fails to recover as a public demand any part of such amount, he shall certify that it is irrecoverable and thereupon the award shall cease to subsist.

(3) Where an award ceases to subsist, any amount which was payable under such award, but has not been paid shall be recoverable as if a decree of a Civil Court had then been passed for its payment.

List of landed properties of debtors to be circulated and published.

**14AAA.** (1) When an award has been made and registered, a list of the landed properties which are the security for the debt will be published by circulation to the landlords of the same and by affixing in the Union Board office.

Effect of sale on default.

(2) Notwithstanding anything contained in any enactment for the time being in force, if no objection to the title or possession of the debtor is filed before the Board within 12 months, or if an objection is filed and disallowed and no civil suit is filed against the decision within 3 months and subsequently the property is sold for default of the debtor to pay his due instalments, the property shall vest in the purchaser.

Adjustment of an insolvent's debt, and award for the same.

**14B.** Notwithstanding anything contained in the Provincial Insolvency Act, 1920, when a Board after consideration of a debtor's properties and income from other sources and all his debts records a finding that there is no prospect of the debtor being able to repay the whole of his debts even if instalments are spread over 20 years, the Board may reduce the debts with due regard to the value of the debtor's property and other income and fix instalments for the payment of the same according to the paying capacity of the debtor and make an award to such effect. The award shall be drawn up signed, authenticated and registered in the same manner and shall contain the same particulars as laid down in section 12. It shall have the same effect as an award under the same section.

Failure to pay instalment by an insolvent.

**15.** (1) When an award has been made under the foregoing section if the debtor fails to pay the instalments as fixed in the award and the Board does not think fit to grant extension of time for payment it shall be lawful for the Board to sell the property excluding only that area of land which is actually in use by the debtor for the purpose of his dwelling-house and owned by such debtor, in such manner and after such time as may be prescribed in this behalf by the Local Government.

(2) When all the assets of the debtor have been realised under sub-section (1), arrears of rent shall be a first charge; if there are any secured creditors the Board shall first pay to each secured creditor, the proceeds of any assets held as security up to the secured debt due to him as adjusted by the Board. Where the amount of such proceeds is insufficient to meet the total amount of such debt, the creditor shall rank in respect of the balance of such debt as an unsecured creditor. The remaining sale-proceeds will be distributed rateably.

(3) The Board shall then grant a certificate to the debtor discharging him from any further liabilities with respect to the debts so liquidated.

**16.** Notwithstanding anything provided for in the preceding sections 12, 14 and 14B no application shall be entertained by the Board regarding any debtor who is a member of a Co-operative Credit Society without the previous approval in writing of the Registrar of Co-operative Societies.

Application subject to approval of Registrar of Co-operative Credit Societies in case of a member of such societies.

**17.** (1) No Civil or Revenue Court shall entertain any suit or proceeding in respect of—

Bar of civil suits.

- (a) any matter pending before a Board, or
- (b) the validity of any procedure or the legality of any award under this Act, or
- (c) the recovery of any debt dealt with in an award under section 12, 14, or 14B, unless the award has ceased to subsist, before the awarded debt has been paid, or
- (d) any debt disallowed by the Board under section 9 (4).

(2) When an application has been made to a Board under section 4, any suit or other proceeding then pending before a Court in respect of any debt for the settlement of which application has been made shall be stayed, until the Board had dismissed the application or made an award. If an award has been made, the suit shall be struck off with permission to file a new suit, if the award ceases to subsist before the claim as adjusted by the Board is paid.

**17A.** Notwithstanding anything in the Code of Civil Procedure, no decree passed in any suit or proceeding against a debtor whose properties have been attached under section 7A, shall be executed, provided that—

Bar to execution of a decree by Civil Court.

- (i) if the application under section 4 is dismissed, execution proceedings may proceed,
- (ii) decrees for recovery of debts incurred after an award may be executed after all the claims dealt with in the award have been paid,
- (iii) suits for recovery of arrears of rent may be executed after six months from the date of a notice of the decree being given to the Board,
- (iv) decrees for recovery of debts incurred after an award has been made may be executed on 6 months' notice being given to the Board and on the Board giving a certificate that the loan was incurred for absolutely necessary or remunerative purposes such as the purchase of additional land.

Bar of appeal  
for revision.

18. The Local Government shall appoint one or more persons with judicial experience in each district where the provisions of this Act have been applied for the purpose of hearing appeals from the decisions of Boards constituted under this Act.

Power of Board  
to review its  
order.

19. A Board may, on the application from any person interested, review any order passed by it and pass such order in reference thereto as it thinks fit :

Provided that no order shall be reversed unless notice has been given to the persons interested to appear and be heard in support of such order.

Appearance of  
party before  
Board by agent,  
but not by legal  
practitioner.

20. In any proceedings under this Act any party may with the permission of the Board be represented by an agent authorised in writing, but not by a legal practitioner or by a tout declared as such by any competent Court or by the Board.

21. (Omitted.)

22. A copy of an award under section 12 or section 14 or an order under section 14C made by a Board shall be published in such manner as may be prescribed by the Local Government.

Members of  
Boards deemed  
to be public  
servants.

22A. The members of a Board shall be deemed to be public servants within the meaning of the Indian Penal Code.

Allowance of  
time for limi-  
tation.

22B. In calculating the period of limitation for any suit filed in or proceeding before a Civil Court for the recovery of a debt which was the subject of any proceedings under this Act, the time during which such proceedings had continued shall be excluded.

Transfer of the  
amount of debt  
in an award or  
a certificate or  
an order of  
adjustment to  
approved credit  
organisation.

23. (1) An award made under this Act shall be negotiable and may be transferred by a creditor to any approved credit organisation as may be prescribed by the Local Government under such terms and conditions as may be prescribed.

(2) Notwithstanding anything contained in an award in case of such transfer the debtor shall be liable to pay the amount as shown in the award under such terms and conditions as may be determined by such approved credit institutions and agreed to by the debtor.

Power to  
make rules.

24. The Local Government may make any rules consistent with this Act to carry out the purposes thereof, and in particular and without prejudice to the generality of the foregoing power may make rules—

(a) prescribing the maximum amount of debt which can be dealt with under the provisions of this Act ;

- (b) prescribing the quorum for and regulating the procedure before a Board ;
- (c) prescribing the forms of application under section 6 ;
- (d) prescribing the charges to be made by a Board for anything done under this Act and the persons by whom and the manner in which such charges shall be paid ;
- (e) prescribing the records to be kept and the returns to be made by a Board ;
- (f) prescribing the allowance to be paid to members of a Board ;
- (g) prescribing the place at which and the manner in which an award shall be registered under sub-sections (2) of section 12 or 14 or 14B ;
- (h) prescribing the forms of award to be made under sub-section (2) of section 12, sub-section (1) of section 14 or of the order of adjustment under section 14B ;
- (i) prescribing the manner of transfer of an award or for an order of adjustment and the payment of the amounts covered by such award or certificate or an order of adjustment by any approved credit organisation to a creditor transferring it ;
- (j) prescribing the procedure for sale of properties of an insolvent declared under this Act, the manner of distribution of sale-proceeds and the form of certificate of discharge to be granted to an insolvent under sub-section (3) of section 16 ;
- (k) prescribing the method of serving or publishing the notices prescribed by any section of this Act ;
- (l) prescribing the procedure to be followed by the Appellate Courts appointed under section 18.

25. In making any rule the Local Government may direct that a breach thereof shall be punishable with fine which may extend to fifty rupees and, where the breach is a continuing one, with further fine which may extend to ten rupees for every day after the first during which the breach continues. Penalty for breach of rules.

## APPENDIX V.

**Extract from Notes on Economic Enquiry in the Rangpur District  
by the Settlement Department.**

An enquiry was made of the economic condition in 11 villages of 508 families with 3,272 persons giving an average of 6.4 persons per family.

The classification of families according to standard of living is difficult and there was no uniformity. However from the figures as they stand one-ninth of the villagers are living in starvation, i.e., they have just sufficient to keep themselves alive and no more or of whom it can be said that there is definite evidence of under-feeding or real lack of clothing. This probably represents a fairly pessimistic view of the standard of the country. Against this, between one-third and one-quarter of the families representing one-third of the persons can on any view be described as in comfort.

Those who have less than 1 acre of khas land may be styled landless. They can have little land besides their homesteads. They amount to a quarter of families and a little less than one-fifth of the individuals.

The compilation of figures shows that 29 per cent. of the families are free from debt. This is a more serious condition of indebtedness than that found in Faridpur by Mr. Jack. In that district about 1906-10, 55 per cent. of families of cultivators and 59 per cent. of all families were found to be free from debt.

Debt in some measure is determined by credit. The fact that in every village except one the proportion of families free of debt exceeds the proportion of individuals show that the "free of debt" class contains more than a proportionate share of small families while although the landless class form only one-quarter of the total families they form three-eighths of the families free of debt. Only four out of the twenty-six big family groups possessing 10 or more acres of khas land are free of debt.

Any opinions as to why indebtedness is now more widespread in south-east Rangpur than it was in Faridpur 25 years ago, must necessarily be based on mere speculation. One may surmise that the present enquiry took place at a time when debt was very prevalent. A period of high prices has been followed by three or four years of low prices; prices of jute and paddy being only a third of what they were five or six years ago. Before cultivators adapted themselves to the new low level of prices they certainly took recourse to loans to maintain their expenditure and in the first two years of falling prices there was still ample cash in the hand of money-lenders, available for lending.

The total debt is really an artificial figure. Villagers were asked what loans they had taken. Then after learning the rate of interest and the amount said to have been repaid, the present value of the debt was worked out by simple arithmetic. By this method, a sum of Rs. 40 borrowed in 1928 at 48 per cent. per annum and Rs. 25 repaid, is calculated at Rs. 130, and Rs. 50 borrowed in 1928 at 37½ per cent., and Rs. 18 repaid, as Rs. 143. These rates of interest, which ordinarily vary from 3 per cent. per month to 1 anna in the rupee per month (36 per cent. to 75 per cent. per annum) can only be regarded as nominal. It is unlikely that any Court would decree such



sums as are due according to the strict letter of the bonds, and Mahajans certainly compound with their debtors for much smaller sums. The original principal of outstanding loans was Rs. 66,000; while even after deducting sums repaid the present nominal value is Rs. 1,10,000. Probably the effective debt—what the money-lenders reasonably expect to receive—is not much more than half this sum.

One small matter calls for note. When calculating the present value of debts, the outstanding value of complete usufructuary mortgages was calculated at a share of the capital sum borrowed, proportionate to the outstanding period of the mortgage. Thus if Rs. 50 was borrowed on complete usufructuary mortgage for ten years from 1336 to 1345, the present value was shown as Rs. 25, *i.e.*,  $5/10 \times 50$ .

*Causes of debt.*—Circle Officers were asked to find out the reason for borrowing each loan. It is well known that many loans, or rather acknowledgments of debts, are not new money, but only renewal of old loans. Officers were asked to discover the causes of the original loan; and this instruction was usually followed. For loans totalling about one-eighth of the present value, no cause was given, or the reason was "to pay off old loans." Of the rest, more than a third is described as incurred for purchase of food, clothing or household expenses. More than a fifth is said to have been borrowed because of marriages. Purchase of land or payment of nazar, and purchase of cattle are the next largest classes of debt and these four groups together account for four-fifths of the total debt. Immediately, the query arises, "can we trust the villagers' own statements about the reason for borrowing?" It is not possible to obtain any evidence to check their statements and it can only be said that at any rate they have given consistent statements about the cause of debt to five different officers. The biggest cause of debt "food, clothing, and household expenses" calls for comment. One Circle Officer thinks that this is a reason for borrowing, which does not occasion any shame; and such debts are mentioned freely, where others may be concealed. But such borrowing is bound up with the agricultural system of the area. This is a paddy importing area. Jute is sold, and articles purchased when there is cash in hand. Paddy, however, is bought on credit throughout the year, and if the cultivator has not the cash to pay off the debt, he takes the easy course of executing a hand-note. This is another reason for believing that much of the rural debt, although expressed in cash values, is not really borrowing in cash. It is also likely that the sums so borrowed by account with mahajans include some loans taken for other purposes, such as payment for rent. But it is not suggested that all the borrowing is in kind; and for reasons given later, it seems likely that at any rate before the slump, or in the early days of falling prices, there was considerable cash borrowing. Articles such as oil, dal, and clothes have to be bought for cash down. In days of prosperity, much of the expenditure on these must have been done with borrowed money. Figures show how frequently marriage ceremonies occasion debt, and also that litigation considered in relation to the country as a whole is of no particular importance as a cause of debt, though individual families may be ruined by litigation. In all, only 38 families out of 508 which formed the subject of the enquiry, said they had ever incurred any expenditure for litigation. Seventeen of the 38 lived in the two villages which were nearest to Gaibandha.

Of the outstanding debts, the greater part was borrowed in the three years 1928, 1929 and 1930. Since then the amount of borrowing has slackened off. The villagers were asked to give their debts. They naturally described the debt as it stands after the last hand-note executed, or after the latest composition with their creditors. It is never possible to distinguish how much debt is new money and how much is in satisfaction of existing debts by execution of fresh hand-notes, but from what is known of the amount of money available in different years it is reasonable to assume that many of the loans taken between 1928 and 1931 were new money. Loans incurred before 1928 seem to have been nearly all satisfied, and since 1931 there has been little borrowing. The debt which must now be settled is that incurred in the period 1928 to 1931. This is not likely to be liquidated by fresh borrowing from the mahajans and rural banks which were the main sources of credit in the past. Leaving aside the possibility of any large scale debt relief under Government auspices, it is probable that creditors will compound the debts on terms which are fair and equitable to both parties. Signs are not wanting that this is actually being done. A fair proportion of the loans which were stated to have incurred in 1934 are known to be compoundings of previous debts,—commonly on the "Kistibandi" principle. In a "Kistibandi" settlement the debt is fixed at a certain sum which is to be paid off in so many instalments without further interest. This indeed, is not always a method of settling loans; sometimes a new loan is given on terms that it will be paid off in instalments. There is no provision for interest, but the sum mentioned in the bond is greatly in excess of the actual sum borrowed. However Rs. 3,411 out of the Rs. 4,521 said to have been borrowed in 1934, is fairly certainly settlement of old loans.

*The Rent-situation.*—Figures average out at 2½ years' rent in arrears at the end of 1340 (rents for 1340, if unpaid were classed as arrears). But it must not be understood that no rent has been paid for the last 2½ years. These are arrears which have accumulated gradually, and rent is still paid in part.

Again, it is certain that many cultivators are even, in the best of times, in arrears with their rent. During field work, or attestation one commonly finds receipts given in 1335 for rent due in 1333 or even earlier, and this at a time when the prices of agricultural produce were the highest ever recorded.

In mouza Manmanthapur the sum nominally payable on debts was Rs. 1,097, but only Rs. 200 were paid in 1340 B.S. In Kachua, out of Rs. 2,379 due, only Rs. 154 is reported to have been paid. This shows that if the sums payable on debts according to the stipulation in the bonds were actually paid, cultivators would pay more to mahajans in interest, than they pay to their landlords in rent. Actually, they are now paying their landlords much more than they are paying their mahajans.

*Family budgets.*—Figures given for family budgets must be accepted with caution. Compilation is beset with traps for the unwary, but all officers worked on the same principle. They endeavoured to find out the family consumption of rice, and then entered the value, in current prices, of the paddy equivalent. Dal, mustard oil, spices, salt, tobacco, clothing and kerosine are normally bought for cash. Here the usual, and safest method of proceeding was to find out how much was spent

at every hat, and then to multiply until the annual expenditure was found. This method lends itself to magnifying every error, but produced notably consistent results by the different officers. For fish, meat, vegetables, milk and betel nuts it was tried to proceed on the principle of asking how much was bought at every hat, and for how many months. Then it was tried to find out how much was obtained by own production, or how much fish was caught by the family, and then was assigned a value to the quantity, adopting current market prices. This may not be strictly accurate, but is the best possible. In Faridpur Mr. Jack thought it impossible to give a cash value to the fish caught and consumed by the family. The officers have done the best they could by asking what would have been the price of the fish if bought; or for how many months in the year fish was bought and then giving a proportionate value to the fish caught.

The importance of rice in the cultivators' diet is apparent. The cash value of rice consumed is everywhere (except one mouza) given at from two-thirds to three quarters of the cash value of the total food stuffs consumed.

Excepting rice, the expenditure on other items of recurring expenditure, clothing is evidently the biggest item. Tax has been shown as a recurring charge as even now unlike rent and interest it is paid regularly. If in any village there is much unpaid or irregular payment the cause will certainly be not economic difficulty, but slackness among the collecting authorities. At an average of 4 annas per head per year, the Union Board rate only amounts to about "1/64" to "1/80" of the expenditure on food.

The article which shows the most consistent level of consumption is salt. The consumption works out at 9 or 10 kutchas seers per head per year (including salt for cattle). The demand is completely inelastic.

No figures have been given for item of "spasmodic" expenditure, such as cost of births, marriages and deaths, and cost of house building and repairs. The Faridpur method was followed, when averaging these costs to one year. It was assumed that one birth, one marriage and one death would occur to every member of the family in 30 years, and the aggregate cost of one of each class of ceremony for each member was divided by 30 to give an annual figure. The method cannot be vouchsafed to be actuarially sound; but it was peculiarly liable to error in the circumstances of the present, when standards of expenditure have fallen heavily in the last 5 years. People are at best vague when giving the cost of a wedding. Some may give the amount which they would like to spend or think ought to be spent, and others are guided by their ideas of what was spent in the last wedding in the family. This may have been 5 years ago, when there was much more money available.

Similarly no total of "income" or expenditure has been given. Figures show a consistent excess of expenditure over income; even if allowance be made for non-payment of the rent and interest which is due according to the record-of-rights and the terms of bonds.

It is believed that villagers consistently tend to underestimate their income and some of the richer may for "prestige" exaggerate their expenditure.

**Note for the Statistical Sub-Committee by the Secretary to the Board of Economic Enquiry.**

Regarding the problem of rural indebtedness, Government have referred under paragraph 4 (i) of Resolution No. 6159-Com., dated the 1st December 1933, concrete suggestions in broad outlines for conducting enquiries by the Board of Economic Enquiry in the Note for the Board, which has been circulated.

These are—

- (1) Prevention of extravagance in new borrowing.
- (2) The liquidation of existing debt by—
  - (a) Debt conciliation on voluntary basis of debts up to Rs. 1,000.
  - (b) Compulsory adjustment of accumulated interest.
  - (c) Rural Insolvency Act.
- (3) Reorganisation and expansion of co-operative societies including land mortgage banks on paper lines, and setting up of other approved credit institutions to take over adjusted debts.

It has been pointed out that the schemes suggested above will depend entirely on two essential features, viz.,—

- (a) Existence of sufficient surplus to pay off the adjusted debt.
- (b) Existence of co-operative banks, or other approved credit institutions to take over the adjusted debt.

The Sub-Committee is concerned with enquiry under (a).

*Statistical Registers, Reports and Lists containing general information.*

There are registers in each district office based on the Revenue Survey in the middle of the last century showing the villages under each pargana and the area appertaining to each separate estate within the village as also the villages or portions of them appertaining to each estate, the area of each estate lying within each village, the land revenue for each estate. In the Land Revenue Administration Reports published annually by the Government the total number of estates permanently and temporarily settled and also under direct management in each district, the land revenue and road and public works cess payable, the amounts paid, the amount of arrears, the prices fetched at public auction and various other information is given. The reports on the management of the Court of Wards also published annually give the rentals, collections and arrears, debts and repayment of each estate under its management. The Annual Report of the working of Co-operative Societies in Bengal gives information regarding (1) number of societies, (2) number of members, (3) amount of loans, (4) loans due by individuals, (5) overdues and (6) repayment by members and other details.

Various laws have been passed for codifying the rights and status of cultivators, the latest amendment of the Bengal Tenancy Act gives them right to transfer their lands without the consent of landlords. The provisions for enhancements of rents of cultivators are mainly on the basis of higher rates prevailing for similar lands in the neighbourhood

and in consideration of the rise in prices of the staple food during the currency of the present rent. For the investigation of the latter by Courts a Statutory Price List of Staple Food-crops in the Local Areas of Bengal is published quarterly and an annual compilation made therefrom by Government in the Revenue Department under section 39 of the Bengal Tenancy Act. This is only for "rice" which is the staple food-crop of Bengal.

The Director of Agriculture publishes weekly with the Weather and Crop Reports the price of common rice for the subdivisional stations of districts. He also publishes a fortnightly Prices Current (retail) of common rice and salt in some specified parts of every district. A fortnightly Prices Current (wholesale) is also published by him of some important parts in the Presidency of the prices of paddy (unhusked rice)—best and common, rice—best and common, wheat, raw cotton, coal, raw jute, and gur (sugarcane). All these prices are published in the Government *Calcutta Gazette*. The Season and Crop Report gives the harvest prices of the following crops for each district, viz., winter and autumn rice, wheat, barley, gram, gur (unrefined), cotton, linseed, rope and mustard, jute and tobacco leaf.

The agency employed for the collection of statistics is the same for both departments, who are responsible local officers. Their duty requires them to visit every mart personally and ascertain the information from respectable shopkeepers.

To safeguard the interests especially of cultivators, who generally hold no leases for their lands, a record-of-rights, district by district, was undertaken to be prepared by Government since 1900 and these will be completed within the next 3 or 4 years. The record-of-rights involves a survey and enquiry of each plot of land, preparation of a record showing the fields appertaining to each tenancy, the classification of land of each plot, the rent paid to the landlord, the rights under which the tenancy is held and other details of the tenancy. Similar record is prepared for every tenure-holder under a proprietor and for the proprietor as well, thus giving a comprehensive record of all interested in land. During the course of preparation of record-of-rights of a district various items of statistical information have been collected, for the district as a whole.

These are mainly (1) the different classifications of lands and the area under each, (2) the area under different crops, (3) the statistics of land tenure, i.e., the distribution of land under different classes of owners, the incidence of rent and cess, (4) Agricultural stock statement showing the number of ploughs, carts, boats, etc., and the live-stock.

*Report and Enquiries regarding economic position with special reference to indebtedness.*

In some of the earlier operations, detailed statistics have been collected regarding the economic condition of the people of the districts—the most detailed of these is that of Faridpur the main results of which have been collected in Major Jack's book "Economic Life of a Bengal District." Most of the original statistical forms and the detailed tabulation from which the tables in the book have been compiled covering over one hundred volumes are in the Record-room of the Faridpur Collectorate. Detailed enquiries regarding indebtedness were

also made in Dacca and Jessore districts. Settlement Reports of Dacca, Mymensingh, Midnapore and Jessore of the three districts of East, West and Central Bengal will show the estimate of the economic position by the Settlement Officers. Crop-cutting experiments were conducted by officers for ascertaining the yield and the results further verified by reliable enquiries from cultivators themselves. Typical family budgets of cultivators were also prepared in course of preparation of record-of-rights. All these informations have been incorporated in the Final Reports of Settlement Operations of districts. It is not possible to enumerate the different heads of subjects dealt with in these reports, which are all printed. At present the Final Reports of following districts with years of operation are available:—

- (1) Bakarganj (1900-08),
- (2) Faridpur (1904-14),
- (3) Dacca (1910-17),
- (4) Mymensingh (1908-19),
- (5) Midnapur (1911-17),
- (6) Bankura (1917-24),
- (7) Noakhali (1914-19),
- (8) Tippera (1915-19),
- (9) Jalpaiguri (1906-16),
- (10) Rajshahi (1912-22),
- (11) Pabna (1920-29),
- (12) Bogra (1920-29),
- (13) Nadia (1918-26),
- (14) Jessore (1920-24) and
- (15) Khulna (1920-26).

The Settlement Reports of Murshidabad, Birbhum and Chittagong are under preparation and that of the 24-Parganas has not yet been published. Settlement Operations are in progress in the districts of Burdwan, Malda, Hooghly and Rangpur and Dinajpur and Howrah will be taken up next year.

Information regarding economic position has been collected from time to time.

In 1926, Mr. Burrows, the then Collector of Faridpur, made an intensive enquiry of a village in Faridpur district at the instance of the Royal Commission on Agriculture. An extract from his report regarding indebtedness is appended to the Report of the Commission.

The Bengal Banking Enquiry Committee had an intensive enquiry in 1929 through non-official and official agencies about the economic position of agriculturists, in selected areas of certain districts. The forms filled in by the enquirers are available. Apparently the Committee did not make much use of the results as they "suffered somewhat in precision and thoroughness." The results of the intensive enquiry in one village Karimpur of the Bogra district have been utilised in the Report of the Committee.

An enquiry was made by the Collectors in November of 1933 and March of 1934 regarding the stocks of crops held by cultivators and generally into their economic position.

The latest enquiry on a detailed basis have been called for in Form No. 1 and No. 2 which were circulated to all the members of the Board at the first meeting. It has been arranged that for the 25 plains districts in Bengal, there will be enquiries made in about 200 villages. The enquiry will be limited to the families of persons paying fixed rents or having rights of occupancy in land as these classes of people form the major portion of the agricultural population and also they have good security to offer on which mortgaged loans may be given.

It will be for the Sub-Committee to consider which of the information contained in statistical Registers, Reports, Lists and Forms may be utilised directly or indirectly for the purposes of their enquiries regarding the proportion of cultivators with the requisite margin. The Sub-Committee may indicate the lines on which any of these should be tabulated and collated and devise the form for such tabulation and collation. If, however, the available materials are found to be insufficient to form an estimate of the proportion referred to in the Government Note, the Sub-Committee may indicate if further investigations are necessary. Also if the materials available will not serve the purpose of arriving at the required estimate, it may suggest in what other form information should be collected and the agency for conducting the enquiry.

**Note for the Sub-Committee to investigate the possibility of debt conciliation and liquidation amongst agricultural population (by the Secretary, Board of Economic Enquiry).**

The object of this note is to summarise the legislations and the administrative measures introduced from time to time for dealing with indebtedness in general, and of agriculturists in particular. The executive measures undertaken have also been dealt with. Their defects and shortcomings have been prominently brought forward in paragraphs 12 to 19 with a view that the Sub-Committee may, in devising legislative and executive measures for dealing with the question, advise as to the means by which they can be avoided or rectified.

**(A) General Legislations.**

*I.—History and legislation regarding Money-lending.*

2. *Rule of Damdupat.*—According to Hindu Law, the rule of damdupat is that the interest exceeding the amount of the principal cannot be recovered *at a time*, though the total amount paid from time to time may far exceed the capital. This rule of law is not now applied to the whole of India. It is applied to the Presidency of Bombay, the Provinces of Berar and Sindh, Santal Parganas and the portion of the City of Calcutta within the jurisdiction of the Original Side of the High Court. But it does not apply to the Presidency of Bengal outside the area mentioned above. This rule is not applicable in Madras.

The rule of damdupat only exists so long as the relationship of debtor and creditor exists but not when the contractual relation has come to an end by reason of a decree.

The principle of damdupat is not applicable to a decree for puisne mortgage nor to interest accruing after the institution of the suit. The interest on arrears may be capitalised by subsequent agreement, but prospective interest cannot be capitalised. The rule of damdupat is not affected by the Transfer of Property Act and the Indian Contract Act or the Acts relating to interests.

But it is so restricted that there is no limit to the amount of interest if the interest be paid in smaller sum than the principal. In this view, a judicial officer urged before the Provincial Banking Enquiry Committee that the rule to be really effective a creditor shall never be able to receive more than double the amount advanced and it should be made a Statutory Act (*vide* Replies to Special Questionnaires at page 27 of the Bengal Provincial Banking Enquiry Committee's Report, Volume III—Evidence).

The rule of damdupat was accepted in principle in enacting the Bengal Money-lenders' Act, 1933. In section 4 it is enacted that in case of loan prior to the commencement of the Act, the Court shall limit the amount of arrears of interest to the amount of principal unless there be satisfactory reasons for not enforcing the claim earlier. Section 6 of the Act, which comes into force throughout the Presidency from the first of July 1934, enacts that no Court shall, in respect of any loan made after the commencement of the Act decree on account of arrears of interest a sum greater than the principal of the loan and an amendment to insert "together with interest already paid" was rejected.

3. *Rule for adjustment of debt in 1772.*—Even at the beginning of the British Rule we find that prevalent usury in the province caused concern to the administrators. On taking over the administration of the province, Warren Hastings saw its evil effects and in 1772 the Committee of Circuit framed the following rule regarding adjustment of debts and rates of interest:—

"That in adjusting the claims of old debts it shall be observed as a rule that they bear no further interest after such adjustment but that the amount shall be payable by *kistibundes* (instalment) according to the circumstances of the party, and as the rates of interest hitherto authorised by custom have amounted to the most exorbitant usury, the following rates are now established to be received and paid as well for past debts as on future loans of money, viz., on sums not exceeding 100 rupees principal, an interest of 3 rupees 2 annas per cent. per mensem or  $\frac{1}{2}$  anna in the rupee. On sums above 100 rupees principal, an interest of 2 rupees per cent. per mensem. The principal and interest to be discharged according to the conditions of the bond and all compound interest arising from an intermediate adjustment of accounts to be deemed unlawful and prohibited; when a debt is sued for upon a bond which shall be found to specify a higher rate of interest than the established rates, the interest shall be wholly forfeited to the debtor and the principal only recoverable; and that all attempts to elude the law by deductions from the original loan under whatever denomination shall be punished by a forfeiture of one moiety of the amount of the bond to the Government and the other half to the debtor."

4. *Regulating Act of 1774.*—By a Regulating Act of 1774 (13 Geo. Ch. 63), the maximum rate of interest as applicable to European British subjects in India was fixed at 12 per cent.



5. *Bengal Regulation of 1780*.—The rates of interest were reduced to twelve per cent. and twenty-four per cent. by a regulation of 1780. The regulation fixed the rate of interest irrespective of stipulation of higher or lesser rates of interest. The full advantage of the regulation for the purpose of adjustment of debts was, however, only taken by land-owners who prayed for adjustment and we find British officers deputed in the district of Mymensingh to adjust debts between zemindars and money-lending Sannyasis. One noticeable point in these adjustments is the simplicity of procedure by which they were arrived at. The officers called for accounts from both parties and after hearing them and examining the papers produced, recorded their decisions in a tabular statement showing the claims of the creditor and debtors and the decision which was a decree.

The compulsory adjustments were, however, only of the interest in cases where it exceeded the rate laid down in the Regulation. The Regulation was embodied in one of the series of Regulations passed in 1793.

6. *Act XXVIII of 1855*.—The laws against usury were repealed in England in the middle of the nineteenth century and following its wake the usury laws in India were repealed in 1855 by Act XXVIII of 1855. The law of damdupat remained in force in the localities mentioned before.

7. *Indian Contract (Amendment) Act of 1879*.—Subsequently, however, the unrestricted usury attracted the attention of Government. By the Indian Contract (Amendment) Act of 1899, the courts could give relief to debtors in cases of unconscionable bargains on proof of undue influence or where the bargain was by way of penalty.

8. *Usurious Loans Act of 1918*.—The Usurious Loans Act of 1918 empowered a court, where there is reasonable ground to believe that the rate of interest was excessive and the transaction was substantially unfair, to reopen the transaction and relieve the debtor of excessive interest even though there is an agreement to close previous dealings and open a new account.

9. *Usurious Loans (Amendment) Act of 1926*.—The Usurious Loans (Amendment) Act of 1926 empowered suits by debtors and for redemption of securities. The period of limitation was extended to twelve years. These are the all-India legislations directed against usury.

#### (B) Provincial Legislation.

10. Provincial Legislations against usury and regularisation of money-lending are summarised below:—

(1) *The Punjab Regulation of Accounts Act, 1930*.—It prescribes the keeping of accounts by creditors and the supply of statements of these accounts every six months to individual debtors.

(2) *The Bengal Money-lenders' Act, 1933*.—The Act applies the rule of damdupat as stated before. It lays down that rates of interest above 15 per cent. in case of secured loans and 25 per cent. in case of unsecured loans or where there is a stipulation of rest at intervals of less than six months are to be presumed to be excessive under Usurious Loans Act. It prohibits the recovery of compound interest at rate of more than 10 per cent. This Act enables the debtor to obtain full particulars of his debt from his creditor.

(3) *The Usurious Loans Central Provinces (Amendment) Act, 1931.*—It follows the Bengal Act.—It lays down that where the rate of interest is more than 18 per cent. in cases of unsecured loan or more than 12 per cent. in case of secured loans or where there is a stipulation for rests at intervals of less than six months the rate of interest may be deemed to be excessive. The rate for future loans has been put at 10 per cent.

(4) *The Assam Money-lenders' Act of 1934.*—The Assam Money-lenders' Act of 1934 has been recently passed. It is on the lines of the Bengal Act but the rates of interest have been reduced.

Similar provincial legislations are in contemplation in the Central Provinces, Bombay and the Punjab.

### (C) Special Legislation for Agriculturists.

11. Special Legislations have also been undertaken from time to time in other provinces to protect agriculturists. The most important of these are the Deccan Agriculturists' Relief Act of 1879 and the Punjab Land Alienation Act of 1900.

*The Deccan Agriculturists' Relief Act of 1879.*—As to the working and amendments of the former, a reference is invited to Enclosure A which contains extracts from the Report of the Royal Commission on Agriculture.

The following extract from the report of the Committee appointed by the Bombay Government in 1920, to consider the repeal of the Deccan Agriculturists' Relief Act is interesting:—

"It must be acknowledged that since 1912 the economic condition of agriculturists as a class has much improved and it promises to improve still more as the country advances in industrial development. We think, therefore, that the time has come for bringing agriculturists under the provisions of the law which apply to other classes."

12. *The Punjab Land Alienation Act of 1900.*—The Punjab Land Alienation Act of 1900 came into force in 1901. Its main object was to prevent the small peasant proprietor being expropriated by the village money-lender. By it the non-agriculturists classes have been greatly restricted in the acquisition of land, they are not allowed to buy land from a member of the agriculturist tribe nor may they take it in mortgage from the latter for more than twenty years. At the end of the period the mortgage automatically lapses without payment and so the nominal value of a debt secured by mortgage varies with the age of the mortgage. Mr. Darling remarks that there is general agreement that this form of mortgage is disliked by all but the idler cultivators as it involves parting with land for a long period and debars an owner from taking advantage of the rising value of land to redeem a portion of it in a year or two. But it has given opportunity to agriculturist money-lender. The *Sahukar* deprived by the Act of the security of the land can only lend up to the limit of what can be repaid from the produce; but the agriculturist money-lender to whom the Act does not apply can afford to lend up to the value of the land. The latter is therefore in a stronger position of the two; and ultimately he is the more formidable for his object is the land and to obtain it he will press his client till he is compelled to sell. On the other hand the *Sahukar* depending solely on the produce hesitates to drive a client to extremes lest he should give up producing. At first after the passing of the Act, there was restriction of loan and consequent decrease of debt (from

Rs. 16 crores to Rs. 9 crores decades 1893-1902 to 1903-12) but with advance in prices and owing to the growth of agriculturist money-lenders the situation adjusted itself and the debt rose to Rs. 30 crores in the decade 1913-22. Thus "with the tendency of all protective legislations to defeat its own object, the Act fostered the growth of the agriculturists money-lender and borrowing soon became easy as ever."

13. *Restriction of transfer of land under Chapter VIIA of the Bengal Tenancy Act.*—Restriction against lease or transfer of land by aboriginal tribes as contemplated in Chapter VIIA of the Bengal Tenancy Act was enacted in 1918 but it affords no real protection. The evasion is effected by the aboriginal leaving the land under pressure of the money-lender and executing a deed of relinquishment in favour of the landlord and then the money-lender or the intending purchaser gets settlement from the landlords. So in the end the value which could have been secured by open sale is not obtained. In Malda, the application of the Chapter amongst the Santals and the Oraons has failed because to save distraint of their crops on account of debts, the Collector had to agree to usufructuary mortgages.

14. *The United Provinces Agriculturists' Relief Act, 1934.*—The United Provinces Agriculturists' Relief Bill, 1934, has been passed by the Legislative Council but has not yet received the assent of His Excellency the Governor. Its main provisions are:—

- (i) To empower courts when passing decrees against agriculturists to fix instalments payable on fixed dates which may extend over a period of four years in the case of small agriculturists and over twenty years in other cases
- (ii) To limit the rate of interest admissible after a decree has been passed to 2 per cent. in certain cases and 3 per cent. in other cases.
- (iii) To empower courts to fix instalments even in cases in which decrees have been passed before the passage of the Bill.
- (iv) To restrict mortgages with possession made after the passage of the Bill to mortgages which give possession with the right to all the profits of the land for a fixed period not exceeding twenty years on the condition that that period of possession will satisfy the debt.
- (v) To facilitate the redemption of mortgages.
- (vi) To limit the rates of interest on loans taken after the passage of the Bill to rates notified by the local Government as the prevailing rates. The rates to be so notified will be based on, though they will exceed, the rate at which of the local Government of India.
- (vii) To limit the rates of interest recoverable on loans taken since 1st January 1917.
- (viii) To prescribe rates of interest recoverable on loans after a sum equal to 100 per cent. of the principal in the case of secured loans and 150 per cent. in the case of unsecured loans has been realised or has accrued as interest.
- (ix) To empower courts to reopen decrees passed on loans incurred since 1st January 1917, and to pass amended decrees for the amount payable if the interest were limited as in (vi) above.
- (x) To require creditors to maintain a correct account for each agriculturist debtor for each loan separately and to supply the debtor annually with a statement of such account.

15. As has been stated in paragraph 2 of the Government Note, these legislations cannot afford a complete solution of the problem of rural indebtedness, although they should relieve some of the worst evils of uncontrolled usury.

Paragraph 4 of the Government Note regarding prevention of extravagance in new borrowing is for prohibition by legislation, recovery of any charges in regard to new debts by the legal process of the sale of the land and crops belonging to the debtor. But the provisions of such restrictions are not to apply to new loans granted by Co-operative Credit Societies, Land Mortgage Banks and other approved organisations. It is presumed that the principle underlying the suggestion is that while restrictions are to be imposed on new loans from outsiders, the credit of cultivators which has been enlarged greatly by the transferability of holdings is not to be decreased in any way and they will be able to take loans for legitimate and necessary purposes from approved credit organisations at fair rates of interest. It is the restriction of improvident borrowing from unscrupulous money-lenders which is to be aimed at by legislation.

16. Inculcation of the principles of thrift by co-operative organisations had not any marked effect on the members of the Rural Co-operative Societies as will be seen from the following summary of replies of some of the Central Co-operative Banks regarding their constituent rural societies.

In the case of Khulna Central Co-operative Bank, 'as regards the total amount of indebtedness of the members of the rural societies whereas the outside debt had been reduced, the total indebtedness has not been reduced.' This is said to be due to the fact that 'the landed properties on the whole have been increased.' But at the same it is remarked that although the Central Bank does not allow members of affiliated societies to raise loans from outside they do it surreptitiously.

The Nalhati Central Bank reported that all debts of 41 rural societies were paid off by Central Bank in different periods, but a regrettable feature was that all of these societies had incurred debt again.

The Dacca Central Bank reported to have reduced the debts of 6,685 individual members of rural societies to outside creditors from Rs. 7,65,299 to Rs. 4,91,894. The Comilla Central Bank reported to have minimised borrowing by members.

It is for the Sub-Committee to consider on what lines legislation should be undertaken—either by the amendment of present legislation or by new legislation—for restriction of new borrowing generally or supplementary to any legislation for debt adjustment.

## II.—*Debt Conciliation on a voluntary basis.*

17. In paragraph 6 of the Government Note, debt conciliation on voluntary basis has been dealt with. The operation hitherto undertaken in the different provinces has been like ordinary arbitration except that it is carried on by Government officials; the proceedings have no support or authority from any legislative enactment. An account of such operations in the Central Provinces is given in the Indian Banking Enquiry Committee's Report. It will be seen that creditors often repented of their generosity but probably owing to Government officers making the settlement did not resile from the settlement.

18. *Settlement with money-lenders by the Co-operative Department.*—An interesting note on "Settlement with Mahajans" in the Pabna district is given in the Bengal Co-operative Journal, 1919. The principal was Rs. 13,406-5-9, interest Rs. 12,152-11-9, total Rs. 25,559-1-6. By settlement the creditors accepted Rs. 10,136 in cash, Rs. 5,658-15-6 to be paid by instalment. The writer remarked:—"The co-operative worker finds the Mahajan quite content sometimes to accept the original principal in cash either in one sum or by the instalment system, because it gives him fresh ready money for investment."

19. *Redemption of mortgages amongst the Mundas.*—Redemption of mortgages was once undertaken by the Bengal Government for the Mundas. An account of this from the Bihar and Orissa Banking Enquiry Committee's Report is summarised below:—

In 1904, an enquiry was undertaken by Government of Bengal regarding usufructuary mortgages by Mundas in the Ranchi district. They were classified under two heads—

- (a) mortgages, the amounts of which are less than the value of the lands mortgaged;
- (b) mortgages the amounts of which exceed the value of lands mortgaged.

No action was proposed to be taken against (b), as regards (a), Government proposed to distribute loans under the Agriculturists' Relief Act. The Deputy Commissioner did not recommend the scrutiny of debts with a view to reducing those which were found to be exaggerated on the ground that legislation would be required and the general result would be unsatisfactory. In actual working the cases in which debt exceeded the value of land and in which the term of mortgages expired or was about to expire were taken up. The lands were mortgaged to Government and the recovery was by annual instalment, the period of repayment varying with the proportion that the debt bears to the value of the holding.

It was found that for an area 1,250 square miles, the total amount of the mortgages was Rs. 4,73,580. In cases involving Rs. 85,505 the estimated value of land exceeded the amount of the mortgage.

During the first year (1906) Rs. 70,191 was distributed as loans. During the next year Rs. 36,000 was distributed. During the third year Rs. 17,178 was advanced. In 1910, only Rs. 4,112 was actually distributed. In 1910, the Deputy Commissioner doubted the value of the scheme. He pointed out that Rs. 1,48,368 had been advanced. Out of the total amount due in repayment and interest over 41 per cent. stood unrecovered. The collection was mostly by certificate procedure. The Subdivisional Officer of Khunti reported that the loans have entirely failed in their object.

20. *The Central Provinces Debt Conciliation Act, 1933.*—Copy of the Central Provinces Debt Conciliation Act is given in Enclosure.

21. *The Madras Debt Conciliation Bill.*—The Madras Debt Conciliation Bill is intended to apply to agriculturists whose debts exceed Rs. 150 and is to be restricted in the first instance to debtors whose debts aggregate to below Rs. 25,000. Leave to introduce this Bill was granted by the Legislative Council on the 18th March 1934. It follows generally the lines of the Central Provinces Debt Conciliation Act.

22. Several points have been suggested in the Government Note in this connection for the consideration of the Board. These are:—

- (1) The desirability of such legislation.

It may be stated that necessity for legislation is to give powers to the agency employed for the purpose of debt conciliation to bring together the parties, to have their statements as also of witnesses and lastly to record the agreement arrived at and register it so as to give it validity.

- (2) The agency for such conciliation.

The agency in the Central Provinces is a debt Conciliation Board set up by Government. Some competent authorities in this province are of opinion, that instead of a Board the work can be done more expeditiously by itinerant Revenue Officers of the status of Sub-Deputy Collectors conversant with local conditions.

- (3) The amount of debt that should be taken up by the conciliation authority.

The proposal is to restrict conciliation of debt up to Rs. 1,000.

- (4) The area that should be selected for the operation of the Act.

### III.—*Compulsory Reduction of Interest.*

23. In paragraph 7 of the Note, Government have referred the question of compulsory reduction of interest. The scheme set forth provides for legislation under items (c) and (d). It is for the Sub-Committee to consider the lines on which legislation shall be undertaken. The Central Provinces Debt Conciliation Act provides for certification of debt in case there be no voluntary agreement between the parties, and the amount of debt so certified is to be recovered like voluntarily adjusted debts through Civil Courts. The Government scheme, however, contemplates under (a) the taking over of such debts by Co-operative Credit Societies, Land Mortgage Banks or other approved credit institutions, and so consequently the necessity of enquiry about surplus income as in (b) arises. In the circumstances, it is perhaps necessary for the Sub-Committee to consider on what lines legislation under (c) and (d) should be based to safeguard the institutions under (a). In view of the fact that the creditors will get back the amount of adjusted debt either in cash or its equivalent in good securities, it may be contemplated that the adjustment should be on liberal basis from the debtor's standpoint.

### IV.—*Rural Insolvency Act.*

24. In paragraph 8 of the Government Note, the Board has been asked for opinion as to legislation for a Rural Insolvency Act. In the Reports of the Royal Commission on Labour and the Civil Justices

Committee there are references to insolvency regulations. It will be for the Sub-Committee to decide the form of Rural Insolvency Act suitable for the province.

The points for consideration and decision of the Sub-Committee may be summarised as follows:—

1. What class or classes of agriculturists (according to the definition of the Bengal Tenancy Act) may be considered as having good security to offer or whose credit is reasonably good?

2. Taking the classification under 1, what is the proportion of such class of agriculturists in debt who (a) cannot meet their existing debt obligations given the present level of prices of agricultural produce or (b) are unable through existing ordinary credit organisations to raise money on reasonable terms. (The decision will be mainly based on the report of the statistical Sub-Committee.)

3. Are any measures desirable and practicable:—

- (a) For the reduction of debt of such class of agriculturists in the first instance?
- (b) For restraining them from borrowing from outsiders in the future, if their present debts are reduced and transferred to a recognised credit society.

4. Is legislation of an emergency or a permanent character necessary to create statutory powers—

- (a) For the carrying out of debt conciliation schemes on a voluntary basis?
- (b) For the compulsory reduction of interest?
- (c) For the compulsory recording of debts or licensing of money-lenders.
- (d) In the form of a Special Rural Insolvency Act?
- (e) For restraining fresh borrowing except for valid reasons?

5. If legislation is decided on, is it desirable to have a Special Sub-Committee from the member of the Sub-Committee to frame the scheme of such legislation?

6. If so, what should be the personnel of such Special Committee and the terms of reference and the time by which it should report? (The terms of reference may be for drafting in the form of Bills on the different items as in 4.)

**Enclosure.****THE CENTRAL PROVINCES DEBT CONCILIATION ACT, 1932.**

**An Act to make provision for the setting up of Debt Conciliation Boards to relieve agriculturists from indebtedness.**

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### The Central Provinces Debt Conciliation Act, 1933.

An Act to make provision for the setting up of Debt Conciliation Boards to relieve agriculturists from indebtedness.

*Preamble.*—Whereas it is expedient to relieve agriculturists from indebtedness by amicable settlement between them and their creditors;

And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80-A of the Government of India Act has been obtained to the passing of this Act;

It is hereby enacted as follows:—

1. (1) *Short title, extent and commencement.*—This Act may be called the Central Provinces Debt Conciliation Act, 1933.

(2) It extends to the whole of the Central Provinces.

(3) It shall come into force on such date, as the Local Government may, by notification, direct.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(a) the expressions “malik-makbuza”, “proprietor”, “raiyat”, “raiyat-malik” and “village” shall have the meanings assigned to them in the Central Provinces Land Revenue Act, 1917 (C. P. Act II of 1917);

(b) the expressions “agriculture”, “holding”, “land”, “occupancy tenant” and “absolute occupancy tenant” shall have the meanings assigned to them in the Central Provinces Tenancy Act, 1920 (C. P. Act I of 1920);

(c) “Board” means a Debt Conciliation Board established under sub-section (1) of section 3;

(d) “creditor” means a person to whom a debt is owing and includes a co-operative society;

(e) “debt” includes all liabilities owing to a creditor, in cash or kind, secured or unsecured, payable under a decree or order of a civil court or otherwise, whether due or not due, but shall not include arrears of wages, land revenue or anything recoverable as an arrear of land revenue, or any money for the recovery of which a suit is barred by limitation;

(f) “debtor” means a person who earns his livelihood mainly by agriculture and who is an occupancy tenant or absolute-occupancy tenant or raiyat or raiyat-malik or a malik-makbuza or a proprietor, whose debts exceed Rs. 150;

(g) “prescribed” means prescribed by rules made under this Act.

3. (1) *Establishment of Debt Conciliation Board.*—The local Government may establish a Debt Conciliation Board for any district or part of a district. Such Board shall consist of a Chairman and two or more members, not exceeding five, including the Chairman, to be appointed by the local Government which may, for reasons to be recorded in writing, cancel any appointment and dissolve any Board.

(2) The Chairman and every member of a Board so established shall be appointed for a term not exceeding one year. Such Chairman or member may, on the expiration of the period for which he has been appointed, be again appointed for a further term not exceeding one year.

(3) A Board shall have such quorum as may be prescribed.

(4) Where the Chairman and members of a Board are unable to agree, the opinion of the majority shall prevail. Where the Board is equally divided the Chairman shall have a casting vote.

4. (1) *Application for settlement between debtor and his creditors.*—A debtor or any of his creditors may apply to the Board appointed for the area in which any holding, land or village of the debtor or any part thereof, is situate, to effect a settlement between the debtor and his creditors:

Provided that no application shall be made if the debtor's debts exceed twenty-five thousand rupees or such larger amount as may be prescribed for each area.

(2) No debtor or creditor shall simultaneously make more than one application, and where applications have been made by the debtor and any of his creditors, the applications made by the creditors shall be merged in the application made by the debtor.

5. *Verification of applications.*—Every application to a Board shall be in writing and shall be signed and verified in the manner prescribed by the Code of Civil Procedure, 1908 (V of 1908), for signing and verifying plaints.

6. (1) *Particulars to be stated in application.*—Every application presented by a debtor to a Board shall contain the following particulars, namely:—

- (a) a statement that the debtor is unable to pay his debts;
- (b) the place where he resides;
- (c) the amount and particulars of all claims, against him, together with the names and residences of his creditors so far as they are known to, or can by the exercise of reasonable care and diligence be ascertained by him; and
- (d) the amount and particulars of all his property, including claims due to him, together with a specification of the value of such property not consisting of money, and the place or places at which any such property is to be found.

(2) Every application presented by a creditor shall contain the following particulars, namely:—

- (a) the place where the debtor resides; and
- (b) the amount and particulars of his claim against such debtor.

7. (1) *Procedure on application.*—On receipt of an application under section 4, the Board shall pass an order fixing a date and place for hearing the application:

Provided that the Board may at any time dismiss the application if, for reasons to be stated in writing, it does not consider it desirable to attempt to effect a settlement between the debtor and his creditors.

(2) Notice of the order under sub-section (1) shall be sent by registered post to the debtor or creditors, as the case may be.

8. (1) *Notice calling upon creditors to submit statement of debts.*—If, after examining the debtor, it is in the opinion of the Board desirable to attempt to effect a settlement between him and his creditors, a notice shall be issued and served or published in the manner prescribed calling upon every creditor of the debtor to submit a statement of debts owed to such creditor by the debtor. Such statement shall be submitted to the Board in writing within two months from the date of service or publication of the notice, as the case may be:

Provided that, if the Board is satisfied that any creditor was, for good and sufficient cause, unable to comply with such directions, it may extend the period for the submission of his statement of the debt owed to him.

(2) Every debt of which a statement is not submitted to the Board in compliance with the provisions of sub-section (1) shall be deemed for all purposes and all occasions to have been duly discharged:

Provided that, if a creditor proves to the satisfaction of the Board or a civil court that the notice was not served on him and that he had no knowledge of its publication, the Board or Court may revive the debt.

9. (1) *Procedure on submission of statement of debts.*—Every creditor submitting a statement of the debts owed to him in compliance with a notice issued under sub-section (1) of section 8 shall furnish, along with such statement, full particulars of all such debts and shall at the same time produce all documents, including entries in books of account, on which he relies to support his claims, together with a true copy of every such document.

(2) The Board shall, after marking for the purpose of identification every original document so produced and verifying the correctness of the copy, retain the copy and return the original to the creditor.

(3) If any document which is in the possession or under the control of the creditor is not produced by him as required by sub-section (1), the document shall not be admissible in evidence against the debtor in any suit brought by the creditor or by any person claiming under him.

10. *Board to endeavour amicable settlement.*—The Board shall call upon the debtor and each creditor, respectively, to explain his case regarding each debt and shall endeavour to induce them to arrive at an amicable settlement.

11. (1) *Power of Board to require attendance of persons and production of documents and receive evidence.*—Subject to the provisions of sections 132 and 133 of the Code of Civil Procedure, 1908 (V of 1908), and to rules made under section 25 a Board shall have power to summon any person whose attendance it considers necessary either to be examined as a party or to give evidence as a witness or to produce any document for the purposes of any inquiry under this Act.

(2) Any person present may be required by a Board to give evidence or to produce any document then and there in his possession or power.

12. (1) *Agreement of amicable settlement, its registration and effect.*—If the creditors to whom not less than forty per cent. of the total amount of the debtor's debts are owing come to an amicable settlement with the debtor, such settlement shall forthwith be reduced to writing in the form of an agreement recording the amounts payable to such creditors and the manner in which and the times at which they are to be paid. Such agreement shall be read out and explained to the parties concerned, and shall be signed or otherwise authenticated by the Board and the parties:

Provided that, when a co-operative society is one of such creditors, no settlement, in so far as it affects the debts owing to such society, shall be valid without the previous approval in writing of the Registrar of Co-operative Societies.

(2) An agreement thus made shall, within fourteen days from the date of its making, be registered under the Indian Registration Act, 1908 (XVI of 1908), by the Chairman of the Board in such manner as may be prescribed and it shall then take effect as if it were a decree of a civil court.

(3) For the purpose of the registration of an agreement under sub-section (2), the Chairman of the Board shall be deemed to be an officer of Government empowered to execute such agreement within the meaning of section 88 of the Indian Registration Act, 1908 (XVI of 1908).

13. (1) *Recovery of sums due under agreement.*—If a debtor defaults in paying any amount due in accordance with the terms of an agreement registered under sub-section (2) of section 12, such amount shall be recoverable as an arrear of land revenue on the application of the creditor made within ninety days from the date of default.

(2) Where the Deputy Commissioner fails to recover as an arrear of land revenue any part of such amount, he shall certify that it is irrecoverable and thereupon the agreement shall cease to subsist.

(3) Where an agreement ceases to subsist, any amount which was payable under such agreement but has not been paid shall be recoverable as if a decree of a civil court had then been passed for its payment.

14. *Power of Board to dismiss application.*—If no amicable settlement is arrived at under sub-section (1) of section 12, the Board shall dismiss the application.

15. (1) *Grant of certificate by Board in respect of certain debts.*—Where, during the hearing of any application made under section 4, any creditor refuses to agree to an amicable settlement, the Board may, if it is of opinion that the debtor has made such creditor a fair offer which the creditor ought reasonably to accept, grant the debtor a certificate, in such form as may be prescribed, in respect of the debts owed by him to such creditor.

(2) *Power of Court to disallow costs or interest.*—Where any creditor sues in a civil court for the recovery of a debt in respect of which a certificate has been granted under sub-section (1), the Court shall, notwithstanding the provisions of any law for the time being in force, not allow the plaintiff any costs in such suit, or any interest on the debt after the date of such certificate in excess of simple interest at six per cent. per annum on the amount due on the date of such certificate.

(3) Where, after the registration of an agreement under sub-section (2) of section 12, any unsecured creditor sues for the recovery of a debt, other than a debt incurred subsequent to such agreement, in respect of which a certificate has been granted under sub-section (1) or any creditor sues for the recovery of a debt incurred after the date of such registration, any decree passed in such suit shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (V of 1908), not be executed until all amounts recorded as payable under such agreement have been paid or such agreement has ceased to subsist.

16 *Bar of civil suits.*—No civil court shall entertain—

(a) any suit in respect of—

- (i) any matter pending before a Board, or
- (ii) the validity of any procedure or the legality of any agreement made under this Act, or
- (iii) the recovery of any debt recovered as wholly or partly payable under an agreement registered under sub-section (2) of section 12 from any person who, as a debtor, was party to such agreement, whether such agreement is subsisting or not, or
- (iv) the recovery of any debt which has been deemed to have been duly discharged under sub-section (2) of section 8, except a debt which is revived under the proviso to that sub-section;

(b) any application to execute a decree, the execution of which is suspended under sub-section (3) of section 15.

17. *Avoidance of certain transfers of debtor's property.*—Every transfer of property made, with intent to defeat or delay the creditors of the debtor, after an application has been made to a Board under section 4 and until the agreement registered in respect of such application has ceased to subsist, shall be voidable at the option of any creditor so defeated or delayed.

18. *Bar of appeal or revision.*—No appeal or application for revision shall lie against any order passed by a Board.

19. *Power of Board to review its order.*—A Board may, on the application from any person interested made within ninety days of the passing of an order, review any order passed by it and pass such order in reference thereto as it thinks fit:

Provided that no order shall be varied or reversed unless notice has been given to the persons interested to appear and be heard in support of such order.

20. *Appearance of party before Board by agent but not by legal practitioner.*—In any proceedings before a Board any party may be permitted to appear by an agent authorized in writing, but not by a legal practitioner.

21. *Suspension of pending application or suit.*—When an application has been made to a Board under section 4, any suit or other proceedings then pending before a civil court in respect of any debt for the settlement of which application has been made shall be suspended until the Board has dismissed the application or an agreement registered under sub-section (2) of section 12 has ceased to subsist.

22. *Submission of reports by Boards regarding sums due to Government.*—Where in the course of an inquiry into an application made under section 4 a Board finds that there is any sum owing to Government on account of loans advanced under the Agriculturists' Loans Act, 1884 (XII of 1884), or the Land Improvement Loans Act, 1883 (XIX of 1883), or otherwise, the Board shall report this fact through the Deputy Commissioner to the Commissioner.

23. *Allowance of time for limitation.*—In calculating the period of limitation for any suit filed in, or proceeding before, a civil court for the recovery of a debt which was the subject of any proceedings under this Act, the time during which such proceedings had continued shall be excluded.

24. *Members of Board deemed to be public servants.*—The members of a Board shall be deemed to be public servants within the meaning of the Indian Penal Code (XLV of 1860).

25. *Power to make rules.*—In addition to any power specially conferred by this Act, the local Government may make rules—

- (a) prescribing the quorum for, and regulating the procedure before, a Board;
- (b) prescribing the manner in which notices shall be issued and served or published under sub-section (1) of section 8;
- (c) prescribing the charges to be made by a Board for anything done under this Act and the persons by whom and the manner in which such charges shall be paid;
- (d) prescribing the records to be kept and the returns to be made by a Board;
- (e) prescribing the allowances, if any, to be paid to the Chairman and members of a Board;
- (f) regulating the power of a Board to summon parties and witnesses under section 11 and the grant of expenses to witnesses;
- (g) prescribing the place at which and the manner in which an agreement shall be registered under sub-section (2) of section 12;
- (h) prescribing the form of certificate to be granted under sub-section (2) of section 13 or sub-section (1) of section 15; and
- (i) generally, for the purpose of carrying into effect the provisions of this Act.

26. (1) *General provision regarding rules.*—All rules for which provision is made in this Act shall be made by the Local Government and shall be consistent with this Act.

(2) All rules shall be subject to the condition of previous publication.

(3) In making any rule the Local Government may direct that a breach thereof shall be punishable with fine which may extend to fifty rupees, and, where the breach is a continuing one, with further fine which may extend to ten rupees for every day after the first during which the breach has been persisted in.

**Note for the Sub-Committee on the organisation and provision of financial machinery for the purpose of liquidating agricultural debt (by Secretary, Board of Economic Enquiry).**

This note is a rough attempt to review the respective tasks before the Statistical Sub-Committee and the Financial Sub-Committee. To a great extent it appears their work will overlap.

The Statistical Sub-Committee will examine all the information bearing on the extent of the indebtedness of the agricultural population and the resources at their command for paying interest and their prospects of clearing it. The intensive enquiries of over 7,000 families are being analysed and figures of income, expenditure and debt, will be supplied separately for those families whose debts (a) exceed 2 years' income, (b) are between one and two years' income, and (c) are below one year's income. It is hoped that the Statisticians will be able to advise how far these figures can be taken as representative of different parts of the province by comparing and testing items of information which have been previously collected for the whole province, e.g., the average number of persons in a family, the average amount of land held, the average amount of rent paid, the average produce of different crops. The Sub-Committee as a whole may then be in a position to recommend that the Government scheme of reducing the debt by conciliation and transferring the balance to Land Mortgage Banks, Co-operative Banks, or any other similar institution should be tried in respect of say 40 per cent. of the agricultural families in the province or in certain districts or subdivisions.

2. *Control.*—It has been pointed out in the Government Note that the co-operative movement in Bengal has suffered from inadequate control and guidance. It may, perhaps, be mentioned that Mr. Wolff has often emphasised the need of a considerable measure of Government control in view of the special circumstances of India. The word control represents in all—three different processes, supervision, audit and inspection. Although audit and inspection are provided for in the Co-operative Societies Act of 1912, there is no specific provision dealing with supervision.

The foremost point of importance for decision of the Sub-Committee would, perhaps, be as to the form and nature of control, viz., administrative and financial, that should be exercised by Government with regard to the suggested machineries for taking over the adjusted loans. Because on it will depend the whole structure of the organisation.

If the Sub-Committee decides on a close control and supervision by the Government the nature of control and the approximate strength and cost of the supervising and audit staff required would have to be considered by the Sub-Committee to judge of the feasibility of the proposal.

3. *Finance.*—The next point that may be considered by the Sub-Committee is regarding the financing of the suggested organisations. The defect in the present type of Co-operative Societies, as has been stated in the Government Note, is that they are financed by short-term deposits which is unsuitable to supply the long-term loans required by agriculturists for redemption of debts. The Central Banking Enquiry Committee has suggested that in such cases financing should be by means of debentures as will appear from the scheme of the Committee.

in the Statement. The Sub-Committee will be in a position to form an idea of the indebtedness of the different main areas of the province on the estimate of the statistical Sub-Committee.

It may be stated for the consideration of the Sub-Committee that under a properly organised system controlled and regulated by Government, the necessary finances can be raised on more favourable terms. In this connection the possibilities of securing help and advice from the agricultural credit department of the Reserve Bank may be considered coupled with the question of what security can be offered.

After dealing with the two main common points regarding the credit organisation, the Sub-Committee may, perhaps, consider the types of the different organisations that would be suitable to meet the needs of different areas or different classes of debtors.

4. (1) *Co-operative Societies*.—The defects in the present type of Co-operative Societies have been dealt with in the Government Note. It will be for the Sub-Committee to suggest a suitable type of Co-operative Credit Society that can be organised under the existing Act or an amended Act to meet the purpose.

(2) *Land Mortgage Banks*.—In the Statement the schemes for organisation of the Land Mortgage Banks as suggested by the Central Banking Enquiry Committee and that for the experimental banks referred to in paragraph 9 of the Government Note have been shown.

It will be for the Sub-Committee to consider the type that will be suitable in the special conditions prevailing in the province, and if any modifications are necessary.

5. *Approved Credit Organisation*.—Approved credit organisation is a very wide term. It is presumed by some competent observers that they may be institutions financed through Government, e.g., by debentures with interest guaranteed by Government as in case of land mortgage banks or from funds under the control and management of Government or they may be quite independent of the financial help from Government, subject, however, to the close supervision and audit of Government as contemplated before. It has been stated in paragraph 4 of the Government Note that the proposed organisations would be exempt from any restrictions contemplated to be imposed on private money-lenders and in the scheme suggested in paragraph 7, it has been stated that the adjusted debt would be transferred to the credit organisations. It has, however, been strongly emphasised that the credit organisation would require careful supervision, it would not be just to the original creditor to compel him to accept a smaller amount that was due unless it were possible to give him the assurance that his new debtor (the creditor organisation) would not default.

In the case of the first type of approved credit organisations, there is no danger of the assurance being wanting. But considering the vastness of rural indebtedness, which has been estimated by the Provincial Banking Enquiry Committee at rupees one hundred crores, some think it to be worth while to consider the possibilities of utilising the existing credit organisations of individual money-lenders and joint stock companies carrying on loan business. Some restriction has been imposed regarding the keeping of proper accounts and furnishing of the same to a debtor and penalty for non-compliance under sections 7 and 8 of the



Bengal Money-lenders' Act. But if the existing organisations are to take a share in the responsibilities and privileges of the suggested approved credit institutions, they must subject themselves to far greater and closer restriction and supervision.

6. If any scheme for the transference of debt to Government controlled banks is approved, it may be necessary to suggest legislative measures not only for preventing the debtors borrowing outside their own re-organised banks, but to ensure that if the debtors default in payment of interest without very good cause their lands should pass to the Bank without expensive and protracted litigation—the apprehension of which might prevent the bank from being able to sell the lands or settle them with other persons, in which case the banks would be bankrupt in a few years.

Consideration of this difficulty may not be primarily the duty of the Finance Sub-Committee but its ideas on the subject will certainly be welcomed.

7. A statement comparing the schemes for Land Mortgage Banks as suggested by the Indian Central Banking Enquiry Committee and the one adopted by the Co-operative Department, Bengal, is attached.

8. The points for decision of the Sub-Committee may be summarised as below:—

(1) To what extent is it desirable or practicable that adjusted debts should be taken over:

- (a) by Co-operative Credit Societies;
- (b) by Land Mortgage Banks; and
- (c) by approved credit organisations.

(2) In case of 1(a), (i) what should be the scheme of these societies and (ii) what kinds of loans should be financed by them.

(3) In case of 1(b), (i) should these Land Mortgage Banks be formed with direct Government support or through Co-operative Organisations; (ii) what kinds of loans should be financed by them, and (iii) what should be the general scheme of these Banks.

(4) In case of 1 (c), what shall be the scheme of approved credit organisations managed directly by Government.

(5) In case of 1 (c), if other Credit Organisations managed by private individuals or by joint stock companies are to be approved, (i) what should be the scheme of control and supervision of the organisations by Government, and (ii) what should be the scheme of their management.

(6) In the schemes of different organisations recommended in what cases legislation would be necessary and the frame of such legislation.

(7) In case of legislation should any provision be made in particular for enforcement of mortgage security by any summary procedure for foreclosure and sale.

## (Schemes of Land Mortgage Banks Co-operative Type).

Items.	According to Indian Central Banking Enquiry Committee's Recommendations. (References are to Recommendations.)	Scheme by Co-operative Department. (References to paragraphs of the scheme and the by-laws.)	Remarks and notes.
1	2	3	4
1. Object ..	Redemption of land and houses of agriculturists and liquidation of old debt. (49).	Same as in column 2. — (1) Includes further objects :— (a) Improvement of method of cultivation. (b) Purchase of land in special cases. (4).	
2. Restrictions	No money should be advanced which is not economically profitable to the borrower and loans should be devoted to principal object of the loan. (49)	Same as in column 2. (4).	
3. Structure ..	<ol style="list-style-type: none"> <li>1. Provincial Land Mortgage Corporation (provisionally Provincial Bank). (59).</li> <li>2. District Mortgage Banks over fairly large area. (57).</li> <li>3. Primary Land Mortgage Banks</li> <li>4. Members of Primary Land Mortgage Banks, small agriculturists and owners of small holdings.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provincial Co-operative Bank, Limited (tentative). (4).</li> <li>2. Primary Land Mortgage Banks ; jurisdiction conterminous with subdivisions. (2).</li> <li>4. Members—Members of Co-operative Societies and other cultivators, small land-owners and rent receivers, i.e., persons of limited means who are competent to contract legally. (2).</li> </ol>	
4. Control and management.	Not laid down	Board of Directors by election—Registrar, Co-operative Societies, to nominate one-third. (6).	
5. Finance ..	<ol style="list-style-type: none"> <li>1. Provincial Land Mortgage Corporation—               <ol style="list-style-type: none"> <li>(i) Share capital (52).</li> <li>(ii) Debentures to be trustee securities interest to be guaranteed.</li> </ol> </li> <li>2. District Mortgage Banks—               <ol style="list-style-type: none"> <li>(i) Share capital.</li> <li>(ii) Loans from Provincial Land Mortgage Corporation against transfer of the mortgage securities. (58).</li> </ol> </li> <li>3. Provincial Land Mortgage Banks—               <ol style="list-style-type: none"> <li>(i) Share capital to be raised by subscription or deduction of 5 per cent. of the amount borrowed by members.</li> <li>(ii) Loans from District Mortgage Bank on the mortgage of mortgaged properties.</li> </ol> </li> <li>4. Members—Loans—               <ol style="list-style-type: none"> <li>(i) maximum Rs. 5,000. (58).</li> <li>(ii) 50 per cent. of the mortgage security. (50).</li> <li>(iii) according to paying capacity (50).</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Provincial Co-operative Bank Limited—               <ol style="list-style-type: none"> <li>(i) Existing share capital.</li> <li>(ii) Debentures of Rs. 12½ lakhs to be floated by Provincial Co-operative Bank. (8).</li> </ol> </li> <li>Reassignment of the mortgage by Provincial Co-operative Bank to trustees. Registrar, Co-operative Societies to be a trustee. (4).</li> <li>2. Primary Land Mortgage Bank—               <ol style="list-style-type: none"> <li>(i) Share capital—Rs. 20 each share—Rs. 10 to be paid on allotment.</li> <li>(ii) assignment of the mortgages to the Provincial Bank. (4).</li> <li>(iii) twenty times the paid-up share capital plus reserve fund—provided not to exceed 50 per cent. the value of property mortgaged to it (bye-law 21).</li> </ol> </li> <li>4. Members—Loans—               <ol style="list-style-type: none"> <li>(i) 20 times the paid-up value of shares in the Bank with maximum of Rs. 2,500 (5 and 6A).</li> <li>(ii) 50 per cent. of the total value of land mortgaged.</li> <li>(iii) 75 per cent. of the total income derived from land during the period of the loan.</li> </ol> <p>[Regarding (i) Government rules 10(4) and 25(3) limiting to 10 times to be relaxed.]</p> <li>(iv) Two collateral securities by two other members. (6A).</li> <li>(v) No loan without previous sanction of the financing Bank (bye-law 37).</li> </li></ol>	

Items.	According to Indian Central Banking Enquiry Committee's Recommendations. (References are to Recommendations.)	Scheme by Co-operative Department. (References to paragraphs of the scheme and the by-laws.)	Remarks and notes.
1	2	3	4
4. Period	1. Debentures—Period of currency (not stated). 2. Loans by District Mortgage Banks from Provincial Land Mortgage Corporation (not stated). 3. Loans by Provincial Land Mortgage Bank (not stated). 4. Members—5, 10, 15 or 20 years—20 years being the maximum. (50).	..... ..... ..... 4. Not to exceed 20 years (by-law 44).	
5. Method of payment.	1. Debenture—adequate provision for redemption at regular intervals. Bombay and the Punjab have funds without Reserve Fund or Dividends. Madras—Reserve Fund. 2. Loans by members to be repaid— (a) by equated payments thereby amortising the loan after a period of years. (b) by graduated payments in special cases. (51).	1. Debenture—No procedure stated. 4. (i) Instalment. (8). (ii) Annuity. (9).	
6. Rates of interest.	Not stated	1. Debentures at 5 per cent. (4). 2. Loans to Primary Land Mortgage Banks—6½ to 7 per cent. (4). 4. Loans to Members 10½ per cent. (6A).	
7. Reinvestment of Principal.	Debentures— (i) Sinking Fund. (ii) Reserve Fund.	Debentures—Not stated. Principal repaid to be reinvested to existing members or new members with the sanction of the financing bank and Registrar. (8). Primary Land Mortgage Bank— (i) Reserve Fund—75 per cent. of the profit. (9).	
7A. Reserve Fund.	.....	(i) Reserve Fund—75 per cent. of the profit. (9).	
8. Profits	.....	25 per cent.—Reserve Fund up to 25 per cent. Dividend and Bonus. Balance—to Reserve Fund. (8). Reserve Fund to be separately invested. (8).	
9. Debt conciliation and adjustment.	Vigorous policy of debt conciliation by Government by equated payments on— (i) Voluntary basis. (ii) On compulsory basis by special legislation.	(i) To be limited to outside debt only but not to debt of Co-operative Credit Societies. (ii) No scheme.	
10. Foreclosure and Sale.	Land Mortgage Banks shall have power of foreclosure and sale without recourse to Civil Courts. (62). This to be secured by legislation.	In case of default the Board of Directors shall call in the loan (by-law 45).	
11. Insolvency Procedure.	Amendment of the Insolvency law so as to give greater protection to land mortgage bank against avoidance of mortgage by the unsecured creditors of insolvents. (63).		

**Note on the Punjab Bill on relief of indebtedness as modified by  
Select Committee.**

The Punjab Bill on relief of indebtedness as modified by the Select Committee is divided into 8 parts, viz.—

- (1) Preliminary.
- (2) Insolvency Procedure.
- (3) Usurious Loans.
- (4) Debt Conciliation Board.
- (5) Damdupat.
- (6) Deposit in Courts.
- (7) Amendment of the Punjab Redemption Mortgages Act.
- (8) Miscellaneous amendments of the civil law.

This note summarises the main points on which the Punjab Bill differs from the Bill for the relief of indebtedness drafted for the Board of Economic Enquiry, which is referred to here as "Bengal Bill" for the purpose of brevity.

2. The definition of "Loan" in part I of the Punjab Bill does not differ much from that in the Bengal Bill as they now stand.

3. Part II of the Punjab Bill amends the Provincial Insolvency Act (a) by adding a clause in section 10(1), which has the effect of reducing the minimum assets of an insolvent to Rs. 250 from Rs. 500 and (b) by substituting in section 74 "Rs. 15,000" for "Rs. 5,000" and thus raising the jurisdiction for summary administration of a debtor's property.

It may be noted that there is no minimum proposed in the Bengal Bill which provides in clause 14B for the reduction of an insolvent's debt to his paying capacity by an order of adjustment and for the fixing of instalments for payment accordingly: if there is default in an instalment it provides (in clause 15) for the sale of the insolvent's property excluding his homestead for the rateable distribution of sale proceeds and for granting of a discharge certificate.

4. In part III of the Punjab Bill several amendments of the Usurious Loans Act are contemplated. The main amendment is to the effect that all compound interest shall be deemed to be excessive except on loans from and deposits with Government, local bodies, joint stock companies and co-operative societies and in mortgages by any person other than an agriculturist.

The provisions are to have retrospective effect. There is nothing similar in the Bengal Bill as the Bengal Money Lenders' Act covers them.

5. It is in part IV of the Punjab Bill that the comparison with the Bengal Bill is most interesting.

The definition of "Debt" in the clause 7(1) of the Punjab Bill excludes—

- (a) "Land Revenue" just as "rent" was excluded in the original draft of Bengal Bill. (The Board is now of opinion that "rent" should not be excluded but should be the subject of conciliation just like other debts);
- (b) Debts barred by limitation. This is not of much importance as a time-barred debt is *ipso facto* legally ineffective;
- (c) Debts due to co-operative banks and societies, and  
(d) to commercial banks.

There is much controversy as regards exclusion of debts to co-operative societies. The Bengal Bill does not exclude such debts but provides that proceedings which affect them are to be initiated subject to the approval of the Registrar of Co-operative Societies (clause 16). The minority of the Punjab Select Committee notes that the wisdom of excluding co-operative banks is open to question particularly as the Directors of these banks are of the borrowing class; and they hold that these banks require no special protection particularly if as is represented, their dealings are such as to show the utmost consideration for the borrowers.

The Punjab Bill defines "Agriculture" in clause 7(3) as in the English Small Holdings' Act, 1892, 55 and 56 V.C. 31. The Bengal Bill [clause 2(1)] would give it the same meaning as in the Bengal Tenancy Act, where, although it is not defined, it has been interpreted by judicial decisions to include horticulture, etc., "Creditor" and "supplementary income" are defined in the Bengal Bill but not in the Punjab Bill.

The Punjab Bill clause 8(3) provides for fixing the pecuniary limit of a Board's jurisdiction. The Bengal Bill does not fix any limit.

The Punjab Bill (clause 12) does not include a proviso empowering the Board to dismiss an application such as appears in the Bengal Bill (clause 11A).

Consequently the Punjab Bill clause 13(1) makes it obligatory on the Board to issue notices on creditors which the Bengal Bill clause 8(1) provides for issue of notices only if it is thought necessary after examination of the applicant.

The Punjab Bill lays down that if a creditor does not submit a statement of debt after receiving notice, the debt shall be deemed duly discharged [clause 13(2)], but the Bengal Bill [clause 8(2)] provides only that, in such a case, the debt shall be deemed to be the amount stated by the debtor in his application, subject to reduction under debt conciliation.

The Bengal Bill [clause 12(1)] provides for making an award when 60 per cent. of the debtor's debt is amicably settled between him and his creditors, whereas the Punjab Bill [clause 17(4)] provides for an authenticating agreement if "all or any of the creditors" agree (The minority of the Select Committee opposes this on the ground that it is fatal to the whole idea of conciliation. It would be open under the modified provision for a single creditor to effect the rights of other creditors.)

The Punjab Bill clause 17(3) omits provision of registration of an agreement or award such as appears in the Bengal Bill [clause 12(2)], as the Select Committee decided unanimously that the procedure for registration was complex and unnecessary.

Clause 19 of the Punjab Bill deals with the procedure when a creditor refuses a reasonable offer by a debtor: this corresponds to clause 14 of the Bengal Bill but differs fundamentally from it. Both Bills provide for the issue of a certificate or award by the Board in respect of the debts covered by the offer: but in the Punjab Bill the result is merely that a civil court will allow no costs in a suit for these debts and will not allow interest at more than 6 per cent. from the date of the certificate; while the award proposed by the Bengal Bill would have the effect of a decree and would actually reduce the debt though not to a figure below the original principal.

6. There is nothing in the Punjab Bill corresponding to the following clauses of the Bengal Bill:—

- (a) realisation of an amount settled amicably or awarded under clause 14 under the Public Demands Recovery Act, in case of failure to pay instalments as fixed in the award;
- (b) clause 17A (ii) barring execution of a decree for a loan incurred after an award till the amounts covered by them have been paid;
- (c) clause 14A which provides that secured debts should have priority and that the mortgage or lien on the property will subsist till the awarded or certificated debts are paid; and
- (d) clause 23 which provides that an award shall be negotiable and may be transferred to an approved credit organisation.

7. Part V (Damdupat) of the Punjab Bill is not necessary for Bengal in view of the Bengal Money-Lenders' Act.

8. There is nothing in the Bengal Bill to correspond with the following items in the Punjab Bill:—

- (a) Part VI—Deposit in Court.
- (b) Part VII—Amendment of the Punjab Redemption of Mortgages Act.
- (c) Part VIII—Miscellaneous amendments of the civil law. The important provision is clause 33, prohibiting arrest of a debtor except under certain circumstances, one of which is refusing or neglecting to pay the amount of a decree in spite of having the means of paying it.

Clause 34 of the Punjab Bill restricts the prohibition contained in section 60(I) of the Civil Procedure Code against attachment of house or other buildings belonging to and occupied by an agriculturist, by adding the words "not let out on rent or let to others or left vacant for a period of a year or more."

Clause 35 omits rule 2(3) in Order XXI of the Civil Procedure Code, which is to the effect that no payment out of court will be recognised if not certified by a court.

Clause 36 amends section 48 of Civil Procedure Code by making the period of limitation for recovery under a decree six years instead of twelve.



4

**A SUMMARY**

**OF THE**

**COTTAGE INDUSTRIES**

**IN THE**

**DISTRICTS OF BENGAL**

**CALCUTTA :**  
**BENGAL SECRETARIAT BOOK DEPOT.**  
**1923.**

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## **PREFACE.**

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The enclosed pages are a reprint of the summary of the Cottage Industries in the districts of Bengal compiled in the year 1916 under my instructions from the Industrial Reports of Messrs. Collin, Cumming, Gupta and Swan, to enable the officers of this Department to study such industries with the object of introducing, so far as possible, co-operative methods for their development. A table showing the distribution of persons engaged in important industries and the percentage of industrial to total population is now appended at the end. The figures according to the census of 1911 and that of 1921 have been shown side by side for facility of comparison.

**J. M. MITRA,**

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Distribution of persons engaged in important industries.

## A summary of the cottage industries in the districts of Bengal.

### HOOGHLY.

**Carpentry.**—There is a colony of carpenters near Chandernagore who work for Calcutta shops (Coll. 3).

**Brass and bell-metal work.**—There is a large number of braziers at Bally in the Arambag subdivision and at Bansberia and Khamarpara and in the neighbourhood (Coll. 4). Bansberia and Khamarpara are important places for this industry (II Cum. 24).

**Mulberry silk-weaving.**—In the Arambag subdivision there are several centres of silk-weaving. At Ballidewanganj in this subdivision special cloths called *urna and pagries* have been made and exported to the United Provinces and the Punjab since the days of the Moghuls (II Cum. 11).

**Tussar-weaving.**—Tussar is worked in this district (II Cum. 12). In the south of this district some 350 weavers are employed in this industry (Coll. 9).

**Cotton-weaving.**—In the Serampore subdivision, Haripal, Kaikala, Rajbahat, Begumpur, etc., are the villages where good cotton cloths are woven (Coll. 10). Serampore and Farashdanga are the two most important centres of cotton-weaving. The English fly-shuttle loom was introduced in these two places more than 50 years ago (II Cum. 8). In the Sadar and Serampore subdivisions, the Serampore pattern hand-loom has extended as a result of inter-communication among the people themselves (II Cum. 9). By 1906-07 the manufacture of cotton cloth in the Arambag subdivision rose from 11 lakhs to 14 lakhs (II Cum. 7).

**Paper-making**—Hand-made paper is still produced at Mahuad, Gossainmalpara, Neala and Ballidewanganj by a class of Muhammadans known as “Kagazis” (II Cum. 33; Swan, 10).

**Brick-manufacture.**—Brick-burning is a leading industry in the Serampore subdivision (II Cum. 14). It cannot, however, be properly called a cottage industry.

**HOWRAH.**

**Cotton-weaving.**—In the most parts of the Howrah district the Serampore pattern of hand-loom has extended (II Cum. 9). There are several villages in this district where good cotton cloths are manufactured.

Andul is famous for *dhotis* of a very fine quality (Swan 6). By 1906-07 the mill outturn in this district decreased and the hand outturn increased (II Cum. 7).

**Paper-making.**—At Maiman there are found “Kagazis” who produce hand-made paper. .

**BURDWAN.**

**Brass and bell-metal work.**—Bonpas, Dainhat, Purbasthali, Kalna and Matiari are seats of brass and bell-metal industry (Coll. 4; II Cum. 24). At Dainhat and Matiari large vessels and cooking pots of beaten metal are made (Coll. 4).

**Cutlery.**—There is good cutlery at Kanchannagar, near Burdwan (Coll. 5; II Cum. 21).

**Pottery.**—The best potters are those on the banks of the Bhagirathi, where the clay is specially suited to the manufacture of durable earthenware (Coll. 7; II Cum. 15). The potters use a clay called *belutti* found near Kalna for a glaze (Coll. 7).

**Cotton-weaving.**—In the Raniganj side of this district the Serampore fly-shuttle loom has extended (II Cum. 9). In the Kalna subdivision there are several cotton-weaving centres (Coll. 10).

**Mulberry silk-weaving.**—At Meimari and Radhakantpur there were many families of silk-weavers who produce annually about Rs. 35,000 worth of silk known as *gorud* (Coll. 8).

**Tussar-weaving.**—This district is one of the chief seats of tussar silk-weaving (Coll. 9). There was an improvement in this industry in this district in 1905 owing to the swadeshi movement (II Cum. 12). The chief seat of the industry is at Mankar (Coll. 9).

## MIDNAPORE.

**Carpentry.**—At Ghatal there could be found plain rough carpentry which the people were willing to purchase. Supply of improved tools and supply of improved designs were the two essentials for improvement (II Cum., 16).

**Brass and bell-metal work.**—Chandrakona, Ramjibanpur, Kharar and Ghatal are places of importance for brass and bell-metal industry (II Cum., 24). The industry is most highly organized at Ghatal and Kharar (II Cum., 25). Kharar is famous for bell-metal *thalies* and Ghatal for *garhus* (II Cum., 25).

**Mat-making.**—Mat-making is largely carried on in South Midnapore (Coll. 6). This industry in the Sabong and Panskura thanas gives employment to about a thousand workers. The industry is a flourishing one. The workers have a steady market for their goods which are exported to Postabazar, Calcutta (II Cum., 17).

**Pottery.**—There is a large export of pottery from the Ghatal subdivision (II Cum. 14).

**Mulberry silk-weaving.**—There are silk filatures in this district (II Cum., 11). Silk-weaving is carried on at Ghatal, Nimtola and Despur in this district (Coll., 8). In North Midnapore as much as 20,000 lbs. of silk is yearly manufactured (II Cum., 11).

**Tussar-weaving.**—Tussar is also worked in this district (Coll., 9; II Cum., 12).

**Cotton-weaving.**—Ghatal is an important centre of cotton-weaving also (II Cum., 7). Radhanagar and Ramjibanpur are the two most important villages. The chief place where coloured *saris* are made is Chandrakona and its neighbourhood (Coll., 11).

**Blanket-weaving.**—There are colonies of *garesies* (blanket weavers) in this district who have migrated from the Upper Provinces (II Cum., 13).

**BIRBHUM.**

**Brass and bell-metal industry.**—Dubrajpur and Nalhati are important place for brass and bell-metal industry (II Cum., 24).

**Cutlery.**—Cutlery has been taken up in this district also (II Cum., 21).

**Mulberry silk-weaving.**—There are silk filatures in this district (II Cum., 11). The villages of Bossua, Bishnupur, Margram, Panchgachhia, Balia, Palsa and others in the Rampur Hat subdivision are centres of silk-weaving (Coll., 8 ; II Cum., 11).

**Tussar-weaving.**—There are several tussar-weaving centres also in this district, of which Kalipur-Karidha is the most important. Mulberry silk-weavers weave tussar silk also (II Cum., 12).

**Cotton-weaving.**—Course cotton cloths are woven in many villages in this district. The village Alunda in the Sadar subdivision is well-known for its table cloths, bed-sheets and screen cloths. Tantipara in the Sadar subdivision is the biggest weaving centre. At Bolpur also there was considerable manufacture (II Cum., 7).

**Shell ornaments.**—Shell ornaments are made in this district, especially at Karidha. The Sankaris of the place are said to have attained perfection in the art (II Cum., 40.)

**Lac work.**—Lacquered toys of Illambazar are well-known (II Cum., 40). Here cotton is dyed with shellac dye (II Cum. 40).









**BANKURA.**

**Brass and bell-metal work.**—This industry is of importance in the following places in this district :—Bankura, Bishnupur and Patrasayar (II Cum., 24). Patrasayar is the chief seat of the industry (Coll. 4). Bankura is famous for its large water vessels (Coll., 5).

**Cutlery.**—Good cutlery is manufactured at Shaspur in the Bishnupur subdivision (II Cum., 11).

**Silk-weaving.**—Silk is exported from Birsingpur, Bankura and Bishnupur. There is a great demand from East Bengal for *vel* silk from Bishnupur (II Cum., 11).

**Tussar-weaving.**—Tussar also is woven at the aforesaid places (Coll., 9).

**Mixed cloth.**—In Bankura there are about 100 families who weave the mixed cloth of silk and cotton yarn (Coll., 10).

**Cotton-weaving.**—Coarse cotton cloths are manufactured in this district also. There was an export trade from this district (Coll., 10; II Cum., 7). Bankura is famous for its *chadars* (Swan, 6).

**Blanket-weaving.**—Cheap woollen blankets are produced in Bankura (II Cum., 13).

**Shell ornaments.**—In this district also shell ornaments are made, specially at Bishnupur (II Cum., 40).



**24-PARGANAS.**

**Blacksmiths' work.**—At Natagar, near Sodepur, there are a few families who turn out good brass locks of exceedingly good workmanship (Coll. 5; II Cum. 26).

**Pottery.**—There is a special development in the manufacture of flower pots in the south of Calcutta (II Cum. 14).

**Brushes.**—Brushes are manufactured at Khardah, Panibati and Sukchar (II Cum. 35).

**Embroidery.**—At Majirgram in the Barasat subdivision *chekan* work is carried on. The work is exported to Europe, America and Australia (Coll. II; II Cum. 40.)

**Cotton-weaving.**—There are villages in the Basirhat subdivision where cotton cloths are made. In 1906-07 the hand outturn smartened in this subdivision (II Cum. 7).

**Mat-making, etc.**—At Falta and Diamond-Harbour mats and palm-leaf braids are manufactured (Coll. 6; II Cum. 17).









**NADIA.**

**Brass and Bell-metal work.**—The chief seats of the industry in this district are Santipur, Ranaghat, Damodar, Moheshpur, Dowlatgangj and Meherpur (Coll. 4). Ranaghat and Santipur are the two more important places (II Cum. 24). Small figures of gods are moulded at these two places (Coll. 5). Dowlatganj is famous for its small cups (Coll. 4).

**Cutlery and Blacksmiths' work.**—Cutlery has been taken up in this district also (II Cum. 21). At Senhat fairly good cutlery is made (Coll. 5). An enterprising blacksmith in the village Lohani in Kushtia has been manufacturing iron-safes since 1905 (II Cum. 22).

**Mat-making.**—There is some centralised mat-making in this district (II Cum. 17).

**Cotton-weaving.**—Fine and high class cotton cloth with silk borders are made at Santipur and also at Krishnagar (Coll. 10; II Cum. 7). Coarse cloths bed-sheets, and towels are made at Kushtia, Meherpur and Shikarpur (II Cum. 7).

**Clay modellers.**—The clay modellers of Krishnagar and Ghurnia are well-known, but their number is very few (II Cum. 38, 39).







**JESSORE.**

**Mat-making.**—There is some centralised mat-making in this district also (II Cum. 17).

**Cotton-weaving.**— There is a considerable manufacture in both coarse and fine cloths in this district (II Cum. 7). In parts of this district the Serampore fly-shuttle loom has extended (II Cum. 9).

**Blanket-weaving.**—There are colonies of *garesies* (blanket weavers) in the district, who have migrated from Arrah (II Cum. 13).









## KHULNA.

**Cutlery.**—Cutlery has been taken up in this district. Superior nut-crackers (*janṭis*) are made in the Satkhira subdivision (II Cum. 21).

**Pottery.**—Black earthen jars are exported in large quantities from the Magura subdivision and are used for storing oil and grain (Coll. 7). The pottery works at Kaliganj continue to enjoy popularity (II Cum. 14).

**Cotton-weaving.**—In this district, also a large quantity of fine and coarse cloths is manufactured (II Cum. 7).







## MURSHIDABAD.

**Brass and Bell-metal work.**—Murshidabad is famous for the purity of its bell-metal ware. Small figures of gods, etc., are moulded here (Coll. 5). The industry is of importance at Khagra and Jangipur (II Cum. 24). Khagra is famous for its bell-metal ware (Coll. 4).

**Steel and iron works.**—Superior nut-crackers are made in the Jangipur subdivision (II Cum. 21). Locks, nails, nut-crackers are made at Dhūlyan (Coll. 5). There are four small factories in this district for manufacturing steel trunks. They are doing well and the prices are cheaper than those of English-made goods (II Cum. 22).

**Pottery.**—A superior quality of water pots is made at Kanthalia in this district (II Cum. 14).

**Mulberry silk-weaving.**—The fame of this district for mulberry silk is too well-known. There are several centres of silk-weaving and reeling. Islampur in the Sadar subdivision is an important weaving centre. At Baluchar and Mirzapur there are high class silk weavers (Coll. 8). There are silk filatures, both European and native, in this district (II Cum. 11).

**Ivory carving.**—Ivory carving is carried on in this district. Murshidabad *bhaskars* are the best in India. Khagra and Mathra are the two important places. There has been a great falling off in the demand for these things (II Cum. 38).

**Blanket-weaving.**—Superior blankets are made in the Jangipur subdivision (II Cum. 13; Coll. 12).

**Lac work.**—This district is one of the centres of the lac turnery (II Cum. 40).

**Paper-making.**—Hand-made paper is produced to some extent at Kristipur and Srirampur in the Jangipur subdivision (II Cum. 33).

**Dyeing.**—Local vegetable dyes are used in this district for dyeing yarns (Gupta, 36).









## DACCA.

**Brass, copper and steel industry.**—In the town of Dacca there is a colony of braziers and coppersmiths (Gupta, 39). In Dacca, about 300 people are engaged in the manufacture of steel boxes and trunks (Gupta, 44).

**Carpentry.**—Dacca is famous for its house-boats, and Dacca mistries are in requisition all over the eastern province to make such boats (Gupta, 51).

**Cotton-weaving.**—The fame of Dacca for cotton-weaving is too well-known. The weaving of the renowned Dacca muslins with locally spun special yarn has now ceased. It is a pity that the art of spinning the special yarn is completely forgotten (Gupta, 11). Coarse muslins with English yarns of 350<sup>s</sup> and 400<sup>s</sup> counts can still be woven (Gupta, 11).

Dacca is well-known for its famous *dhutis* and *shatis*, *kasidas* and blouse-pieces. Dacca town, Tarabo, Siddhiganj, Nawpara, Kachpur, Abdullapur, Dhamrai, etc., are the most important centres of cotton-weaving. The famous jamdani *shatis* are made at Tarabo, Siddhiganj and Nawpara (Gupta, 12). The ground work of *kasida* cloth is generally woven in mufassal villages, such as Shanora, Billiswar, Matial, Dagar, etc.; but the ornamentation is generally done at Dacca or at Matial in the suburbs of the town (Gupta, 11).

**Embroidery.**—About 250 Muhammadans are supported by cap embroidery industry (Gupta, 57).

**Shell ornaments.**—Dacca is the principal centre of the conch bangle industry (Gupta, 57). Mother-of-pearl buttons are also manufactured in this district (Gupta, 58).

**Cotton bleaching.**—This is an industry for which Dacca has long been famous. It is this which adds so much to the price of the cotton goods of the town (Coll. 11).

**Soap.**—Country washing soap is made at Narundea [Coll. App. I (i)].

**Horn carving.**—There are about 150 families of Muhammadans at Amilgola, Nababganj and its vicinity who carry on the industry of horn carving (Gupta, 58).

**Pottery.**—In Dacca town there are about 400 families of potters (Gupta, 51).







## MYMENSINGH.

**Brass-work.**—Islampur in the Jamalpur subdivision and Kagmari in Tangail are the import centres for this industry. The Islampur wares have a great fame (Coll. 4; Gupta, 39).

**Cane-work.**—Special kind of cane-box is manufactured in this district in the village Char Iswardia by about 75 families. These things command a great sale in the Mymensingh town (Gupta, 59).

**Pottery.**—Fine specimens of pottery are produced in this district (Gupta, 54).

**Cotton-weaving.**—Kishoreganj town and the village Bajitpur in Kishoreganj produce embroidered and high class *shatis*. Kishoreganj *tanzeb* was once as famous as Dacca muslins (Gupta, 12). Tangail produces a fair quantity of *dhutis* and *saris*, priced from Rs. 3 to Rs. 8. High class *saris* also are made in this subdivision. The *saris* compete with the *saris* of Farashdanga, Santipur and Howrah. Finer *dhutis* and *saris* are manufactured at Pathrail, Kagmari and Bajitpur, which may be palmed off as Dacca *saris* (Gupta, 12).

**Toys.**—Paper toys are made at Dowakhola in this district [Coll. App. I (ii)].









**FARIDPUR.**

**Brass and Bell-metal work.**—Palong and Rajbari are the important centres of this industry (Gupta, 39).

**Mat-making.**—*Sitalpati* mats, of fine reeds are manufactured in this district (Coll. 6).

**Cotton-weaving.**—Faridpur produces a large quantity of *saris* for the use of the better classes of Hindu women (Gupta, 12). Besides producing the usual *dhutis* and *saris*, the district turns out a large quantity of checks and chintzes, both thick and thin, suitable for making coats, etc. (Gupta 10).  
• Bed sheets of very fine quality and a fairly large quantity of chintzes are made in Rajbari (Gupta, 12).







**BAKARGANJ.**

**Cutlery.**—At Uzirpur cutlery of a comparatively fair quality are manufactured. The well-known *ramdao*, razors, *jantis*, scissors and the special saws for cutting conchshells, are manufactured here (Gupta, 43). Brass nibs are supposed to be manufactured at this place. At Patuakhali white-metal nibs were made. (Gupta, 44).

**Mat-making.**—*Sitalpati* mats, of fine reeds are made in this district (Coll. 6).

**Pottery.**—At Uzirpur in Barisal fine specimens of earthenware, artistic in shape, well burnt and with a fine shining black and red polish, are to be found. There is a special demand for this class of ware at Chittagong (Gupta, 54).

**Cotton-weaving.**—Barisal produces large quantity of *saris* for the use of Hindu women of the better class (Gupta, 12).

**Horn carving.**—Buttons, combs and bangles are made of buffalo horns at Barisal shops (Gupta, 58).









**CHITTAGONG.**

**Carpentry and boat-making.**—In some villages on the Karnafuli river large number of sarangas, kondas and sampan boats are made and exported to Noakhali, Tippera and other districts (Gupta, 51).

**Steel trunks.**—At Chittagong were found some good specimens of locally manufactured steel trunks (Gupta, 44).







## TIPPERA.

**Wood-carving.**—Fine specimens of wood-carving may be found at Comilla (Gupta, 52).

**Cotton-weaving.**—Comilla is famous for its checks and chintzes suitable for the making of coats, shirts, etc. Dusters and purdahs with red and black stripes are also manufactured in Comilla. Twill-weaving and cross-warp weaving have also been introduced here (Gupta, 12). Useful *saris* and *dhutis* are also produced in this district (Gupta, 10).

**A short note on the Industries in the Brahmanberia  
Subdivision (by Babu Jogesh Chandra Sen Gupta).**

**Cotton-weaving.**—Very fine and high class cotton cloths are made by the weavers of Brahmanberia. There are good many villages in the subdivision where various kinds of coarse cloths are made.

**Brass works.**—Braziers of Brahmanberia and Bitghar make brass utensils with imported brass sheets.

**Pottery.**—Bottle filters made of clay and sand are manufactured at Haripur. These filters are quite useful and, at the same time, sold at a very low price. Earthen jars and pots of various kinds are made by the potters of the subdivision.

**Bamboo and cane-works.**—Bamboo handles of umbrellas are manufactured on a commercial scale at Brahmanberia and Kasba and exported to Calcutta. Portmanteaus and flower baskets made of bamboos and cane and mats made of murta plants are manufactured in abundance all over the subdivision.

Some females of Brahmanberia make nice caps with cane as also with fine fibres taken from the branches of palm trees.

**Cutlery and Blacksmiths' work.**—Good cutlery is manufactured at Brahmanberia and Kalikutchā. Some high class surgical instruments including midwifery forceps made by Kalikutchā blacksmiths were exhibited at the local Industrial Exhibition and were highly spoken of and appreciated by the surgical experts.

Ramdao, khargas, khurkies, knives, scissors, ironsafes, ironchests and locks are manufactured at Kalikutchā and Brahmanberia.

**Steel trunks.**—Steel trunks and cash-boxes are made at Brahmanberia with imported steel sheets.









## NOAKHALI.

**Cutlery.**—At Dattapara, cutlery of a fair quality is manufactured. Scissors, knives, etc., are made here to order for which there is a great demand during the puja time. Very fine knives with horn handles were sent from here to a Calcutta Exhibition (Gupta, 43).

**Cotton-weaving.**—Besides producing the usual *saris* and *dhutis*, a large quantity of checks and chintzes is turned out in this district (Gupta, 10). Mosquito-nets of good quality are manufactured in this district in the villages of Chaumohini and Moynamati (Gupta, 12). At Noakhali, Chaumohini and Moynamati *jam saris* (a kind of coloured *sari*) are woven (Gupta, 12). Special class of *loongis* with fast colours are manufactured in this district, which are competing successfully with imported articles from Holland and Burma (Gupta, 12). There is a special demand for these articles (Gupta, 13). Moynamati chintzes are to be found in large quantities in the cloth shops of Eastern Bengal (Gupta, 12).







**RAJSHAHI.**

**Brass and Bell-metal work.**—At Kalam in the Natore subdivision, about 100 families and at Budhapara about 60 families manufacture brass bell-metal and *bharan* utensils (Gupta, 39).

**Silk-weaving and reeling.**—There are silk filatures in this district also (II Cum. 11). At Dakra there is a colony of *matka* weavers (Gupta, 33).









## MALDA.

**Carpentry.**—Malda was at one time a great centre of boat-building. The industry is still carried on to some extent (Gupta, 51).

**Brass and bell-metal work.**—Nababganj and English Bazar are important centres of brass and bell-metal work. At Nababganj about 270 families are supported by this industry. In Kutabpur in English Bazar 60 families are engaged in the manufacture of brass *lotas* (Gupta, 39).

**Mulberry silk-weaving and reeling.**—The production of raw cocoons and the manufacture of silk yarn appear to be a growing industry in this district. There are many regular flatures consisting of 40 or 50 *ghais*. There are about 1,500 *ghais* in this district (Gupta, 31 ; II Cum., 11).

Shahpur, close to English Bazar, and Shibganj, are the two important silk-weaving centres in this district. At Shibganj there are nearly 140 families of silk-weavers with 180 looms, of whom nearly 50 families weave *matka* and the rest *goruds*. At Shahpur there are nearly 200 families. Here Gultishi, Bulbulchasam and other patterns of Malda silk cloth are woven, the weft being of cotton and the warp is pure silk. Silk *saris*, *dhutis*, handkerchiefs, sheets and pieces of coating are also manufactured (Gupta, 33).

**Dyeing.**—The silk yarn is dyed either at Fulbari or Shahpur near English Bazar (Gupta, 33). In the towns of Shahpur and Shibganj silk yarn is dyed locally (II Cum 36).

**Cotton-weaving.**—Fine cotton fabrics are made at Kuligram (Coll., 11).







**RANGPUR.**

**Brass and bell-metal work.**—Gomnati in Nilphamari subdivision is an important centre of this industry (Gupta, 39).

**Carpet-weaving.**—A special kind of *duri* and *chat* (*satranjis*) made of jute and cotton yarn is manufactured near Dimla (Gupta, 13).

**Ivory carving.**—At Panga in Lalmonirhat, fine ivory carving is carried on (Gupta, 57).









## PABNA.

**Mat-making and cane-work.**—Good cane-work baskets are made in the village Majhipara in this district (Coll., 7). *Sitalpati* mats, woven of fine reeds, are manufactured in the Serajganj subdivision in the villages of Tentulia, Haripur and Durbast (Coll., 6).

**Cotton-weaving.**—Pabna is an important district for cotton-weaving. The villages of Dogachhi, Gangarampur, Sadallapur, Tarabaria, Nischintapur and others produce very fine *saris* and *dhutis* and good *loongis*. The *saris* can compete with Farashdanga and Santipur *saris* (Gupta, 12). Besides producing the usual *dhutis* and *saris*, a large quantity of checks and chintzes has been turned out in this district (Gupta, 10). Bed sheets of very fine quality are produced here (Gupta, 12).

**Dyeing.**—In Eastern Bengal Pabna is the only district where yarn is dyed locally (black and red) for borders of *saris* and *dhutis* (Gupta, 36).

**Shell ornaments.**—Shell bracelets are made in the Chatmohar thana (Coll., 13).

**Paper-making.**—There are a few families of paper-makers in the Serajganj subdivision whose manufacture is used by local Marwaris and shopkeepers for account books. The industry is decaying and “is bound to disappear altogether” (Gupta, 90).







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**BOGRA.**









93

JALPAIGURI.







**DINAJPUR.**

Fine specimens of pottery are produced in this district (Gupta, 54).









**JARJEELING,**

**Kalimpong is an important centre of lace-making (II Cum., 41).**







## APPENDIX.

## Distribution of persons engaged in Important Industries.

Compiled from Census figures of 1911 and 1921.

District.	Cotton spinning, weaving, etc.		Silk reeling, weaving, etc.		Bone, horn and shell carving.		Basket-making, etc.		Brass, bellmetal, etc., work.		Percentage of Industrial to total population.	
	1911.	1921.	1911.	1921.	1911.	1921.	1911.	1921.	1911.	1921.	1911.	1921.
1	2	3	4	5	6	7	8	9	10	11	12	13
Burdwan ... ..	18,905	9,868	849	394	4	455	8,324	4,942	1,284	1,696	1'59	1'20
Birbhum ... ..	10,775	10,104	8,098	957	389	316	7,026	4,659	810	544	2'26	1'96
Bankura ... ..	20,328	19,306	4,800	3,240	1,111	1,394	8,958	7,510	6,170	7,821	3'63	3'64
Midnapore ... ..	29,975	24,219	806	826	189	499	16,409	12,822	15,196	5,638	2'23	1'68
Hooghly ... ..	19,060	17,325	100	480	245	78	3,796	4,091	1,827	3,051	3'30	3'81
Howrah ... ..	10,024	5,123	8	214	14	...	3,227	3,661	308	590	1'44	'96
24-Parganas ... ..	11,295	13,211	268	111	545	1,000	3,227	5,102	963	1,227	'68	'78
Nadia ... ..	19,860	20,116	851	79	1,292	184	6,021	6,275	3,249	1,222	2'03	1'87
Murshidabad ... ..	16,497	14,145	27,228	2,912	817	693	4,909	3,601	1,268	1,714	3'70	1'04
Jessore ... ..	31,162	24,573	14	...	65	69	9,577	5,517	624	35	2'26	1'75
Khulna ... ..	12,902	14,058	...	...	267	244	3,172	3,029	27	211	1'20	1'20
Rajshahi ... ..	3,555	1,995	3,127	261	222	220	4,054	6,574	1,090	1,526	'78	'91
Dinajpur ... ..	5,891	5,266	...	...	104	2	5,323	5,270	109	97	'68	'62
Jalpaiguri ... ..	4,728	4,280	...	...	32	...	974	1,267	80	63	'64	'60
Darjeeling ... ..	265	269	...	...	...	...	162	154	20	27	'28	'19
Rangpur ... ..	787	1,111	...	29	166	321	1,820	2,920	255	264	'18	'19
Bogra ... ..	2,614	3,280	42	48	12	...	3,665	3,802	144	149	'67	'70
Pabna ... ..	29,762	20,517	2	...	104	48	7,599	9,216	662	365	2'47	2'88
Malda ... ..	11,871	9,649	7,950	4,258	187	24	4,202	6,855	2,161	2,280	2'62	2'35
Dacca ... ..	44,442	46,242	4	81	2,640	2,622	7,995	9,242	5,080	2,518	2'03	1'94
Mymensingh ... ..	28,285	24,296	...	...	269	186	7,250	5,081	1,461	1,721	'77	'64
Faridpur ... ..	22,122	22,469	...	...	227	216	2,528	2,522	1,623	658	1'62	1'77
Backerganj ... ..	21,809	22,610	12	...	295	422	4,610	5,628	207	422	1'11	1'11
Tippera ... ..	29,862	24,452	...	...	9	...	2,484	2,602	167	29	1'24	1'23
Nonkhali ... ..	17,545	22,249	...	...	122	...	1,272	1,722	72	84	1'47	2'22
Chittagong ... ..	20,291	41,608	...	...	...	...	5,216	5,697	220	84	1'72	2'24
Chittagong Hill Tracts ... ..	142	22,446	...	...	...	...	9	27	...	...	'09	13'02
Calcutta ... ..	...	921	...	42	...	80	...	2,189	...	2,027	...	'50

This table is based on the census figures of 1911 and 1921 and includes only persons who are mainly supported by industry: thus the Chittagong Hill Tracts where nearly every family makes mats, baskets and weaves subsidiary to agriculture, shows a very small percentage. The small number of persons engaged in industries in Northern Bengal is noteworthy.

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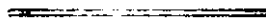
Report

5

OF THE

Burma Forest Committee

1925



RANGOON :

SUPERINTENDENT, GOVERNMENT PRINTING AND STATIONERY, BURMA

1926

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# Report of the Forest Committee, 1925.

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## CHAPTER I.

### PRELIMINARY.

1. On the 30th November 1923, U Pu, the Leader of the Nationalist Party, moved the following resolution in the Burma Legislative Council :—

“That this Council recommends to the Government (a) not to lessen the scope of Departmental Extraction, (b) to extend the sale of teak timber to foreign markets and (c) to take immediate steps for the erection of the necessary saw-mill, materials for which have been already purchased.”

While the resolution was being moved the Hon'ble Forest Minister (Mr. J. A. Maung Gyi) suggested a round table conference at which the Ministry would meet and discuss these questions with representatives of the Nationalist Party and of the Burma Chamber of Commerce : the resolution was in consequence withdrawn.

2. The proposed round table conference, however, proved abortive. After several postponements it was eventually dropped in March 1924 in view of the fact that the Leader of the Nationalist Party gave notice of a motion for the appointment of a Committee to enquire into the organization of the Forest Department and the Forest Ministry had agreed to the necessity of such a Committee. The actual resolution was thus not moved, but the Government of Burma (Ministry of Forests) by its Resolution No. 258Y24, dated the 11th September 1924, appointed a Committee “to consider the organization of the Forest Department and to examine the policy of the Government generally with regard to the grant of rights of extraction of timber and other forest produce and the methods of collecting forest revenue.”

3. The Hon'ble Forest Minister was the Chairman and the members were U Pu, M.L.C., U E Maung, M.L.C., and U Ba Pe, M.L.C., of the Nationalist Party, Sir Alexander Anderson, Kt., C.S.I., of the Burma Chamber of Commerce, Mr. C. B. Smales, the Chief Conservator of Forests, Mr. Hatim Tai, A.T.M., of the Burma Forest Service, U Ba Oh of the Burmese Chamber of Commerce and Mr. L. Ah Yain, M.L.C., *Barrister-at-Law*, of the Progressive Party. Mr. A. H. M. Barrington, Conservator of Forests, Delta Circle, was appointed Secretary to the Committee.

4. The question of drafting a suitable questionnaire engaged the Committee's attention for some time. It was at first intended to make the questionnaire consist of a few wide general questions and copies had already been issued, when it was decided to substitute for these questions detailed queries embracing the whole range of forest administration, organization and the timber trade. Over 300 copies of the revised questionnaire were then issued to Conservators, Senior Divisional Forest Officers, Chambers of Commerce, Lessees, selected Licensees and Saw-millers in each Division, the Provincial Forest Association and to selected Rangers. A Press Communiqué was meanwhile issued announcing the appointment of the Committee and inviting the public to send written evidence after applying for a copy of the questionnaire.

5. The response was gratifying, no less than 161 written replies to the questionnaire being received from official and non-official sources. The collection of the replies and the consequent analysis and study proved a somewhat lengthy matter. Meanwhile certain administrative changes had taken place necessitating a modification in the composition of the Committee and resulting in the Government of Burma, Forest Department Resolution No. 258Y24, dated the 17th November 1924. One of the members, the Hon'ble U Pu, who had taken

over charge of the Ministry of Agriculture, Excise and Forests, became the Chairman in place of the Hon'ble Mr. J. A. Maung Gyi, and Mr. H. W. A. Watson, officiating Chief Conservator of Forests, took the place of his predecessor Mr. Smales. No new member was appointed for the time being to fill the vacancy thus created by the Hon'ble U Pu.

6. Further changes were, however, found necessary before the Committee finally began its tours and in its Resolution No. 258Y24, dated the 26th May 1925, the Government of Burma (Ministry of Forests) appointed Mr. J. W. Richardson, who was then serving as a co-opted member with a view to taking Sir Alexander Anderson's place, to be a full member in place of the latter who had proceeded to England. U Thin Maung, M.L.C., was appointed to fill the vacancy caused by the Hon'ble U Pu's elevation to the Chair and U Tin Tüt, I.C.S., was appointed Secretary in place of Mr. A. H. M. Barrington who had proceeded on leave. No further changes were made in the personnel of the Committee with the exception of the co-option of Mr. W. A. Roberts, Conservator of Forests, Utilization Circle, in July 1925 temporarily during the absence of Mr. Watson on duty in India.

7. The Committee carried out its tours during the months of June, July and August 1925 and visited Moulmein, Henzada, Pyinmana, Toungoo, Mandalay and Prome. It found the non-official public of Moulmein somewhat shy of giving evidence but at other centres it found an eager public from which a good deal of interesting oral evidence was obtained on the working of the Forest Department and the conditions under which timber traders carry on their work. The Committee also took oral evidence at Rangoon, suitable witnesses being summoned either to Rangoon or to one of the centres visited by the Committee.

Altogether 46 official witnesses and 62 non-official witnesses were examined by the Committee which had thus the opportunity on one side of meeting and hearing the views of a large number of gentlemen from all over Burma actually engaged in the timber trade and on the other of hearing the experience and suggestions of all grades of officers through whom the administration and conservation of the valuable forests of Burma is carried out.

We take this opportunity of expressing our thanks to the officers as well as to members of the public who often at great inconvenience to themselves gave the Committee the benefit of their advice and assistance.

## CHAPTER II.

### DEPARTMENTAL EXTRACTION.

8. The subject of departmental extraction and the departmental sale of teak and other timbers is one round which recently fierce controversy has waged and it will be seen from the previous chapter that the birth of this Committee is not unconnected with the controversy. Though feeling is now less acute and Government has adopted a definite policy we regard it as essential for this Committee to examine the question and to make definite recommendations which may aid the Government in fixing its future policy.

9. It will be convenient to deal with operations of lesser magnitude first.   
Hardwoods. With regard to timber other than teak the policy of Government is concerned solely with operations connected with the expansion of the market for the better known timbers and the creation of a market for the lesser known timbers many of which have at present no market value. There is no question of interfering with trade interests. The policy aims solely at helping the traders by improving and co-ordinating the conditions of marketing. As soon as a market for any species is assured, Government will drop out and further development will be left to private enterprise. With this object in view the Utilization Circle exports to foreign markets a certain quantity of hardwoods both in the log and as scantling. The total quantity shipped in 1923-24 was 1,461 tons. Supplies are obtained

by purchase from private firms and traders and departmental extraction is only resorted to when timber cannot be obtained through private agency.

This Committee endorses the policy outlined above and recommends that if any departmental extraction of hardwoods is found necessary it should be restricted to special timber on a small scale for experimental purposes and for the purpose of export where such cannot with convenience be obtained from local traders.

10. Owing to special conditions arising from the war, departmental extraction of firewood expanded to considerable dimensions. The operations were mainly for special purposes connected with the particular localities in which they took place. Thus in Henzada, Myitkyina, Katha and Shwebo they were chiefly for supply to the Burma Railways while in Upper Chindwin, Myittha, Lower Chindwin, Yaw and Bhamo Divisions they were for the supply of fuel to Government and Irrawaddy Flotilla launches. There was little profit in the operations and they have for the greater part subsided with post-war conditions. We consider therefore that except in cases of extreme urgency such as that which gave rise to the operations in question departmental extraction of this nature should not be undertaken.

11. We are now left to deal with departmental operations in connection with teak and these may be divided into large operations and small. The large operations are concentrated in the extraction of teak from the area known as the Myitmaka Extraction Division which embraces territorially the Tharrawaddy and Zigon Divisions and the Shwele drainage of the Prome Division. It includes all the forests at the head-waters of the Myitmaka River known lower down as the Hlaing or Rangoon River. These forests have been worked departmentally for teak for over sixty years. The extraction staff in the Myitmaka Division is distinct from the staff of the territorial divisions and the operations are controlled on the lines of those of a firm by the officer in charge of the Myitmaka Extraction Division, who is under the administrative control of the Conservator of Forests, Utilization Circle.

12. We have examined from several different angles the question of departmental extraction of teak by Government on a large scale. We have examined the practicality of expanding the area of operations; while on the other hand, we have put questions to witnesses with a view to ascertaining the possible advantages to the public of a partial or total withdrawal of the Government from the Myitmaka area. Our considered opinion is that the *status quo* should be maintained. The departmental extraction of teak on any considerable scale should not be done beyond the Myitmaka area for the reason that Government activity in this direction beyond its present dimensions would not be free from objections and would earn the united opposition of the teak trade while the withdrawal of the Government from the present area would deprive the present contractors of their living and would not bring to birth a class of independent lessees owing to the geographical features of the locality and the general dearth of capital among such traders.

13. The conclusive reasons in favour of the *status quo* are :—

- (1) the necessity that Government should have practical experience in the extraction of teak in order to be in a position to control the work of the various private agencies that work teak and in order to have data as a guide for the assessment of royalty that should be paid on teak from other forests ;
- (2) the necessity for providing a training ground in practical extraction by Government officers ;
- (3) the advisability of retaining full control over the River Training works in the Myitmaka area ; and
- (4) the feeding of the small mills in Rangoon.

14. The extent to which teak should be extracted departmentally in areas other than Myitmaka is a problem which we have found to be easy of solution,

We consider that there is no objection to Government undertaking extraction in areas that have been put up to tender and for which no tenders have been received or in cases where it is determined after careful inquiry that offers are palpably inadequate. There will also be cases in connexion with subsidiary sylvicultural operations, such as thinnings in artificial crops, where it is advisable in the interests of the crops that the work of extraction should be carried out by departmental agency. Otherwise departmental operations should be confined to special cases where it is advisable to assist, to a limited extent, the smaller agencies by co-ordinating their output and helping them to market their stock in local markets. We do not recommend that Government should extract teak in areas other than the Myitmaka except for the purposes mentioned above.

15. As to present methods of departmental extraction and marketing we have no improvements to suggest. We approve the commercialization of the accounts of the Utilization Circle and are glad to learn that in spite of trade depression, the operations have shown a profit. We realise that if commercialization of the accounts is to be conducted seriously and the profit on the operations is to be properly gauged, the Circle should receive full value for all work done or timber supplied and recommend that this principle be enforced.

16. The question of separate control of the Myitmaka Extraction Division has been raised. We accept that this separate control is essential if the commercial results of the working are to be ascertained, and consider that for practical purposes the Extraction Division should be treated as a firm working under the conditions of the standard teak purchase contracts and that its working should be inspected by the territorial officers as carefully and as critically as working by private agency is inspected.

### CHAPTER III.

#### EXTRACTION BY PURCHASERS.

17. Among the factors that govern the gross cost of extraction of timber of all kinds the one factor which is within the direct control of Government is that of royalty and it is therefore not surprising that the Committee received many representations from non-official witnesses on the question of royalty. Government, however, fixes the rate of royalty only in unclassed forests, the rates in reserved areas being fixed in practice by the purchasers themselves as a result of auction or tender. Tenders are usually called for as to the rates traders are willing to pay over and above a fixed basic rate.

18. The rate of royalty that can equitably be demanded must vary with the accessibility of the forests. In the case of reserved forests, as well as in the less accessible unclassed forests the royalty in which is sometimes determined by the action of competition, we consider that the tender system is the fairest way of fixing the royalty provided that the basic rates are not fixed too high.

19. In the case of the more accessible unclassed forests more complicated factors come into play, not the least being the desirability of conserving the supplies in the interests of the local population. In such forests the rates are based on the ratio between the selling price and the cost of extraction. Generally speaking we do not consider that there is any objection to fixing the royalty rates on this basis provided the increase is uniform over areas of similar accessibility and does not vary from district to district. It is unfortunate that the recent increase in the rates of royalty for unclassed forests coincided with a bad slump in the timber trade. This Committee recommends that the matter of their revision be carefully examined and that in carrying out this examination the ratio between the selling price and the cost of marketing be carefully considered and the views of the leading timber traders in each forest division be carefully ascertained. The Committee further recommends

# Burma Act No. VI of 1936.

PASSED BY THE BURMA LEGISLATIVE COUNCIL.

*(Received the assent of His Excellency the Governor on the 21st August 1936, and of His Excellency the Governor-General on the 6th October 1936, and published in the "Burma Gazette" of the 31st October 1936.)*

## An Act further to amend the Burma Forest Act, 1902.

WHEREAS it is expedient further to amend the Burma Forest Act, 1902 ; and whereas the previous sanction of the Governor under section 80c of the Government of India Act has been obtained to the passing of this Act ; It is hereby enacted as follows :—

1. This Act may be called the Burma Forest (Amendment) Act, 1936.

2. In section 33 of the Burma Forest Act, 1902, the following shall be substituted for sub-section (1), namely :—

"(1) Any person may cut and remove the forest produce growing upon or found on public forest land, other than reserved trees and their timber,—

- (i) if cut and removed for agricultural, domestic or piscatorial purposes and converted and utilized for such purposes within 20 miles of the place of felling, free of charge ;
- (ii) in other cases, subject to such restrictions and prohibitions as may be provided by rules made by the Local Government under this section or by any other enactment or rule for the time being in force."

Burma Act  
IV of 1902.

Preamble.

Short title.

Amendment  
of section 33  
of Burma  
Act IV of  
1902.

G.B.C.P.O.—No. 66, B.L.C., 19-11-1936—1,200.

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**THE BURMA FOREST (AMENDMENT) ACT.**

**BURMA ACT VII, 1938 (8TH OCTOBER 1938).**

1. In section 33 of the Burma Forest Act, 1902, the following shall be substituted for sub-section (1)—

“(1) Any person may use free of restriction the forest produce growing upon, or found on, public forest land, other than reserved trees and their timber, except as prohibited or otherwise provided by rules made by the Governor under this section or by any other enactment or rules for the time being in force.”

G.B.C.P.O.—No. 135, Judl. Secy., 27-10-38—1,200.

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that in carrying out this examination the following points should receive special consideration :—

- (i) the possible alterations which may be made in the direction of the closer classification of the species and the reduction of royalty in respect of species which are ordinarily little used.
- (ii) The question of a reduced rate in respect of inferior logs of each species or group of species.

20. It is realized that this latter point presents difficulties in view of the fact that the measurement and passing of timber other than teak has of necessity to be carried out by subordinate officers and that to avoid loss of revenue very strict rules for the guidance of these officers will have to be laid down. It is thought however that a lower rate can safely be imposed in respect of—

- (a) Butt logs of species other than teak which exceed 9 feet in mid girth.
- (b) Undersized logs provided these are both under 18 feet in length and under 4 feet 6 inches in mid girth.
- (c) Hollow logs and those with certain obvious side defects.

21. It is also recommended that basic royalty rates when fixed, should be fixed for a definite period, either for three or five years and should not be subject to revision till the close of this period.

22. Large forest areas have hitherto been worked on long leases almost entirely by large firms whose capital was originated elsewhere than in Burma and in consequence the sons of the soil derive only indirect benefits, such as employment and advances of working capital from the profits made by these large firms. We realise, however, that the extraction of timber in the majority of such forests is a slow and costly process requiring a large amount of capital which natives of Burma are generally unable to afford and that to attract this capital to the forests of this country it is necessary to give security of tenure.

23. Whilst therefore this Committee is unable to suggest any general measures for improvement in the system of leasing large areas for long periods we are of opinion that a more definite policy should be laid down with regard to forests in which the different methods of disposing of timber should be adopted. We therefore recommend generally that in all easily situated areas where working is possible without any great capital outlay short-term purchase contracts should be the rule and that the leasing of large areas for long periods should be confined to the less accessible areas where working entails a considerable capital expenditure. We recommend that this principle should apply to hardwood leases as well as to teak leases.

24. We desire, however, to express our views on one point of detail in connection with long-term leases. We refer to the sliding scale in the new form of long-term leases for teak which takes the place of the old Half Sale Proceeds clause. The following quotation from the standard agreement form for long-term teak leases will explain this innovation :—

“ If on the refusal of the Divisional Forest Officer to classify logs as refuse the <sup>Contractor elects</sup> <sub>Contractors elect</sub> not to pay royalty at the rates specified in columns 2 and 3 of Schedule IV on any timber brought to a measuring station the timber shall be handed over to the Government who shall sell it by auction unless otherwise agreed upon by the <sup>Contractor</sup> <sub>Contractors</sub>. The timber shall be sold at the measuring station unless the <sup>Contractor elects</sup> <sub>Contractors elect</sub> to deliver it to the Forest Depôt at Rangoon and the gross proceeds of the sale thereof shall be divided between the Secretary of State and the <sup>Contractor</sup> <sub>Contractors</sub> in such a way that the share of the Secretary of State shall be :—

- 50 per cent. of the sale proceeds of each lot if they exceed Rs. 75 per ton ;
- 40 per cent. of the sale proceeds of each lot if they exceed Rs. 55 per ton, and do not exceed Rs. 75 per ton ;

- 30 per cent. of the sale proceeds of each lot if they exceed Rs. 45 per ton and do not exceed Rs. 55 per ton ;
- 20 per cent. of the sale proceeds of each lot if they exceed Rs. 35 per ton and do not exceed Rs. 45 per ton ;
- 10 per cent. of the sale proceeds of each lot if they exceed Rs. 25 per ton and do not exceed Rs. 35 per ton ;
- Nil of the sale proceeds of each lot if they are Rs. 25 per ton or less."

Under the old Half Sale Proceeds system Government was entitled to 50 per cent. of the proceeds realised by the sale of all logs on which the contractors elected not to pay royalty, irrespective of the amount realised by the sale of such logs, but had not the right to insist on logs paying refuse royalty rather than that they should be placed to half sale proceeds. Under the new arrangement Government has the right to impose the refuse royalty rate which is the minimum rate and it is only in the event of the measuring officer refusing to classify logs as refuse that the contractor may elect to have them dealt with on the Part Sale Proceeds System as quoted above. Under this system in the event of the timber that is put up to auction realising less than Rs. 75 per ton, Government's share compares unfavourably with what it would have been under the old system but the existence of a minimum rate is some set-off to this disadvantage.

25. The danger in the revised method lies in that it requires for its satisfactory operation a higher knowledge of timber values than is usually possessed by the comparatively junior officers who are deputed to carry out the measurement, and as a result may lead to abuse of the clause by the extraction agency. Whilst therefore there is reason to hope that in the case of the large teak firms who have so much at stake there will be no abuse of this new provision we desire to draw attention to the possibilities of abuse and we recommend that no new leases should contain this provision. We further recommend that the system should be carefully watched in its working in the case of leases to which we are already committed.

26. We recommend as an alternative to the above clause the fixing of the average cost of extraction to the measuring point and the provision that in the event of the contractor electing that logs should be put up to auction rather than that they should pay full royalty rates, Government should receive any sum in excess of the amount so fixed, the balance going to the contractor. Government should still have the right to impose the refuse royalty rate on any timber extracted and the rights of the contractor to have logs auctioned would only arise in the event of the measuring officer refusing to pass them at refuse royalty rates.

27. As a second alternative we would recommend the revival of the old Half Sale Proceeds clause. Whichever method is adopted by the Government we suggest that the method be clearly stated in notices calling for tenders in order to save disputes on the point after the tender is accepted.

28. The Committee has also considered what authority should be empowered to accept and sign important leases. The present position is as below :—

Acceptance of Important Leases.

- (a) the Chief Conservator is empowered to accept and sign leases the value of which do not exceed Rs. 50,000 and which will not endure for more than three years ;
- (b) the Conservator is empowered to accept and sign leases the value of which do not exceed Rs. 10,000 and which will not endure for more than one year ;
- (c) Divisional Forest Officers are empowered to accept and sign leases the value of which do not exceed Rs. 2,000 and which will not endure for more than one year ;
- (d) Leases which the above classes of officers are not empowered to accept must be executed by the Local Government.

29. We do not desire that the control at present exercised by the Ministry of Forests over the acceptance of the more important leases should be relaxed and we accordingly recommend that it should retain in its hands the



acceptance and signature of leases which exceed Rs. 50,000 in value or which run for a period exceeding three years. It has, however, been represented to us that the Chief Conservator, who has many other duties to perform, should be released from the formal portion of the work connected with the acceptance and signature of the leases which at present he performs. The Committee accordingly recommends that Conservators should exercise the powers at present exercised by the Chief Conservator in respect of the execution of purchase contracts, provided that these contracts are in the standard printed forms and the acceptance of the tender has been approved by the Chief Conservator of Forests.

30. The Committee has not been able to find any existing definition as to what is or what is not a short-term contract but for the purpose of its recommendations it would define a short-term contract as one which does not last for more than five years. If short-term contracts are to be entered into by Government at terms determined by the action of competition among traders, as is the case, the methods at the disposal of the Government are (i) to call for tenders of rates of royalty which traders are willing to pay, (ii) to have fixed rates of royalty and to call for tenders of the rates of felling fee to be paid, (iii) to have fixed rates of royalty and to call for tenders of the lump sum premium which traders are willing to pay, and (iv) to sell the coupe outright. Method (iv) is in an experimental stage and we shall deal with it in paragraph 49 below, but of the three older methods we prefer fixed rates of royalty *plus* lump sum premiums called for by tender for the reason that no other method affords Government sufficient protection against a speculative bidder who may cream the forest and leave depreciated areas by prematurely surrendering the lease. Under the method we recommend the total loss of his premium, which should be demanded in advance, will be a sufficient deterrent and if the premium is heavy enough it will automatically prevent persons with insufficient capital from beginning their speculative enterprise at all. Our recommendations in this paragraph as well as in paragraph 32 are subject to the proviso that full consideration should be given to those who have organisation and are actually carrying on work in the locality, our view being that it is important to offer continuity of work to those with capital in order to provide sufficient inducement to them to utilize their capital in the timber trade.

31. The Committee is strongly of opinion that where rates, premiums or felling fees are held up to tender either in long-term or in short-term contracts the highest offer if obviously speculative, should not be accepted. In the course of our inquiry we have come across several instances where the speculative bidder or tenderer has secured a contract to surrender it soon, causing loss to Government and preventing the legitimate trader from finding work.

32. The opinion of the Committee as regards trade licenses in general is that they are reasonably favourable to the trader. The necessity of fully pre-paying licenses, however, is a hardship on those who have to obtain their small capital at high rates of interests. Government on the other hand has to safeguard both the forests and the revenue against the speculative licensee who fells more than he can find a market for and leaves Government to find a sale for his leavings or allow marketable timber to rot in the forests. We recommend that normally full pre-payment of royalty should be required in the case of licenses for 50 tons or less, but that the Divisional Forest Officer should be permitted at his discretion to relax this pre-payment up to 50 per cent. of the estimated royalty in the case of established traders of the district. Licenses for larger amounts than 50 tons should as a rule be postpaid in the case of traders of recognised standing in the district. Where, however, the Divisional Forest Officer has any doubt as to the standing of any trader he should insist on pre-payment in full or up to such an amount as he considers necessary to safeguard the forests and revenue against speculation. We further recommend that the discretion exercised by the Divisional Forest Officer in respect of royalty to be prepaid on trade licenses should be carefully watched by the Conservator who

should suspend its exercise by any particular Divisional Forest Officer where he considers such a course necessary, or where it has resulted in loss to Government.

33. We understand that trade licenses are renewed under certain conditions if the periods originally allowed do not prove sufficient for the purpose for which the license was granted ; such extensions vary with the quantity of timber covered by the license and may range up to one year. We recommend that licensees should be leniently treated in the matter of extensions but inasmuch as such extensions if indiscriminately granted may be abused by unscrupulous traders as a method of avoiding these obligations we recommend that before important applications for extensions are disposed of, the Divisional Forest Officer should satisfy himself as to whether the extension applied for is really necessary to allow timber felled within the original period to be collected and passed for duty. Felling of trees after the expiry of the original license should be permitted only in exceptional circumstances.

34. Several witnesses have complained to the Committee that if they are unable through circumstances beyond their control to extract the full quantity of timber for which they had taken out a prepaid license no refund of royalty is ever received for the amount of timber not extracted. According to their statement the money is credited towards the amount payable for the next license if such is applied for but that the money is lost if the trader takes out no more licenses. The Committee recommends that in such cases where owing to non-existence of trees or to other causes beyond his control the full quantity of timber specified on a prepaid license is not extracted the licensee should be given a refund of the amount left over after deducting the sum due as royalty from the sum prepaid or that the refund due should be credited towards the payment for the next license if the licensee expresses the intention of taking another license in the near future.

35. As regards indemnity bonds the Committee recommends that the existing practice of demanding such bonds be continued only when the Divisional Forest Officer is not satisfied that the trader concerned is a man of such substance that penalties for failure to observe the terms of his contract will not be recoverable in the ordinary course.

36. It has been represented to the Committee that licenses issued for the extraction of forest produce on payment for purposes other than trade are frequently abused and that some villagers are in the habit of obtaining licenses for timber for domestic use and of illicitly selling such timber later, thus subjecting honest traders to unfair competition. It is also contended that even if no such dishonest acts take place the prolific issue of such licenses has the effect of destroying local demand on which the traders may have relied when offering rates of royalty. We are certain, however, that such licenses are ordinarily a source of benefit to the poorer inhabitants and that the proper remedy lies in stricter supervision. We recommend therefore that the existing practice, which is not extensive, as regards the issue of licenses other than for trade should stand.

37. The Committee has carefully considered the desirability of restricting the issue of property hammers to those who pay royalty in excess of a minimum to be fixed. Though several witnesses favour this course on the ground that this would eliminate from the trade those traders who do their work on too small a scale, we are unable to recommend this suggestion. A man who works on a fairly large scale in normal years may extract less than the stipulated minimum in a bad year and in any case we do not desire to see the extinction of the small trader who pays royalty amounting to only a few hundred rupees a year. We recommend therefore that as at present the issue of property marks should be at the discretion of the Divisional Forest Officer.

## CHAPTER IV.

## CONTROL OF FOREST PRODUCE AND REVENUE.

38. The Committee has received comparatively meagre evidence on the somewhat technical matter of drift rules and what little we have heard does not incline us to the view that there is anything very wrong with the rules as they stand. We do not, therefore, make any recommendations as regards the ordinary drift rules. The evidence however gives us the impression that the rules in respect of sea drift might be examined further and we recommend that this should be done departmentally with special reference to limits and fees.

Drift Rules.

39. The Committee has spent a good deal of time in considering the question of removal passes. The *raison d'être* of such passes is the necessity for check by Forest Officers of timber in transit whether by road or by water in order to be able to distinguish in a ready manner the licitly extracted timber from the illicitly extracted. Doubts have been expressed as to the utility of this method by many witnesses and we have been told of many ingenious methods by which the check has been set at nought but no witness has been able to furnish us with a suitable alternative for the same while it remains true that even at their worst removal passes have the advantage of putting difficulties in the way of the transgressor. The main objection that traders have against removal passes appears to us to be due to the delay that frequently occurs in getting them owing to the officers empowered to issue removal passes in any particular locality being absent on tour. Annoyance and inconvenience are also caused by the refusal of issuing officers to receive payment in cash for fees on removal passes as such refusal entails a visit to the nearest sub-treasury where the fee for the pass, a few annas usually, has to be solemnly remitted and a chalan obtained for it for production to the officer issuing the pass before such pass is issued. It is believed that these delays and petty sources of irritation are exceptional rather than general; but the Committee has no hesitation in condemning any system that involves unnecessary delay or red tape. There is no reason why there should be any difficulties or delays in obtaining removal passes. It is usual where there is a Revenue Assistant that either he or an officer subordinate to him should be in headquarters on fixed dates to issue removal passes. This system should be continued and it should be arranged that subordinates should be at certain convenient centres at fixed dates to issue removal passes. The centres and dates should be posted on the notice boards in all Forest Offices. Moreover, the officer issuing removal passes should be instructed to receive the fees for the same in cash as also any petty revenue due to Government. We recommend therefore that Government should take steps to ensure that every facility is given to the public to obtain removal passes with the minimum of delay and trouble.

Removal Passes.

40. We recommend without hesitation that removal passes should be retained for timber in the round. For converted timber the necessity for removal passes is more debatable, but we recommend that they should be retained in general. We recommend, however, that converted timber transported by rail or by water, through the agency of the Irrawaddy Flotilla Company, Limited, or other recognized steamship companies, should be exempted from removal passes, provided that the Burma Railways or the steamship company concerned is willing either to send in returns of loading at certain stations if asked to do so or to allow inspection of their despatch registers in order that the Forest Department may guard against illicit extraction.

41. We recommend that the present fees for removal passes should be retained. They are sufficiently low and though theoretical objection has been taken against them on the ground that once Government has taken its dues in the shape of royalty it should not exact anything more from the timber, no one has objected to such fees on the ground that they are burdensome.

Fees for Removal Passes.

42. The Committee considered the system of licensing sawpits. Under Rule 70 of the Rules under the Forest Act all sawpits situated within ten miles of a railway or revenue station or within five miles of a river on which timber is rafted must be licensed. The sole object of insisting that such sawpits should be licensed is to insure that the positions of all sawpits in areas where illicit timber traffic is likely to take place, are registered. The evidence showed that there was a considerable illicit trade in timber and that licensing sawpits acted as a protection both to Government and to the honest trader. The only complaints against the system related to occasional delays and difficulties in getting licenses. This Committee approves the system of licensing sawpits; but considers that the rule regulating its application might be less rigid. There are many areas where the danger from illicit traffic extends beyond the limits allowed by rule and also many areas, for example, the Chindwin river above Alon, where the danger from illicit conversion of timber is negligible. The Committee therefore records the opinion that the rule on the subject should be amended to allow of the application of the system in an elastic manner to suit the requirements of each district. The Committee further records the view that sawpit licenses should be obtainable with a minimum of trouble and red tape and recommends that, when practicable, face value licenses allowing the establishment of sawpits within the limits of a definite village should be obtainable from recognized license vendors. This system, however, should not be applied to sawpits in the neighbourhood of recognised floating streams where there is danger of theft of floating timber.

43. The Committee has now to discuss the system of measuring and passing timber for duty at stump which is generally described by traders as one of the worst calamities that has befallen them. Timber has to be measured and passed for duty at some point in its transit from stump to market and there is no blinking the fact that the nearer the stump the measurement is done, the less the prospective loss of revenue to Government. Apart from this the absence of the duty mark on any log in transit will at once stamp it as having been illicitly extracted. On the other hand, the trader represents with considerable force that owing to inadequacy of officers who are authorized to pass timber for duty, as also to the fact that such officers may be deliberately obstructive either to show their authority or for personal gain, considerable delay may occur and that such delay may occasion considerable loss to him. It is also argued that as the larger firms are invariably allowed to have their timber *akauk*-marked at collecting stations the system imposes an unfair discrimination against indigenous traders. We think that this is a matter in which the views of the trader might receive greater consideration and we recommend that measuring and passing for duty at stump should only be undertaken when the Conservator has satisfied himself that such a course is necessary to safeguard the interests of Government, e.g. when the extractor has given grounds to suspect his honesty or if there prevails in the vicinity extraction of unknown authorship. We recommend that ordinarily such measuring and passing for duty should be undertaken at collecting stations selected with a view as much to the convenience of traders as that of Government.

44. The Committee realises that the control of fellings by selection marking of the trees to be felled is essential for the proper management of forests with the object of insuring a sustained yield and takes this opportunity of emphasizing the necessity for thorough inspection of felling areas in order to prevent illicit felling of undersized trees.

45. We have no recommendation to make as regards the check on the extraction of teak by the large firms. The system of supervision appears to be adequate though much must depend on the experience in extraction work possessed by the Divisional Forest Officer.

46. Nor can we suggest any general improvement on the usual divisional revenue organization which consists of a Revenue Assistant with a number of Revenue collectors and markers subordinate to him. Complaints are however made to the effect that the number of officers authorized to collect revenue is not as great as it should be and that inconvenience is often caused through the non-arrival of the Revenue Assistant. The standing orders on the subject of the collection of forest revenue prescribe that ordinarily it shall be remitted to the treasury by the person liable to pay it. At the same time it is laid down that when the revenue due by any person does not exceed Rs. 50 and compliance with this rule will involve the payee in disproportionate trouble or expense, payment may be made to a Range Officer or to any other Forest Subordinate who has been specially authorized by the Divisional Forest Officer in writing to collect revenue. Any Forest Subordinate of the executive staff whose pay is not less than Rs. 30 per mensem may be authorized by the Divisional Forest Officer to collect revenue, provided he has accumulated or can deposit in cash not less than Rs. 50 as security. In many cases the collection of revenue by range officers is discouraged on the grounds that it interferes with their other executive duties and apart from this a range officer is liable to neglect his more important forest duties in favour of his revenue work. This Committee realizes that the collection of revenue must not be allowed to interfere with the legitimate executive duties of the range officer. At the same time it must emphasize the necessity for providing every facility for the payment of money due to Government. The recommendations in paragraph 39 to the effect that arrangements should be made that subordinates authorized to receive petty revenue should be at certain places on fixed dates will go far to remedy matters ; but there is no reason also why the range officer should not receive in cash petty sums due to Government when he is in his headquarters.

47. The Committee is of opinion that the forest rules are fair and that any complaints against them are due to their application and not to any faults in the rules themselves. The general procedure has been stereotyped by Standing Orders, but it frequently happens that the interpretation of these orders varies with the personality of the Divisional Forest Officer. To a certain extent this is inevitable ; but the effects can be greatly mitigated by closer attention on the part of the Conservator to see that no change is made in existing procedure without full consideration of all the circumstances. In many cases there is reason to believe that the local officers fail to maintain sufficient touch with the extraction agencies and as a result frequently fail to appreciate the many difficulties incidental to their work. The Committee desires to emphasize the necessity for frequent inspection of all extraction work and a continuous study of all the factors influencing this work. We must further urge that before introducing any changes in procedure affecting the interests of the extraction agencies, or proposals regarding the enhancement of rates the matter should be fully discussed between the Divisional Forest Officer and the leading extraction agencies and the points of view of both sides fully considered.

48. Complaints against the insistence on the part of Divisional Forest Officers that trees should be felled as low as possible have been numerous. The general rule is that trees must not be felled at a height of more than 3 feet from the ground. This rule has been in force for many years and there are no complaints against it ; but of late years the tendency of the Department has been to insist on felling as close to the ground as is physically possible. The Committee recognizes that felling of trees as close to the ground as possible is the rule in all countries where a proper system of forest management is in force. It further recognizes that low stumps are in certain cases necessary in the interests of the future crop and that high stumps mean wastage and consequent loss of revenue. Whilst therefore not wishing to interfere with the discretion of the Department in the matter the Committee would urge that in insisting on felling at a height lower than 3 feet the point of view of the extraction agency receive full consideration. There are many cases where the stems are so

buttressed or fluted near the ground that felling at a height of less than 3 feet is a matter of very considerable difficulty involving an increase in cost to the extraction agency out of all proportion to the monetary return from the timber, which may even be useless for conversion as part of the log. In such cases the revenue gained by Government is entirely at the expense of the extraction agency. It is quite impossible to lay down any hard and fast rule in the matter. The work can only be judged by inspection.

49. The Committee has been greatly impressed by the possibilities of the lump sum purchase contract system for short term contracts which has been tentatively introduced in the Maymyo Forest Division. Under this system an estimate is made of the royalty value of the trees to be sold and the contractor having bid a lump sum for the right to work these is at liberty to work them on any lines he likes. We are of opinion that a system on these lines would go far towards eliminating friction with the extraction agency and would also tend to reduce wastage. The Committee realises, however, that statistics for fixing the outturn are still inadequate and that until the position in this respect can be remedied the wholesale introduction of the system would be dangerous. We wish, however, to impress on the Department the advantages of the system and the desirability of taking steps to extend its application as far as possible.

## CHAPTER V.

### ORGANISATION.

50. The administration of the Forest Department in Burma is under His Excellency the Governor assisted by the Hon'ble Minister for Forests. The actual work of the Forest Department is divided into territorial and special charges both under the control of the Chief Conservator of Forests who is helped by a Personal Assistant. In the Federated Shan States, the Commissioner, Shan States Division, replaces the Chief Conservator of Forests.

51. The Province is divided into territorial Circles of which there are 7 consisting of from 5 to 7 divisions each. The division is subdivided into a varying number of ranges. In the past, certain of the larger divisions were divided into subdivisions, but these were never universal and have since been abolished. Each range is in charge of a Range Officer who is usually a member of the Subordinate Forest Service of the rank of Ranger. The range is subdivided into beats which are in charge of Head Foresters or Foresters.

52. Special charges include the Utilization and Working Plans Circles, the Depôt and Agency Division at Rangoon, the Depôt Division, Mandalay and the Kado and Agency Division, Moulmein, of which the first is under the control of the Utilization Conservator and the two last under the territorial Conservators; a varying number of Working Plans Officers attached to the Working Plans Circle; the Research Officers consisting of the staff of the Sylvicultural Research Branch controlled by the Working Plans Conservator and the staff of the Timber Economic Research Branch at Rangoon controlled by the Utilization Conservator; the Myitmaka Extraction Division which has a special staff mostly on a temporary basis; the Director and Instructors of the Pynmana School; the Professor and Lecturer at the Rangoon University; and finally Forest Engineers attached to divisions as required and supplied from a special service. The Botanical Gardens at Maymyo are managed by a special committee.

53. The Chief Conservator of Forests is not only in advisory charge of the whole Department but is also the adviser of the Ministry in technical matters connected with the Forest Department. He is also directly responsible for Research, Education,

Utilization and Working Plans and in a sense the Conservators of the Utilization and Working Plans Circles are his Personal Assistants for their respective branches. We do not propose any change in the work of the Chief Conservator of Forests, though we realise that the post is one of enormous responsibility and that the volume of work is almost beyond the capacity of a single man of even the ripest experience.

54. The Conservators are in this respect a little better off than the Chief Conservator. They are Heads of Departments for their respective charges and correspond direct with the Local Government except in certain specified matters correspondence on which passes through the Chief Conservator of Forests. A territorial Conservator exercises control and supervision over his Divisional Forest Officers. Being a senior officer of experience he is in a position to advise his less experienced Divisional Forest Officers. He controls the postings of subordinates within his Circle and carries out his supervision by frequent inspections both of forests and offices. He controls the management and working of forests in his Circle and sees that budget allotments are properly worked up to but not exceeded. He is responsible that all work is carried out on sound lines and in this connection it may be noted that mistakes in forest management and especially in matters concerned with regeneration are not easily rectified, and may have very serious consequences in the future.

55. We have considered the extreme suggestion put to us of abolishing all territorial Conservators and of creating in their place two or three peripatetic Deputy Chief Conservators who would perform the residue of the supervisory work of Conservators after delegating a good deal to the Divisional Forest Officers. Though there is much to be said for the suggestion from the point of view of economy of cost, we do not think that such Deputy Chief Conservators would be able adequately to perform the functions now performed by territorial Conservators or that it will be possible without loss of efficiency to delegate to the Divisional Forest Officers any considerable proportion of the responsibilities now discharged by Conservators.

56. A more practical proposition is that of reducing the existing number of territorial Conservators. We observe that prior to 1920 there were only 4 Conservators in all and that now there are 9 including the new Utilization and Working Plans Conservators, and we have listened with interest to a proposal to abolish the Central Circle and to distribute the area among its neighbours. Present-day conditions, however, appear to us to be abnormal owing to a large percentage of junior officers in charge of Divisions and we are of the view that it is not possible at present to reduce the number of territorial Conservators. But in three years hence when the present junior officers will have matured into seasoned Divisional Forest Officers, it might be possible to reduce the number and we recommend that the position be then reviewed.

57. We wish definitely to recommend, however, that the post of Conservator, Utilization Circle, should be abolished and an appointment of Forest Economist created. We have no objection to this officer holding the rank of Conservator if he is duly qualified. Our object in making this proposal is that research work is very badly needed, and that a full-time officer detailed for this particular duty is essential in the interests of the Province. Under recent arrangements the Conservator of Forests, Utilization Circle, has been released from a good deal of routine work, as the Divisional Forest Officer, Depôt and Agency Division, now acts as his Personal Assistant. We do not, however, wish to retain for the Conservator of Forests, Utilization Circle, even the supervisory charge of the Depôt and Agency Division and the Myitmaka Extraction Division. We had much rather that he should concentrate his abilities on research. Under the arrangements we propose the Divisional Forest Officer, Depôt and Agency Division, will be in full charge of the work of his own division and will deal direct with the Chief Conservator of Forests. The Myitmaka

Extraction Division which is now controlled by the Conservator, Utilization Circle, should, under the new arrangements proposed, be controlled by the Conservator of Forests, Hlaing Circle.

58. The other recommendations we wish to make are in the direction of reconstituting existing Forest Divisions. We begin with Pynmana which is an extremely heavy division quite beyond the control of a single Divisional Forest Officer. We recommend, therefore, that it should be split into two divisions to be called either the Yamèthin and Pynmana Divisions or North Pynmana and South Pynmana Divisions. As an off-set to this, however, we recommend that the present Meiktila Division which is not at present a paying concern to Government and which does not promise to be one, be abolished as a division and be formed into a subdivision to be attached to the proposed new North Pynmana or Yamèthin Division. The Meiktila Division was formed in 1909 and is composed of the old Kyauksè Forest Subdivision of the Mandalay Forest Division and that portion of the Yamèthin District drained by the Myittha-Panlaung River. It is being worked by Government at a dead loss, but is said to be useful for the fuel supply of the Meiktila District. We also recommend that the present South Tenasserim Division be split into two divisions to be known as the Tavoy and Mergui Divisions. There are large areas of unworked forest in this locality and with the gradual diminishing of the forests in other parts of Burma, we regard it as necessary that these forests in South Tenasserim should be organised with a view to exploitation in the near future.

59. We have studied with care the working of the present Mu and Shwebo Divisions. These two divisions originally formed the old Mu Division, which was split into two in 1922. We do not regard that the split was justified. There may have been increase in revenue since the split, but we cannot regard the increase as being due to the split and we have reason to believe that such increase will be maintained if the two divisions are re-amalgamated into one, while there can be no doubt that if the divisions were again formed into one division, there will be a considerable saving in expenses. We are justified in this belief by the evidence of several officers who have served in the old Mu Division. We recommend accordingly that the Shwebo and Mu Divisions be again combined into one division to be called the Mu Division with headquarters at Shwebo. We also recommend that the present North Arakan and South Arakan Divisions be amalgamated into one division as they were prior to 1920. We have no objection to the area which is now the South Arakan Division being formed into a subdivision, if necessary, and placed under the Divisional Forest Officer of the combined division. Our reason is that of economy and the fact that the revenue from these divisions does not pay for the corresponding expenditure.

60. Our recommendations are the result of very careful thought. It is in our opinion necessary that all possible measures of economy should be taken in view of the probable steady fall in Forest Revenue in the near future. We do not think that any danger in the direction of loss of efficiency arises in connection with the modest recommendations we have made in this chapter.

## CHAPTER VI.

### THE SERVICES.

61. In uniformity with other departments the permanent officers of the Forest Department are divided into three categories— the Imperial Forest Service consisting of the Chief Conservator, Conservators, Deputy Conservators and Assistant Conservators, the Provincial or Burma Forest Service consisting of Extra Deputy Conservators and Extra Assistant Conservators, and the Subordinate Forest Service consisting of Rangers, Deputy Rangers, Head Foresters and Foresters. We shall first deal with existing conditions.



62. The Imperial Forest Service seems to be free from grievances, but we  
Extra Deputy Conservators. have received many representations from members  
of the Provincial or Burma Forest Service as regards the inadequacy of their pay and prospects. The complaint of Extra Deputy Conservators is against being not promoted to the Imperial Forest Service and that their emoluments compare unfavourably with the selection posts provided for Extra Assistant Conservators who are their juniors. There were originally 19 Extra Deputy Conservators, but, with the creation of listed posts in the Imperial Service to be filled by promoted officers from the Provincial Service, no further appointments to the Extra Deputy grade were made and those of the 19 who could reasonably be regarded as possessing "considerably more than ability to hold the easiest of the major charges" were promoted to the Imperial Service. There are now only 3 Extra Deputy Conservators left in service, but we regret to be unable to recommend any lowering of the standard by which fitness for promotion to the Imperial Service is judged. As regards the emoluments of Extra Deputy Conservators they are not in our opinion unfavourable as compared to selection posts open to Extra Assistant Conservators as the selection posts are on Rs. 1,000 and on Rs. 900, while two of the Extra Deputy Conservators with Personal Pay and Burma Allowance draw Rs. 1,020, while the third similarly draws Rs. 905. For officers who are not after all members of the Imperial Service, their pay does not strike us as being inadequate.

63. The chief grievances of the Extra Assistant Conservators centre round  
Grievances of Extra Assistant Conservators. their pay which has been the subject of a series of revisions in the last few years. These officers formerly drew Burma Allowance to which they are not now entitled. We do not propose to enter into a detailed account of these revisions, but we have satisfied ourselves that taking the series as a whole, no officer has been adversely affected while many of them have benefited substantially while the closing of the rank of Extra Deputy Conservator has been more than offset by eligibility for promotion to the higher service. In view of the recommendations we shall make later in this chapter for the breaching of the barrier between the Imperial Service and the Provincial Service, we cannot regard the present pay of the Burma Forest Service inadequate for those who, in the new order of things, will be regarded as fit only to perform the duties of Revenue Assistant for posts of equivalent responsibility. We do not, therefore, recommend any improvement in the pay of the present Burma Forest Service.

64. There are, however, two complaints which we consider to be worthy of sympathetic consideration. One is that Provincial Service Officers have to fill for many years the post of Revenue Assistant or General Assistant before they can hope to be tried in a Divisional charge. The present shortage in the cadre of the Imperial Service has, however, given a chance of showing their ability to many members of the Provincial Service. It is often forgotten that in the past the Provincial Service was recruited solely to fill the post of Divisional Assistants and in that respect the grievance expressed is hardly a legitimate one, but, on the other hand, it is inevitable that many years in a comparatively subordinate capacity must sap the initiative and dull the ability of the officer concerned. If, however, our recommendations later in this chapter are accepted, there will be no further cause for complaint in this direction. The second complaint is that officers promoted from the Burma Forest Service to the Imperial Forest Service do not receive appreciable enhancement in their emoluments and that in some cases there is actual loss. Under present arrangements on an Extra Assistant Conservator of Forests being promoted to the Imperial Forest Service, his pay in the new service is fixed at the next higher stage than his substantive pay in the lower service. Though, owing to his eligibility for Burma Allowance, no actual loss in total emoluments may occur, there is in some cases an actual lowering of pay owing to no account being taken in this arrangement of the special pay of Rs. 100 drawn by Extra Assistant Conservators of Forests in charge of Divisions. We think that this should be remedied and that an officer who is selected for promotion to the

Imperial Service deserves to have a substantial increase in his emoluments. An Extra Assistant Commissioner promoted to the Burma Commission gains at least Rs. 300 in pay. We recommend, therefore, that on promotion to the Imperial Service an Extra Assistant Conservator of Forests should gain at least Rs. 100 in basic pay and that his seniority should be determined accordingly, subject to the provision that no such officer shall draw more pay or be senior to the direct recruit to the Imperial Service of the same number of years of gazetted service.

Pay of Extra Assistant Conservator promoted to Imperial Forest Service.

65. Rangers are now paid as below :—

Rangers.

1st grade on Rs. 225—5—250	4th grade on Rs. 150
2nd grade on Rs. 200	5th grade on Rs. 120
3rd grade on Rs. 175	6th grade on Rs. 100.

It has been suggested to us that Rangers approximately correspond to Myoðks and Deputy Myoðks and that they should be paid accordingly. We cannot, however, admit that the responsibilities of a Ranger are as great as those of a Township Officer or that the recruitment of the two classes of officers are made from the same class of people. We admit, however, that some improvement in the scale of pay of Rangers is necessary to compensate them for their hard life in the jungle. We also think that in uniformity with other services, a time scale of pay should now be introduced for the Subordinate Forest Service. We recommend accordingly that Probationary Rangers should get Rs. 100 a month and that on being confirmed they should come on to a time scale on Rs. 120—10—150—10—200—1½—275. We realise, however that there must be and will be many Rangers who do not deserve to get as much as is allowed in the higher stages of the scale. We recommend, therefore, that there should be two efficiency bars—one at Rs. 150 and the other at Rs. 200—and that these bars should operate strictly.

66. Deputy Rangers are now in three grades :—

	1st grade at Rs. 65.
Deputy Rangers.	2nd grade at Rs. 55.
	3rd grade at Rs. 45.

We recommend that they should be brought on to a scale of Rs. 50—½—75 with an efficiency bar at Rs. 60.

67. There are in the Forest Department 934 appointments of Head Foresters in three grades at Rs. 35, Rs. 30, and Rs. 25. There are also 1,054 sanctioned appointments of Foresters in three grades at Rs. 22, Rs. 20 and Rs. 18. Large casualties take place in these ranks year after year and many witnesses have stated that there is much corruption among them. An average cooly gets better wages than a Forester, so it is not surprising that a Forester on being dismissed cheerfully joins the ranks of casual labour. We certainly think that if subordinates of these two classes are to be continued to be employed in the Forest Department, a living wage should be paid to them. We do not, however, see any necessity for distinction between Head Foresters and Foresters who do more or less the same sort of work. We recommend therefore that the term "Forester" should cover both classes and they should be placed on a time scale of Rs. 25—1—30—½—35—2—45. We realise that the result of raising the pay of Rangers, Deputy Rangers and Foresters as proposed by us will result in considerable additional expenditure to Government, but we regard it as essential that Government servants of this class should be paid enough to place them beyond acute temptation.

68. We have given very careful attention to the future needs of this Department in the matter of higher services. We understand that as a result of the recommendation of the Lee Commission the Local Government is likely to be given a free hand

Higher Services.

in the matter of recruitment, training and pay of all services operating in the Forest Department. With the greatest respect to the Imperial Forest Service which has done so much for the development of the Forests of Burma, we venture to express the view that it is no longer necessary to retain the Imperial Service in its present form. Officers who are already appointed to the service are no doubt entitled both by law and by equity to retain their present pay and privileges, but the retention of a superior class of officers senior, and in addition, to the Provincial Forest Service is in our opinion no longer economical and that it is against national sentiment. We recommend, therefore, that there should be an amalgamation between the Imperial and the Provincial

Amalgamation of Imperial Forest Service and Provincial Forest Service. Forest Services and that no further recruitment should take place to the Imperial Forest Service beyond that to which the Government is already committed. The new service should be known as the "Burma Forest Service" and future recruitment should be to this amalgamated service only. We think, however, that it will be advisable to have two scales of pay in this new service, but the scales are to be fixed not according to the recruitment and training of the officers but according to the work they are found fit for and called upon to perform. We suggest that officers on being first recruited should be placed on the lower of the two scales irrespective of whether they are recruited in England or in Burma and that any officer who is found definitely fit for the holding of a Division and posted to such charge or to a charge of equivalent responsibility should automatically be placed on the superior of the two scales of pay. If this suggestion is accepted, promotion will be based entirely on merit and not on extraneous circumstances. We shall discuss later in this chapter the details and strength of the two branches of the new service to be.

69. The Committee desires to record its opinion that the Province should eventually have a fully equipped Research Institute and Training College and be in a position to train men for all Branches of the forest service. We realise, however, that there are many difficulties in the way of immediate expansion on these lines and that any premature expansion might prove both costly and disastrous to the interests of forest progress in the country. We recommend, therefore, that for the present, the policy of maintaining close touch with the development at the Central Research Institute at Dehra Dun be continued and that this Province continue to co-operate in the work undertaken there.

70. The present course at the Rangoon University has been designed with the object of supplying recruits to the Provincial Service and this Committee desires that every effort should be made to develop this course as a training ground for officers of the new amalgamated higher service that we have recommended. We realise however the necessity for some time to come of training a certain proportion of the recruits to this service in England as we do not desire to suggest any lowering of the qualifications for officers who will in future be eligible for the highest posts in the Department. We wish, however, to emphasise the desirability of having in the country an Institute competent to give the necessary training and the undesirability of having to send Burmans to a distant land to complete their education. We realise that development on these lines cannot be unduly hastened and that until a really sound training in this country is a practical proposition, it will be necessary to supplement the local training by a further course of instruction either in England or at Dehra Dun Forest College which is now being organised with a view to training those recruited in India for the higher service. We recommend, however, that only specially selected men should be considered for this extended training in England or at Dehra Dun. We recommend therefore that men who show evidence of special ability and capacity during the course at the Rangoon University should be sent to England for a course of further training or to Dehra Dun should later developments there prove it to be equal in standard to the Forestry Institute at Oxford. We recommend also that specially selected men who are in the present Provincial Forest Service or in the new service-to-be should be deputed for a post-graduate

course at the Forestry Institute in England with a view to improving their qualifications for the holding of posts on the superior scale. We do not by these recommendations imply that any man who has not undergone this training should be debarred from holding superior posts in the service, but we wish to stipulate that only men of outstanding merit and with a good knowledge of English, sufficient good general education and a sound knowledge of the principles of Forestry sufficient to enable them to profit by advanced courses should be sent to England for post-graduate training. We consider further that strength of character and ability to handle labour are main points to be considered in the selection.

71. The Committee endorses the present arrangement for the recruitment and training of Forest Officers at the Rangoon University, namely :—

Local Training.

- (1) that after selection there should be a short examination in English, Mathematics and précis writing with the object of testing the ability of the student to follow the course ;
- (2) that there should be a physical test in the shape of a 25-mile walk ;
- (3) that the selection should be provisional on a student passing these tests ;
- (4) that the course extend to two and a half or three years including the probationary period of not less than six months spent in the forests under the guidance of a selected officer ;
- (5) that there should be periodical examinations throughout the course to test the progress of a student ;
- (6) that any student who fails at any period of the course to show satisfactory progress should be removed.

72. We have carefully studied the proposals that have been submitted by the Chief Conservator of Forests to the Local Government for the organisation of the gazetted staff of the Forest Department and accept them with the modifications necessary for bringing it into line with the recommendations we have made earlier for the future amalgamation of the Imperial and the Provincial Forest Services. Under such amalgamation it will no longer be necessary to provide leave and training reserve for holders of superior posts. Those who hold inferior posts in the new combined service will form a leave reserve for the holders of higher posts, while the training reserve is necessary only for the lower division of the service. Our recommendations for the strength of the combined forest service are as in the table below :—

## STATEMENT.

Description of Post. (1)	Sanctioned Cadre.		Proposed Cadre.		Remarks. (6)
	I.F.S. (2)	B.F.S. (3)	B.F.S.		
			Supr. (4)	Infr. (5)	
<b>1. ADMINISTRATION—</b>					
Chief Conservator of Forests ...	1	...	1	...	
Conservators ...	9	...	9	...	
Personal Assistant to Chief Conservator of Forests.	1	...	1	...	
Personal Assistant to Conservator of Forests, Working Plans Circle.	...	...	1	...	We recommend the creation of this new post which is necessary for the efficient discharge of the duties of the Conservator of Forests, Working Plans Circle.
<b>2. TERRITORIAL EXECUTIVE—</b>					
Divisional Officers (excluding Myitmaka Extraction and Depot and Agency Divisions)	50	...	42	...	There are 43 such Divisions in existence and in Chapter VI we are recommending the establishment of two new divisions and the abolishing of three divisions.
Divisional Assistants (including Subdivisional Forest Officers, Shan States).	11	78	...	70	Officers under training can be used as attached officers in addition to these 70 posts where necessary.
<b>3. SPECIALIST EXECUTIVE—</b>					
<b>(a) Working Plans—</b>					
Working Plans ...	9	9	6	4	
Research ...	2	2	5	1	We recommend the increase as being highly desirable in the interests of the Province.
<b>(b) Utilization—</b>					
Depôt and Agency Division, Rangoon.	2	...	1	...	
Divisional Assistant ...	...	1	...	3	
Myitmaka Extraction Division ...	...	...	1	...	At present this post is being held by a Forest Engineer.
Research ...	1	1	3	...	
<b>(c) Education—</b>					
Rangoon University	...	...	2	...	Two Officers of the I.F.S. are at present actually employed by the University though there is no provision in the cadre.
Pyinmana Forest School	4	2	2	4	We recommend the change in the interests of economy and in accordance with present needs.
<b>Total</b> ...	<b>90</b>	<b>93</b>	<b>74</b>	<b>82</b>	
<b>Add India List Posts</b> ...	<b>6</b>	<b>3</b>	<b>6</b>	<b>3</b>	It may be necessary to revise the number of India Lists Posts.
<b>Leave and Training Reserve</b> ...	<b>23</b>	<b>13</b>	<b>...</b>	<b>50</b>	We do not recommend a separate reserve for Superior posts. Men on the Inferior scale will officiate in place of men on the Superior scale.
<b>GRAND TOTAL</b> ...	<b>119</b>	<b>109</b>	<b>80</b>	<b>135</b>	

## Comparison of totals :—

	I.F.S.	B.F.S.	Total.
Sanctioned scale ...	119	109	228
Actual strength on 1st August 1925 including Officers on leave or on leave preparatory to retirement ...	102	82	184
Proposed scale ...		215	215

NOTE.—We have made no recommendation in connection with the scale of pay for the new service as it will have to be determined in relation to other provincialised services operating in the transferred departments.

All the present Extra Assistant Conservators of Forests and Extra Deputy Conservators will automatically be placed in the new combined service which will also include those members of the Imperial Forest Service who may elect to join this new service, subject to the provision that the present scales of pay will remain unchanged but regarded as being personal to them. The remaining officers of the Imperial Forest Service will be entered in a separate list and their posts should be regarded as supernumerary counting against superior or inferior posts in the new service according as to whether each officer holds a Division or a post

of equivalent or higher standing or whether he holds a post of lower standing. The supernumeraries will disappear in course of time as no recruitment will take place to their ranks.

73. We realise that the proposals we have made are somewhat drastic, but the Forest Revenue of the Province shows some signs of diminution and for this and for other reasons which we need not perhaps enter into, it is essential to run the services as economically as possible. We venture to hope that the combined service like the one we have proposed will in course of time prove a source of considerable economy to the State without substantially lowering the efficiency of the officers employed by the Forest Department.

## CHAPTER VII.

### FUEL SUPPLY.

74. We are indebted to the Chief Conservator of Forests for a very comprehensive note on the fuel supply of the Province. We reproduce it in full below :—

“ The necessity for action to preserve forests in the interests of the local people has been before Government at intervals since our occupation of the country. I quote below an extract from letter No. 1879—2P.-1, dated the 6th July 1915, from the Chief Conservator of Forests to all Commissioners and Conservators of Forests :—

“ 6. The problem of providing forest produce for the agricultural population is by no means a new one. In 1883, the formation of village forests near Twante in the Insein Civil District was proposed in order to prevent the destruction of the unclassified forests by charcoal burners in order to meet the demand for fuel and charcoal in Rangoon, but was abandoned in 1885, because it was considered that the rules and regulations proposed for the management of these forests were so stringent in their nature that they would be a burden and not a benefit to the villagers in whose interests the village forests were to be formed. [*Vide* Extract from the Proceedings of the Chief Commissioner, British Burma, in the Land Revenue and Agricultural Department No. 106R, dated the 20th April 1886 (enclosure 1).]

“ The necessity for reserving village forests was admitted (see paragraph 3 of the extract quoted above) in many districts of Lower Burma and orders were issued (paragraphs 4 and 5) for the setting apart of wooded grazing grounds and forming fuel reserves with a view to supplying villagers with the fuel they required and for the record of the progress made in the demarcation and reservation of grazing grounds “ under forest.”

“ A reference to the extract from the proceedings of the Chief Commissioner, Burma, in the Forest Department No. 1R.-42, dated the 13th October 1894 (enclosure 2), will show that the objects with which the Resolution of 1886 was issued had not been attained and that, owing partly to the omission to demarcate the areas and partly to the absence of any agency whose duty it was to prevent the destruction of timber, the areas in question had largely been denuded of forests. The people of the surrounding villages who were allowed to take fuel for their household use had abused the privilege,—a large trade in fuel had sprung up and residents of the villages many miles away from the forests made their living by cutting and selling fuel and there had been a great destruction of timber. The Chief Commissioner directed that steps should be taken to create reserves of the areas where the supply of timber had not been exhausted in view of the urgent necessity of preserving the supply of firewood and to prevent the forests from being converted into wastes of scrub jungle and sand. District Officers were requested to report what action had been taken in their districts under the Resolution of 1886, whether any action that might have been taken had been effectual in preserving the fuel supply and whether this Resolution correctly stated the requirements of districts in the matter of firewood supply.

“ The extract from the proceedings of the Chief Commissioner, Burma, in the Forest Department No. 1R.-19, dated the 8th October 1895 (enclosure 3), shows what steps were taken to carry out the orders contained in Resolution No. 1R.-42, dated the 13th October 1894, and what further reservation was considered necessary in the districts to which this Resolution applied. The formation of fuel reserves in the Tharrawaddy, Prome, Henzada, Bassein-Myaungmya, Thatôn and Toungoo Districts was considered necessary and local officials were directed to submit proposals for their formation.

“ The fuel reserves which have been formed since 1894 only supply the requirements of the villages in their immediate neighbourhood and are totally inadequate to supply the requirements of the agriculturists in the districts in which they were formed as a whole. Timber traders have been allowed to extract timber from them and the villagers do not look upon them as being reserved to supply their wants. They are too few in number and too small in area to supply the requirements of the agriculturists of the district as a whole.”

"The history is summarized in the printed papers beginning with this letter and ending with Resolution No. 1R.-47, dated the 15th November 1919. Briefly the measures suggested consisted either in the formation of Fuel Reserves or of village forests. The former were limited in their application and the futility of the latter was finally accepted in the papers quoted. The net results in heavily populated tracts are on the one hand locally a few reserves formed to provide for fuel demands that it is impossible to protect against theft and that are in a state of continual siege against the demands of agriculture and on the other hand stretches of unclassed forests and grazing grounds in various stages of depletion.

*The Present Position and Causes that have led up to it.*

"2. The present position, owing to the failure of the past policy to tackle the problem of reservation boldly, is that the fuel supply of the Province is obtained from unclassed forests in various stages of progressive deterioration. For this state of affairs the blame does not lie with the Forest Department. It is inevitable that forest must give way before pressure of population and the demands of cultivation, but if more foresight had been exercised before these factors became acute with the object of placing Government in a position to control the process and above all if the futility of excluding land with a view to meet the demands of the people had been realized, the position would have been very different.

During the process of reservation the Forest Department was forced to throw back boundaries of reserved forests partly to allow for expansion of cultivation but largely under the mistaken idea that it was not in the interests of the people that the boundary should be close to their habitations. Ample areas of forest land were generally excluded to satisfy domestic demands so far as these demands could be foreseen at the time, but this foresight failed to realize the effects on the excluded land of unrestricted *taungya* cultivation, increased demands due to increased population, or the fact that the people for whose benefit the forest was excluded would not hesitate to exploit the forest growth for immediate gain. Wastage in extraction is appalling and universal. In this respect the trader is, if anything, less wasteful than the villager who extracts for his own use. Parallel with the fuel demand is the demand for timber, house-posts and grazing and usually the forest has to bear the additional burden of the *taungya* cutter. No forest could stand the accumulated burdens and the nett result in the accessible unclassed forests is deterioration in all stages tending in places to complete unproductiveness.

"The nett result has been that with the exception of a few areas, comparatively negligible in extent, that were specifically reserved for fuel supply, our reserved forests are for the most part too remote to render fuel extraction from them economically possible whilst the accessible fringe of unclassed forests has become so denuded that the supply from it is unequal to the demand. The Forest Department foresaw that this would happen but was powerless to remedy matters. Now that the position is patent to all it is in many cases impossible to remedy it.

*Consideration of the Position and Suggestions for remedying it.*

"3. The first point to emphasize is that the control under the Forest Act in respect of fuel extraction from unclassed forests is futile and fails to protect either Government or the people. Except in certain notified areas any person may fell trees of the unreserved species other than *ingyin*, *thitsi* and *thitya* anywhere in unclassed forests for immediate conversion into firewood without permit or restriction of any kind subject only to the proviso that all portions of the trees felled that are suitable for firewood shall be utilized for the purpose. This proviso is impossible to enforce in practice and the result is enormous wastage as only the easily converted portions are in practice utilized.

"4. We may now consider the general question of the fuel supply under the broad heads of—

- (1) Domestic supply ;
- (2) Industrial and trade supply.

*Domestic Supply.*

"5. In the case of villagers situated in the vicinity of reserved forests, their demands for forest produce are met from those forests and it is the policy of Government that the meeting of these demands should constitute a first claim in the management of the forests.

"6. Where no reserved forests are in the vicinity, the unclassed forests or waste lands may be considered under the following heads :—

- (a) Areas still under forests ;
- (b) Areas where there is waste land unsuitable for cultivation, but largely denuded of forests ;
- (c) Areas where practically no waste land unsuitable for cultivation exists.

"7. Where reservation is not accepted as suitable, the remedy in the case of (a) and possibly of limited application in that of (b) rests in subdividing the area available for

purposes of extraction so as to permit of working in rotation with a period of rest including rest from grazing. This arrangement is impossible in the existing state of the law except in respect of areas notified as village waste and if there is reason to anticipate that the people concerned will discipline themselves to the extent of working the forest available on these lines, it is obvious that areas for the purpose should be notified as village waste.

" 8. In areas falling under class (b) the remedy suggested for those in class (a) namely to allow a period of rest will work wonders and in many cases will be all that is required. As however land in heavily populated tracts is valuable and should carry a much heavier crop than is possible under this method, it would be more suitable to select and plant areas to meet the demand. Here again the remedy rests with the people. Past experience is against forcing reservation on them even in their own interests and the policy of Government in heavily populated tracts is that the initiative in such matters should rest with them. If the inhabitants come forward voluntarily and suggest reservation of a suitable area free of rights for the purpose guaranteeing that they will co-operate with the Forest Department in its protection and management the Forest Department will take over the area and manage it to the best of its ability. A royalty on the output would be charged to cover the cost of such management ; but I am prepared to recommend to Government that when the area is on a paying basis any profit on the management should be placed at the disposal of the village funds. Experience in other countries shows that forests managed on these lines are a profitable investment for the people who co-operate and there is no reason why in process of time such blocks of forest properly managed should not, in addition to meeting the demands of the people in an economical manner, yield a profit sufficient to cover most of their taxes ; but the management must be by skilled agency and the people must be prepared to co-operate. I have no illusions as to what will happen if they try to manage on their own lines.

" 9. Areas falling in class (c) are comparatively rare in Burma. Where such exist and it is not feasible to acquire a compact block suitable for planting much can be done by roadside planting, planting along the edges of bunds, or planting by the people themselves in their private compounds.

" 10. Given land suitable for planting and a little self-restraint and co-operation on the part of the people there is no reason why the problem of their fuel supply should not be easily and satisfactorily solved ; but there should be no hurried attempt at solving it. Since the constitution of the silvicultural branch of the Forest Department much progress has been made in the study of trees suitable for different soils ; but more study is necessary to decide on the most economical methods of restocking. Given a soil suitable for growing trees we can grow them on it ; but miracles need not be expected. It is impossible to grow trees on a barren soil or a soil that is unsuitable for the purpose and there are many cases where a soil that formerly held tree growth has become so impoverished by abuse that its reclamation will be a matter of time and money. If therefore planting is accepted as a remedy I recommend that it begin on modest lines at a limited number of centres and that expansion depend on the result of progress at these centres.

#### *Industrial and Trade Supply.*

" 11. The sustained supply of fuel for industrial and trade purposes is a difficult problem and the delay in facing it has not helped its solution. The present position is that most accessible areas have become heavily denuded and that as areas become accessible owing to extension of Railways or navigation the process of denudation extends.

" 12. The matter may be briefly considered under the following heads :—

(i) *The lack of control by Government.*—This has been considered in paragraph 3 and is the main point calling for remedy. We want power to close areas for rest and to prevent the villagers from exploiting their fuel supply for gain. Given this power we can divide the areas into blocks so as to allow periods of rest and can arrange for supervision of the work of extraction. To do this will involve scrapping the existing rules under the Forest Act and insisting on licenses and removal passes on the same lines as for timber extraction.

(ii) *Lack of system and co-ordination on the part of the extractors.*—This is probably a corollary of (i). The traders are merely financiers whose main object is to get the fuel at the cheapest price and with a minimum of trouble. The extraction is carried out either by local villagers or by communities imported for the purpose on their own lines without help or guidance. Under existing conditions there has been no incentive, let alone compulsion, to work in a less slipshod manner.

(iii) *The limited radius of extraction.*—This again follows from (ii). Without system or co-ordination the radius of extraction is limited to a maximum of five miles from a main route.

(iv) *The lack of facilities for transport.*—This in itself limits the radius of profitable extraction ; but there must be cases in which the Railways can offer facilities at easier rates. U Ba Oh, for instance, who has a railway into the area he is working informs me that he cannot find a profitable market for his firewood owing to the high freight. This is a matter that will be taken up with the Railways.



(v) *The rejection of certain species as unsuitable for firewood.*—At present there are a number of species that are not accepted as suitable for firewood. As a result they remain unfelled and their predominance amongst the aftergrowth hastens the deterioration of the forest. This matter may to some extent be remedied by research ; but it is a difficult factor to deal with.

(vi) *The rejection of suitable firewood for reasons of fancy.*—The most striking instance of this was in the Delta. \* As long as the consumers could rely on getting their firewood in a certain shape and length they refused to take it in any other form. The result of course was enormous wastage. This factor usually is remedied by curtailment of supplies, but it has still to be considered.

“ 13. It may be gathered from the foregoing that the wastage in fuel extraction is enormous, that much of this wastage is avoidable and that there has hitherto been little incentive to improve matters. It is, I think, accepted that the forests from which the fuel supply is derived are in many cases hopelessly denuded and that a continuance of our present policy of drift will be disastrous. To improve matters I suggest the following :—

- (i) Prohibition of extraction of firewood and charcoal for trade purposes without a license.
- (ii) Control of the transport of firewood and charcoal by removal passes.

NOTE.—(a) Special arrangements will have to be made in respect of railway and steamship supplies.

(b) The licenses will have to be free in the case of firewood for the supply of notified towns until the existing contracts for these towns, expire.

- (iii) Reservation of all areas outside heavily populated tracts that are likely to be required for the supply of fuel.
- (iv) The division of the unclassed forest accessible to trade extraction into blocks to be opened and closed in rotation.

NOTE.—(a) This division will have to be on very broad lines and carried out in consultation with the main consuming agencies. The units will be large and the Province will have to be considered as a whole for the main plan regardless of territorial executive units.

(b) The fuel plan will have to consider the supplies that can be made available from thinnings and cleanings and general felling wastage in the reserved areas.

- (v) The construction where necessary of roads to increase the radius of extraction.
- (vi) Enquiry into the extent to which increased transport facilities can be given by the Burma Railways and possibly the Irrawaddy Flotilla Company.
- (vii) Research into the calorific value of species at present rejected. In many cases this is already known, but further enquiry is desirable.

“ 14. In carrying out suggestions (i) to (iv) Government must be prepared to face opposition as also the possibility of the main consumers, namely, the Burma Railways and the Irrawaddy Flotilla Company substituting coal or oil for wood fuel. Even accepting these suggestions there will be many difficulties not the least being the deterioration of the forest from selection fellings and leaving species that are considered unsuitable. I however see no alternative lines of remedying the matter and recommend procedure on the lines suggested.

#### SUMMARIZED RECOMMENDATIONS.

##### *Domestic Supply* (paragraphs 5—10).

“ 15. The lines of remedy involve either dividing what forest there is into blocks to be opened and closed by rotation or reservation with the object of artificial stocking. The initiative in either case should come from the people concerned.

##### *Industrial and Trade Supply* (paragraphs 11—14).

“ 16. The remedy involves a drastic change in the rules regulating the extraction of firewood. It is proposed to control such extraction—

- (i) By prohibiting extraction of firewood and charcoal without a license.
- (ii) By control of the transport of firewood and charcoal by removal passes.
- (iii) By division of the forest available into blocks to be opened and closed by rotation.”

75. We have little to add beyond endorsing the conclusions reached by the Chief Conservator of Forests. We would emphasize the necessity of an early action on the lines recommended. We recognize that with the increase in population and the extension of cultivation the forests in the vicinity of towns and the more heavily populated village groups must disappear, except where they are reserved or specially protected. With the disappearance of the forests the easy and cheap natural supply of fuel ceases. This state of affairs

is the inevitable result of progress and prosperity and we recognise that people living in heavily populated tracts can no longer expect to obtain their fuel supply which has either to be specially grown for the purpose or transported long distances without paying for it. So far as possible fuel reserves have been formed and fuel supplies are made available from the accessible parts of all reserved forests. Areas have also been allotted as village waste for the use of specified villages. This Committee recognises that no further measures are possible unless the people of their own accord ask Government to take up more accessible areas as reserved forests and agree to coöperate in their management. Where the interests of large commercial concerns clash with the interest of the villager, we have little hesitation in recommending that the latter should have the preference as the commercial concerns can always turn to coal as a substitute for firewood. Complaints have been made to us that though in many cases villagers are given rights to collect firewood within forest reserves, in course of time they have no clear idea of their rights and that generally in spite of such rights they have to pay something to Forest Subordinates before they are allowed to collect firewood in forest reserves. The remedy lies in the employment of a better class of Forest Subordinates and in closer supervision by superior officers.

## CHAPTER VIII.

### MISCELLANEOUS.

76. At present there is an English class at the school in addition to the  
Pyinmana Forest School.
 Burmese class. We recommend that for the present the English class be retained as we think it serves a useful purpose for those who have a sufficient knowledge of English to follow the lectures in that language. An English-speaking Forest Subordinate is an advantage. We recommend that the Burmese class should be permanently retained as we consider that the ordinary students of the school will learn much more if things are taught to them in their own language. We understand that the difficulty with the Burmese class is the lack of suitable text-books, and we recommend that determined efforts should now be made towards obtaining suitable text-books in Burmese. The only further recommendations we have to make under this head is that provision should be made for the training of private students at the School should these be forthcoming. We believe that it would be greatly to the advantage of extraction agencies, if they could arrange to employ men who have received such training and we recommend that Government should undertake to train a limited number of private students free of all charges, should these be forthcoming.

77. Traders have complained to us that frequent transfers of the officers  
Transfers.
 of the Forest Department in a division are detrimental to the efficient working of the Department, and that it causes difficulty to traders owing to different officers having different views. We realise that frequent transfers are an undoubted evil, but transfers are in many cases unavoidable. We make no recommendations on this point as we think that this is a matter which should be left to the Forest Department to deal with.

78. We are informed that applications are frequently made for the  
Plains reserves.
 disforestation either wholly or in part of the more accessible portions of plains reserves and that every time that such an application is made the Forest Department is required to make a report as to the suitability or otherwise of the retention of the area concerned as a forest reserve. With the rapid diminution of waste land and the pressure of population, such applications will no doubt increase in the future, and we think it unnecessary that Forest Officers should be called upon

again and again to defend the limited areas of reserved forests. These applications relate in particular to the small isolated blocks of reserves situated in the plains. We consider that the status of these reserves in the economy of the district should be carefully examined and that as a result of this examination it should be definitely decided what portions, if any, can be abandoned. Once this has been decided, no applications for deforestation should be entertained

79. During our tours we have been given the impression that in many forest divisions there is insufficient touch between the Divisional Forest Officers and the public and we are of opinion that if steps were taken to make the aims and objects of Forest Administration more widely known, the results would be beneficial. We have touched on this matter in paragraph 47. We desire further to recommend that the Divisional Forest Officer should take every opportunity to attend the meetings of the District Council and keep this Council in touch with all matters concerned with Forest protection and development. There are many matters in which the Forest Department can co-operate with the work of these Councils particularly in the construction and development of roads and transport lines. In fact there are at present many cases where roads are built by the Forest Department from funds supplied by District Councils.

We also recommend that the Ministry of Local Government should be asked for its views as to the practicability of the co-option of Divisional Forest Officers to District Councils.

80. A cadre of Timber Assistants on temporary agreements was formed for employment in the Myitmaka Extraction Division, but the conditions of service have hitherto not proved sufficiently attractive to allow of the whole staff being recruited on this basis and a large percentage of the posts have had to be filled by officers on the regular staff. At present there are only three Timber Assistants on temporary agreements. We accept the principle that Timber Assistants should be recruited on a temporary basis and understand that proposals will shortly be submitted to Government revising the original terms of agreement by the addition of a Provident Fund to which Government will contribute a proportion.

We realize that a good Timber Assistant is as difficult to get as an Officer of the Imperial Forest Service and that he should possess as high a standard of general education. The only recommendations we have to make under this head are that every endeavour should be made to recruit and train Burmans for these posts and that so far as suitable Burmans are obtainable, they should be recruited up to 50 per cent.

81. There are at present eight Forest Engineers, one of whom is in charge of the Myitmaka Extraction Division. We understand that no more recruitment will be made to this Service but should additional Forest Engineers be ever necessary in the future, we recommend that recruitment should be made on a temporary basis.

82. A recent committee appointed to consider the problem of the preservation of the fauna of the Province suggested that a Game Warden should be appointed to co-ordinate and control measures taken for the preservation of the fauna of the Province. We endorse this suggestion and recommend that an appointment of Game Warden be created and that the post be filled by a selected officer of the Forest Department and that it should be regarded as being equal in responsibility to the charge of a Division. This appointment has been included in our proposed cadre of the new Burma Forest Service in Chapter VI above.

## CHAPTER IX.

## FINANCIAL EFFECTS.

	Rs.
83. We estimate the ultimate rise in average cost per annum of our proposals in paragraph 65 for the revision of the pay of Forest Rangers as ... ..	1,28,813
The immediate cost will, however, be negligible as the present Rangers will come on to the new scale at the stage next higher than their present pay, and each will therefore gain at the start from five to ten rupees only. There are 218 Rangers.	
84. There are 364 Deputy Rangers, and if our proposals in paragraph 66 are accepted, we estimate the ultimate rise in average cost per annum as ... ..	46,179
The immediate cost is likely to be small for the reasons explained above.	
85. The ultimate rise in average cost of Foresters and Head Foresters if our proposals in paragraph 67 are accepted is estimated as ... ..	4,05,066
86. As regards our recommendations in paragraphs 58 and 59 as regards the splitting of divisions, we estimate the cost per annum as below :—	
Splitting of Pyinmana Division ... ..	26,980
Splitting of South Tenasserim Division ... ..	24,156
Total additional cost for all our recommendations for expenditure ... ..	<u>6,31,194</u>
Against this must be deducted the following savings we propose :—	
The reduction of Meiktila Division into a subdivision : average estimated saving per annum ... ..	14,180
The abolition of the Mu Division ... ..	24,320
The reduction of the South Arakan Division into a subdivision ... ..	<u>13,147</u>
Total Savings ... ..	<u>51,647</u>
Nett ultimate effect of the proposals per annum is thus ... ..	6,31,194
Less ... ..	<u>51,647</u>
Or ... ..	<u>5,79,547</u>

## CHAPTER X.

## CONCLUSION.

87. The Committee desires to express its thanks to all Officials and Non-Officials who have helped them in course of their enquiry. We take this opportunity of expressing our thanks to our former Secretary, Mr. A. H. M. Barrington, for the good work performed by him in connection with the issuing of the questionnaire and with the analysing of the replies made to the questionnaire. We are also indebted to Mr. H. O. Reynolds, I.C S., for his useful notes on the Organization of the Forest Department.

88. Last, but not least, our special thanks are due to U Tin Tüt, I.C.S., our present Secretary, who replaced Mr. Barrington when he proceeded on leave. U Tin Tüt has been responsible for the very excellent arrangements made for tours by the Committee and has had the arduous task of recording and sifting the evidence and drafting this report.

89. The Forest Department is a difficult department to appraise as most of its work can be judged only by experts in the Science of Forestry and the results are decided by the future rather than the present. This Committee realizes the enormous value of the Forest Estate which has been built up for the Province by the labours of the Department since its inception almost seventy years ago and the benefits which the Province has derived from the conservation and development of its forests. These benefits are both direct in the shape of a steady and expanding revenue and indirect in the shape of the large and increasing amount of employment afforded in connection with the forests and industries that are dependent on them. We have examined the working of the Department in its relations with the people and though we have put forward some suggestions, we have found little that requires remedy. We are satisfied that the work of the Department is of a high order and that the Department deserves the thanks of the country for the work which it has done in the past and which it is continuing to do now in the conservation and development of the valuable forests of the Province.

Mr. L. Ah Yain has not signed the report as his duties did not allow him to take a full part in the deliberation of the Committee.

MAUNG PU,  
*Chairman.*

H. W. A. WATSON.\*  
J. W. RICHARDSON.\*  
HATIM TAI.  
BA OH.  
BA PE.\*  
E MAUNG.\*  
THIN MAUNG.\*

} *Members.*

TIN TUT,  
*Secretary.*

*Dated Rangoon, the 1st December 1925.*

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\* Subject to note of dissent.

## SUMMARY OF RECOMMENDATIONS.

ITEM	PARA.
1. Any Departmental extraction of hardwoods found necessary should be restricted to special timber on a small scale for experimental purposes or for purposes of export where such cannot with convenience be obtained from local traders ... ..	9
2. Except in cases of extreme urgency Departmental extraction of firewood should not be undertaken ... ..	10
3. The <i>status quo</i> to be retained in the Departmental extraction of teak in the Myitmaka area ... ..	12
4. Teak extraction in other areas by Government to be restricted to occasions in which no tenders are received or tenders received are found to be palpably inadequate, and to special cases where it is advisable to assist the smaller agencies by co-ordinating their output and by helping them to market their stocks in local markets ... ..	14
5. Revision of royalty rates to be carefully examined and certain factors given special consideration ... ..	19
6. Lower rates of royalty to be imposed on butt logs, undersized logs, hollow logs and logs with certain side defects ... ..	20
7. Basic royalty rates, when fixed, to be fixed for definite periods ... ..	21
8. Short-term purchase contracts to be the rule in easily accessible areas. Leasing of large areas for long periods to be confined to less accessible areas ... ..	23
9. No new leases to contain the new sliding scale. As a first alternative the average cost of extraction to the measuring point to be fixed and if Contractor elects to have logs auctioned, any excess over this cost to go to Government and the balance to the Contractor. As a second alternative the old Half Sale Proceeds Clause to be revived ... ..	25 to 27
10. Certain delegations of powers are recommended in connection with the signing and execution of leases ... ..	29
11. Of the tested methods of securing short-term contracts fixed rates of royalty <i>plus</i> lump sum premium method is recommended ... ..	30
12. Speculative bids or tenders not to be accepted ... ..	31
13. Full pre-payment of royalty in trade licenses to be required only in the case of licenses for 50 tons or less. Even in such cases the Divisional Forest Officers to have discretion to relax pre-payment up to 50 per cent. ... ..	32
14. Licensees to be leniently treated in the matter of extensions. Felling of trees after the expiry of the original license to be permitted only in exceptional circumstances ... ..	33
15. In cases where full quantity of timber specified on a pre-paid license is not extracted refund of royalty to be given to the licensee ... ..	34
16. Indemnity bonds to be continued ... ..	35
17. Existing practice as regards licenses for timber for domestic use to be continued ... ..	36
18. Rules in respect of sea drift to be further examined by the Government... ..	38
19. Government to take steps to ensure that every facility is given to the public to obtain removal passes with the minimum of delay and trouble ... ..	39
20. Removal passes to be retained for round timber. Removal passes to be also retained in general for converted timber but such timber transported by rail or by water through recognized transport companies to be exempted ... ..	40
21. Present fees for removal passes to be retained ... ..	41
22. Sawpit license rules to be made more elastic. The procedure in this connection to be simplified. Face value licenses to be made obtainable from recognized license vendors ... ..	42
23. Ordinarily measuring and passing of timber for duty to be undertaken at collecting stations for the convenience of traders as well as for the convenience of Government ... ..	43
24. Thorough inspection of felling areas to be made to prevent illicit felling of undersized trees ... ..	44
25. Before changes in forest procedure are introduced, the Divisional Forest Officers to discuss the matter with the leading extraction agencies ... ..	47

ITEM	PARA.
26. Gradual introduction of lump sum purchase contract system is recommended ... ..	49
27. The position as regards the number of Conservators to be examined three years hence when the present junior hands will have matured into seasoned Divisional Forest Officers ... ..	56
28. The post of Conservator, Utilization Circle, to be abolished and an appointment of Forest Economist created ... ..	57
29. Pyinmana Division to be split into two Divisions. Meiktila Division to be reduced to a subdivision. South Tenasserim Division to be split into two Divisions ... ..	58
30. Mu Division to be re-combined with Shwebo Division. South Arakan Division to be amalgamated with North Arakan Division ... ..	59
31. No changes to be made in the emoluments of Extra Deputy Conservators	62
32. No improvement to be made in the pay of the Burma Forest Service ...	63
33. A Burma Forest Service Officer selected for promotion to the Imperial Service to be given a substantial increase in his emoluments and to gain at least Rs. 100 in basic pay ... ..	64
34. Probationary Rangers to get Rs. 100 a month. Ordinary Rangers to be brought on to a time-scale of Rs. 120—10—150—10—200— <del>150</del> —275 ...	65
35. Deputy Rangers to be brought on to a time-scale of 50— <del>40</del> —75 ...	66
36. The term "Forester" to cover Head Foresters as well. Both classes to be brought on to a time-scale of Rs. 25—1—30— <del>1</del> —35—2—45 ...	67
37. The Imperial and Provincial Forest Services to be amalgamated, the new service to be known as the "Burma Forest Service." Future recruitment to the Imperial Forest Service to be stopped ...	68
38. Burma to eventually possess a fully equipped Research Institute and Training College and be in a position to train men for all branches of the Forest Service ... ..	69
39. Men who show evidence of special ability and capacity during the Rangoon University course to be sent to England for a course of further training. Specially selected men already in the Provincial Forest Service to be also sent to England on post graduate courses ...	70
40. Present arrangement for the training of Forest Officers at the Rangoon University approved ... ..	71
41. Certain changes in the cadre of Gazetted Officers recommended ...	72
42. Line of remedy for the shortage in the domestic supply of fuel consists in dividing what forest there is for the purpose into blocks to be opened and closed by rotation or reservation with the object of artificial stocking. Extraction of firewood for industrial and trade supply to be controlled as follows :— (1) By prohibiting extraction of firewood and charcoal without a license. (2) By controlling of the transport of firewood and charcoal by removal passes. (3) By division of forest available into blocks to be opened and closed by rotation ... ..	74
43. The English class at the Pyinmana Forest School to be retained. Provision to be made at the school for the training of private students. Determined efforts to be made towards obtaining suitable text-books in Burmese ... ..	76
44. The status of plain reserves in the economy of the district to be carefully examined and it should be definitely decided once for all what portions, if any, can be abandoned ... ..	78
45. Divisional Forest Officers to take every opportunity to attend the meetings of the District Council and keep this Council in touch with Forest Officers ... ..	79
46. Recruitment of Timber Assistants on a temporary basis to be continued. Every endeavour to be made to recruit and train Burmans for these posts up to 50 per cent. ... ..	80
47. The post of Game Warden to be created and the post to be filled from the ranks of Divisional Forest Officers ... ..	82

**Note of Dissent by H. W. A. Watson, Esq., Chief  
Conservator of Forests.**

I regret very much that I have been unable to endorse the views of the Committee in their entirety ; but I could foresee nothing but disaster to Forest Management in Burma if the views in respect of the higher services as expressed in paragraphs 68, 72 and 73 were accepted. I was under the impression that the question of future recruitment to the higher service, the present Indian Forest Service, was outside the scope of the references to the Committee and I submit that no evidence whatsoever was taken to justify the proposals put forward. Such being the case I refrain from further comment and merely express my absolute disagreement with the proposals.

I must however take exception to the suggestion in the concluding portion of paragraph 68 that promotion is based on extraneous circumstances rather than on merit. The fact is that the officers of the Provincial Service were recruited and trained for minor posts and the average officer of that service is professionally unfit for the charge of a Forest Division.

2. As regards the suggestion in paragraph 70 to use the Forestry Course at the Rangoon University as a short cut to the higher service (the present Indian Forest Service) it is at present entirely premature. It would be fatal to lower the standard of education required for this service and whatever has happened in the past I consider it would be a fatal mistake as regards the future to consider any individual for appointment to the higher service who has not passed the tests prescribed for this service. In short any officer of the Provincial Service who aspires to the higher service should be required to undergo the prescribed course for that service either at Oxford or at Dehra Dun and prove that he is competent to pass it. It is only on this understanding that I endorse the recommendation in the concluding sentence of paragraph 64.

3. My above remarks cover the references to the proposed new Service contained in paragraphs 63, 64, 72 and 73. As regards the recommendations in paragraph 72, I do not for one moment agree that it will be unnecessary to provide a leave and training reserve of men educationally qualified for the higher service. In fact I consider that any failure to provide this reserve would be disastrous to the interests of forest management in the Province and uneconomical and short-sighted to a degree. I now turn to other points in the report with which I disagree.

4. In paragraph 56 it is assumed that the number of territorial Conservators will prove excessive as soon as the present undue proportion of junior officers disappears. In the past a paucity of Conservators has held up development. The Delta and Tenasserim Circles were badly neglected and without maps during the time they formed parts of Conservatorships in which the main work was in the Pegu Yomas. As regards the future our work is becoming yearly more intensive with the diminution in the productive capacity of the unreserved forests. Intensity in management means increased expenditure which in the case of Forestry can only be properly undertaken under expert guidance. I can therefore not foresee the time when a reduction in the number of territorial Conservators will prove other than a bad mistake economically.

5. Paragraph 57 proposes disintegration of the present Utilization Circle, the creation of a post of Forest Economist to carry out the research portion of its duties, the placing of the Dépôt and Agency Division directly under the Chief Conservator of Forests who, as stated in paragraph 53, is admittedly over-worked and the placing of the Myitmaka Extraction Division under the Hlaing Circle which would nullify the recommendations in paragraph 16. The proposal to divide the Utilization Circle into two independent posts, one for Utilization and one for Research, has been before Government. Under present arrangements the Utilization Circle is constituted in two main branches, Utilization and Research, and the Conservator is freed of the routine work in one branch with the object of his developing the work of whichever branch he



has a particular bent for. Utilization and Technical Research are closely connected and it is thought that this arrangement is much more suitable than any alternative which would involve their separation into two distinct branches without a whole time co-ordinating head.

To place the Myitmaka Extraction Division under a territorial Conservator would prevent its fulfilling one of its main functions, namely, the extraction of teak on commercial lines. Under its present management this division is treated on the lines of a timber firm. Its work is subject to inspection and criticism by the territorial staff and its results are audited on commercial lines. To return it to territorial management will mean that the territorial Conservator fills the dual position of timber grower and inspector of extraction and will prejudice the results in the eyes of all private extraction agencies.

6. Paragraph 58 makes the split of the existing Pyinmana Division conditional on the Meiktila Division being abolished as a separate entity and attached to the northern unit. The matter has been before the Finance Committee who have accepted that conditions in Pyinmana justify an unconditional split and that Meiktila Division should continue as a Forest Division. The Finance Committee have accepted that no economy would result from the proposal and that as regards forest management it would be a retrograde step.

7. The same arguments apply to the retention of the separate units resulting from the split of the old Mu and Arakan Divisions which it is proposed to re-amalgamate, *vide* paragraph 59. In no case was the split of a division undertaken hastily or without due consideration and in all cases the reason for the split was that the existing division was too unwieldy to be properly managed in its original form. This latter reason is yearly assuming greater weight owing to the increasing demands for forest produce which are falling on our limited areas of reserved forests.

8. In paragraph 62 it is stated that "the Imperial Forest Service seems to be free from grievances." The Indian Forest Service put forward no grievances as it was unaware that the Committee was authorized to consider grievances.

9. Paragraphs 65 to 67 propose a revision of pay of the Subordinate Forest staff and a change from a graded scale to a time-scale. When other departments adopted a time-scale the Forest Department held out for a continuance of the graded scale on the grounds that a time-scale favours the incompetent or lazy individual and is detrimental to the interests of the good man. These arguments still hold good and whilst welcoming the improved prospects to the Subordinate Forest Service, I advise a combination of a time-scale with a graded scale rather than a mere time-scale with efficiency bars. I suggest the following :—

Rangers, III grade	...	...	Rs. 100—5—150
II "	...	...	" 160—7—195
I "	...	...	" 205—10—275

*Deputy Rangers.*—I accept the recommendations of the Committee

Foresters, II grade	...	...	Rs. 25—1—30
I "	...	...	" 32—1—45

The only Probationary Rangers are students, who have passed out of the English Class at Pyinmana Forest School. These students are appointed Rangers, on probation for two years, as soon as they have finished the school course. Since March 1920, their pay during their period of probation has been Rs. 100 per mensem, the lowest pay of the Ranger grade. The Board of Control of the School in 1924, however, pointed out that they were not as a rule fit for the charge of a range on leaving the school and recommended that they should be placed on probation on a pay of Rs. 80 per mensem for the first two years of their service. I strongly advise that the recommendations of the Board of Control be accepted and the only modification I am prepared to suggest is that the Chief Conservator of Forests should have discretionary power to allow men who are specially recommended for promotion to draw pay at the rate of Rs. 100 per mensem at the end of their first year.

**Government of Burma**

**DEPARTMENT OF AGRICULTURE, EXCISE AND FORESTS.**

**(FOREST DEPARTMENT.)**

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**RESOLUTION**

ON THE

**REPORT OF THE FOREST COMMITTEE, 1925.**

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Extract from the Proceedings of the Government of Burma in the Department of Forests,—No. 10Y, dated the 15th February 1926.

**READ—**

Report of the Forest Committee, 1925.

**RESOLUTION.**—The Government of Burma (Ministry of Forests) has read with great interest the Report of the Committee appointed in September 1924 to consider the organisation of the Forest Department and to examine the policy of the Government generally with regard to the grant of rights of extraction of timber and other forest produce and the methods of collecting revenue. The Ministry tenders its thanks to U Pu, M.L.C., and the other members of the Committee for an excellent report that is full of valuable suggestions.

2. With the greater number of the recommendations contained in the Report the Local Government finds itself in substantial agreement; they will all be examined in detail as early as possible. While ordering the publication of the Report there is however one recommendation which the Local Government cannot pass over without comment. This is the proposed amalgamation of the All-India and Provincial Forest Services dealt with in paragraphs 68 to 73 of the Report. These proposals scarcely fall within the terms of reference to the Committee; witnesses were not specially examined on this subject nor have detailed proposals for the amalgamation of the Services been worked out, and the Local Government finds it difficult to understand what the Committee had in mind. In any case, proposals of this nature cannot be considered until orders have been received on the Lee Commission's Report. Further than this it is not possible to say at present, except that the Local Government has noticed with satisfaction that the Committee agree in being unable to recommend any lowering of the standard by which fitness for promotion to the All-India Service is judged.

**ORDERED.**—That the Forest Committee's Report and this Resolution be published and that copies be forwarded to all Members of the Legislative Council; all Conservators of Forests and Divisional Forest Officers; all Commissioners and Deputy Commissioners and members of the Forest Committee.

By order.

**H. O. REYNOLDS,**

*Secretary to the Government of Burma,  
Department of Agriculture, Excise and Forests.*

10. I regret I cannot agree with the view in paragraph 76 that text-books in Burmese are urgently required by the vernacular students at Pyinmana School. In fact I go so far as to think that they are better without them. Practical Forestry cannot be learned from text-books and the more practical the instruction given to the subordinate class the better. Text-books will lead to matters being learned by heart without a proper idea of the practical application of what has thus been learnt. The tendency to learn by heart without any knowledge of the practical application has been commented on frequently by the examiners. I understand, however, that it is the intention to have the text-books when prepared translated into Burmese.

11. Finally, I must venture to deprecate the emphasis on the need for economy in Forest Management in paragraphs 60 and 73. It is perhaps not realized generally that forest management is estate management rather than exploitation of resources. Up till now the country has treated it rather from the latter standpoint and a continuation of this treatment will lead to a diminishing revenue. The country has to thank the Forest Department that the forests have over a period of seventy years yielded the high revenue that they have yielded; but they cannot continue to yield this if there is any question of undue economy, let alone parsimony in their management. Failure to provide the department with an adequate staff or adequate funds is responsible for the abnormally high surplus or net revenue of the past and a continuation of this parsimonious policy will affect the welfare of the forests and with them the future of the country.

H. W. A. WATSON,  
*Chief Conservator of Forests.*

RANGOON, 16th December 1925.

### Note of Dissent by J. W. Richardson, Esquire.

I regret that I am unable to associate myself with the views expressed by the Committee in paragraphs 24, 25, 26 and 27 on the subject of the sliding scale.

The justification for introducing this method of compromise when measuring inferior timber for royalty is established by the Committee's own finding in paragraph 25 that measurement is usually carried out by comparatively junior officers who lack an adequate knowledge of timber values.

The sliding scale acts as a protection for the lessee when an inexperienced officer declines to classify as refuse inferior timber.

In a lesser degree it acts as a protection for the lessee when an inexperienced officer insists on the extraction from the forest of unmarketable timber and it will also constitute a safeguard if, in the future, girdling operations are again carried out on purely silvicultural lines without any regard to the true economic exploitation of the forests.

The teak timber trade is only now emerging from an acute crisis which, if not directly attributable to errors of judgment in these two respects, was aggravated thereby, and the introduction of the sliding scale into the revised form of long-term agreement was the result of an examination into the disabilities under which the industry was labouring.

The sliding scale was incorporated in a lease of the Kadat Forest so far back as 1917 and operated harmoniously and equitably. Its re-appearance in the revised form of standard agreement of 1924 is of such recent date that it had hardly become effective, but so far there are no indications that it will operate inequitably in respect of the interests of Burma.

The objection by the majority of the Committee on purely theoretical grounds to the compromise which was the outcome of exhaustive enquiry is therefore not justified and I would add that in the course of the taking of evidence in only one case was there any evidence of the operation of the sliding scale and in this case the outcome was entirely to the benefit of Government.

The necessity for the protection afforded by the full sliding scale is less cogent in the case of a short-term contract where the purchaser at the time of tendering is in a better position to see the class of supplies which will be made available for him.

I regret also I cannot agree with the views expressed in paragraphs 68, 70, 72 and 73 in regard to Indian Forest Service or the grievances of this service. No evidence was taken in these connections, and I was under the impression that they were not included in the scope of the enquiry.

I further strongly disagree with the proposals in regard to the Utilization Conservator. I consider it essential, in the interests not only of the Forest Department but of the general public, that Myitmaka Extraction must be entirely independent of the Territorial Division as far as working is concerned. In my opinion the Utilization Officer is the best officer to supervise this work and to co-ordinate utilization, research, and marketing, and whether the officer concerned is called Forest Economist or Utilization Conservator, I consider his main duties should cover these items.

In regard to splitting of divisions, I am not in favour of division of the existing Pynmana area being conditional. It is obvious to anyone in touch with this division that a clean split is urgently required.

J. W. RICHARDSON.

RANGOON, the 18th December 1925.

**Note of Dissent by U Ba Pe, M.L.C., U E Maung, M.L.C.,  
and U Thin Maung.**

1. There are several points in connection with which we are unable to agree with the conclusions recorded in the main report of the Committee and the first of these is the recommendation in paragraph 79 as regards the relation to be introduced between the Divisional Forest Officer and the District Council. The District Council has no function to discharge in connection with Forest administration and it seems to us that the co-option of the Divisional Forest Officer to the Council will be extremely inappropriate. During our tours with the Committee we heard many complaints to the effect that Divisional Forest Officers in general place too little weight on the opinion of the timber trading public and that they sometimes introduce new rules and procedure without consulting those who are mainly affected by such changes. We think it highly desirable therefore that an advisory committee should be formed for each forest Division and that rules be introduced making it obligatory on the Divisional Forest Officer to consult this Committee and to record its objections to any important administrative measure or to any change he may propose in procedure or in rates, such objections or remarks being forwarded to higher authorities for consideration. We do not propose to make detailed recommendations as regards the constitution of these advisory committees, but we think that they should be composed of the Divisional Forest Officer and a number of timber traders of the Division, with the elective principle introduced as far as possible. Forest being a transferred subject in Burma it seems anomalous that there should be no popular channel beyond the Legislative Council through which public opinion on the administration of the subject could be ventilated. We would add further that Divisional Forest Officers, especially those of the younger generation, are not in adequate touch with the thoughts and feelings of the public among which they work. They should be more strictly enjoined to be in touch with public opinion and to mix freely with the people in their jurisdiction as this is the only means by which a Divisional Forest Officer can gain the confidence of the public and to obtain information about the grievances of the public and the conduct of his subordinates towards it.

2. As regards the Myitmaka Extraction Division, which is a subject of great importance and which is touched on in paragraph 16 of the Report, we regret that the Committee had not the time at its disposal to conduct a full inquiry into its workings. We must record, however, that the impression left on our minds by the statements by contractors working in the Division made, both before the Committee and in private conversation, is that the Division is run on uneconomical methods of working, that it is over-staffed, that undue wastage occurs in felling, logging and floating and that contractors working therein are treated arbitrarily and unsympathetically. We do not wish to pronounce a verdict based on incomplete data, but there is no doubt that there is room for a complete inquiry in respect of this Division with a view to improving its methods. We recommend therefore that a separate small Committee should be appointed for this purpose.

3. The Committee has dealt with the sliding scale in paragraphs 24, 25 and 26 of the Report. We wish to emphasize that this dangerous innovation confers on the large firms which have been granted recent long-term leases a substantial benefit without any corresponding advantage to the State. We strongly condemn this new sliding scale, the reasons for the introduction of which are not in our opinion valid, and we recommend that it should find no place in any lease which has not already been signed.

4. As regards the Committee's recommendation in paragraph 33 of the Report, on trade licenses, we would go much further in the direction of releasing the public from the present somewhat oppressive methods of prepayment of royalty. Our views are accurately represented in a former draft which was modified at the final meeting of the Committee at which two of us were absent and which, we understood, had been convened merely to check the draft

report and not to make any important modification thereto. We reproduce it below :—

“ 32. The opinion of the Committee as regards trade licenses in general is that they are quite favourable to the trader provided that the Forest administration of the locality is not unduly harsh. The necessity of fully prepaying licenses, however, is a hardship on those who have to obtain their small capital at high rates of interest. We recommend that only licensees who take out less than fifty tons in respect of each license should normally prepay royalty but that the Divisional Forest Officer should be permitted at his discretion to relax this payment up to 80 per cent. of the estimated royalty. Licenses for larger amounts of fifty tons and over should as a rule be post-paid unless the Divisional Forest Officer has doubts as to the standing of the licensee, in which case, prepayment up to 25 per cent. of the royalty may be demanded.”

5. We are not content with the suggestion in paragraph 56 of the Report that in three years' time it might be possible to reduce the number of Territorial Conservators by two. We would go further and definitely recommend that the number of such Conservators be reduced by two not later than the end of 1928 by which time the present inexperienced young Divisional Forest Officers will have grown into maturity. There are three causes which render the present inordinately large number of Territorial Conservators necessary for the time being. The first and main cause is the stoppage of recruitment to the Imperial Forest Service during the war. This is a purely temporary cause and the effect will end by 1928 if not before ; it might have been nullified to a considerable extent if experienced officers of the Burma Forest Service had been shown a deserved preference over junior Imperial Service officers of one to three years' standing in the selection of officers for the charge of divisions. The second cause is the undue splitting of divisions which have resulted in the larger number of Divisional Forest Officers being required and a greater difficulty in supervision. This cause will to some extent be removed by a policy of amalgamating divisions as recommended in paragraphs 58 and 59 of the Report. The third cause is the necessity for the Divisional Forest Officer to take the orders of the Conservator even in trivial and routine matters and can be remedied if Government is willing to secure economy in administration by devolution of powers in matters of lesser importance.

It is a curious commentary on the alleged superiority of a European training in Forestry that Divisional Forest Officers who are recruited mainly from the ranks of the Imperial Service cannot be trusted to carry out their duties without a minute supervision by a Conservator.

6. As regards the proposals in paragraphs 58 and 59 of the Report regarding the re-constitution of divisions, we observe that in acceptance of the views of the Committee the Government has recently sanctioned the splitting of the Pynmana Division into two divisions. We observe, however, that no action has been taken with reference to the connected recommendation of the Committee that the Meiktila Division should be reduced to the status of a subdivision. We venture to point out that the proposals in paragraphs 58 and 59 of the Report, with which we fully agree, should be regarded as a whole and that it is not fair to the tax-payer to accept the parts which entail an increase in expenditure and to reject the parts which are intended to effect economy in the administration.

7. As regards Timber Assistants we would go much further than in the Report in the direction of Burmanisation and recommend that if any future recruitment is necessary to this class of posts it should be made from Burmans. We do not admit that a certain number of Europeans and Anglo-Indians is necessary in this grade on the ground that Timber Assistants have to deal with large European firms. The essential requisites appear to us to be a certain amount of technical knowledge and tact. Neither of these qualities is the monopoly of any race and we are surprised that the temporary grade of Timber Assistants should have been barred for so long to Burmans. We understand also that in the past some of the recruits to this grade had no previous experience of the timber trade and that they acquired their experience while serving as Timber Assistants. We do not therefore see why suitable Burmans should not

be selected and trained for these posts even if, as sometimes alleged, an adequate supply of trained Burmans does not exist.

8. The Forest Engineers form a small separate cadre with the status of an Imperial Service and we understand that recruitment to this service has stopped. We cannot help thinking that they were recruited without any regard being paid to the needs of the public service and some of the officers when first recruited were neither trained engineers nor possessed of an adequate knowledge of forestry. Some sort of employment has been found or created for these officers and some of them have since acquired technical knowledge and experience, but it is hardly fair to the public that it should be saddled with the expense of having these officers without there being adequate or appropriate employment existing for them. We attach no blame to these officers who are as much the victims of circumstances as the tax-payer, but we hope that the kind of costly mistake connected with the creation of Forest Engineers will not be repeated in future.

9. We must take exception to the proposal put before us for the creation of a post of Game Warden to be filled by a selected officer of the Forest Department. The area of unclassed forests is rapidly diminishing in Burma and it seems to us that game in reserved forests could be adequately protected by the existing staff of the Forest Department and the present Game Laws if they are properly administered. We are not at all convinced that the proposed Game Warden will be able single-handed to do anything effective and the remedy therefore lies in a tightening up of the Game Laws and an increased vigilance by all grades of Forest Officers in districts. The Game Warden will either have to depend on local officers in which case there is no point in his existence or he will have to be assisted by a large staff, the cost of which will be disproportionate to its utility. We recommend therefore that the proposal be negatived. The number of superior posts in the proposed cadre of the Forest Service should accordingly be reduced by one.

10. We are unable to concur fully in the satisfaction expressed with the working of the Forest Department in the last paragraph of the Report. It is not our intention to belittle the Department but we venture to think that considering the high cost of the Department and the extent to which its higher ranks have swelled in recent years, the public is receiving from the Department no more than what is due. We venture also to think that there is room for improvement in the angle of vision with which the Department views the people of this country. We feel it our duty to say that Forests being a transferred subject it is now time to administer it more in the interests of the sons of the soil. We hear complaints from Burmans in the timber trade that preferential treatment is given to non-Burman capitalist concerns, both in the grant of forest leases and in the treatment given by Forest officers. Much is also made in some quarters of the contention that the main object of Forest administration is revenue production. The history of the Forest Department in Burma is a record of increase in expenditure accompanied by an increase in revenue though in lesser proportion. The real test of the highest form of economic efficiency is an increase in expenditure accompanied by an increase in revenue in greater proportion, or better still, an increase in revenue accompanied by stationery costs, an achievement which will be possible only by rigid economy and a sustained increase in the efficiency of all grades of the Department without an increase in its cost. We are not trying to invert the Law of Diminishing Returns which applies with full force only when there is no further room for economy in working costs. When the Department has achieved the better results which we have indicated it will have earned the greater gratitude of the country. It is of course quite impossible to ignore the factor of revenue in Forest administration, but there are other objects of no less importance. One of these is the fostering of the trade that is in the hands of the smaller traders. The larger firms are able to have their points of view heard but the interests of local trade are often ignored in the shaping of forest policy. The revenue from the Forest Department has been expanded in the past by means of increased royalties, preferences shown to owners of large capital, and changes in procedure

without regard to the effect of such steps on the Burmese timber trader Revenue may expand temporarily as the result of such action, but such expansion will be accompanied in the long run by the slow extinction of the small trader and the ultimate reduction of revenue. It will in the long run be beneficial to revenue if the class of small Burmese trader is encouraged to work the Forests of this country and its interests looked after in order that it may grow into larger concerns and that the Forests of Burma, which are a valuable legacy from the forefathers of the present Burmese nation, may ultimately be worked entirely by Burmese capital. Another factor which we would bring to notice is the reaction of forest administration on the cost of living of the poorer inhabitants of the country. In the old days the villager made free use of Forest produce, but nowadays the forests near his village are either denuded or reserved. He derives no direct benefit from the activities of the Forest Department but finds that he has to pay for his house-posts, his thatch, the material for his boat and a thousand and one other things which under happier conditions he used to be able to obtain free of charge from the jungle. We are aware that certain rights and privileges are granted to neighbouring villages whenever the settlement of a Forest Reserve takes place, but these rights are extremely inadequate and are accompanied by stringent conditions. The ignorant villager generally has no clear idea as to the extent of his rights and though such rights and privileges granted may look well on paper, in practice the villager finds it so difficult to obtain his dues that he prefers to buy his needs in the open market. We think that the villager deserves a fairer treatment from the Government and the benefit to the State from the extra revenue derived from a stringent forest policy in this direction is too dearly bought at the expense of the unfortunate villager.

11. We trust that the Ministry of Forests will pay adequate attention to these factors that we have brought forward and that forest policy will be re-cast accordingly. We are convinced that in voicing these sentiments we are merely echoing the wishes of the people of Burma.

BA PE.

E MAUNG.

THIN MAUNG.

RANGOON, 22nd January 1926.





REPORT  
OF THE  
LAND LEGISLATION COMMITTEE  
1938

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RANGOON  
SUPERINTENDENT, GOVERNMENT PRINTING AND STATIONERY; BURMA  
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GOVERNMENT OF BURMA.

DEPARTMENT OF LANDS AND REVENUE.

[Extract from the Proceedings of the Government of Burma in the Department of Lands and Revenue;—  
No. 53H38 (364), dated the 24th May 1938 ]

READ—Parts I and II of the Report of the Land and Agriculture Committee relating to Tenancy and Land Alienation, respectively.

**Resolution.**—The Land and Agriculture Committee was constituted by the Government of Burma in its Resolution No. 217H37 (904), dated the 12th August 1937, and consisted of the Hon'ble U Pu, *Barrister-at-Law*, Minister of Agriculture and Forests (Chairman), the Hon'ble U Htoon Aung Gyaw, *Barrister-at-Law*, Minister of Finance, the Hon'ble Mr. James Baxter, Financial Adviser, U Tin Tüt, *Barrister-at-Law*, I.C.S. (Secretary), the late U Tin Gyi, A.T.M., Registrar, Co-operative Societies, Burma, Mr. B. O. Binns, I.C.S., Commissioner of Settlements and Land Records, Burma, Mr. J. P. Buchanan, Administrator of Government Estates, Burma, U Ba Tin (O2), B.A., Deputy Registrar, Co-operative Societies, Burma, and U Maung Gale, K.S.M., Retired Deputy Commissioner.

2. The Committee was appointed—

- (a) to examine and report to Government on all questions pertaining to the ownership, distribution, tenure and utilisation of land and in particular to advise on the measures which it may seem expedient to take with a view to facilitating and regulating the acquisition and retention of land by the agriculturist;
- (b) to consider the problems arising from the indebtedness of the agriculturist and to advise Government on the measures necessary to secure the establishment and development of an organised system of agricultural finance; and
- (c) to consider the problems arising from indebtedness other than agricultural and to advise Government on the measures which it may seem expedient to take with a view to the amelioration of existing conditions by the creation of special machinery and by the provision of organised credit facilities or otherwise for persons engaged in small-scale business.

3. The Committee has now submitted Parts I and II of its Report which deal with Tenancy and Land Alienation respectively.

Part I of the Report begins with a survey of the past history of the abortive tenancy legislation in Burma. After a discussion of the economic position of tenants and their relations with landlords the Committee proceeds to discuss the questions of security of tenure and establishment of fair rents. The Report recommends that legislation be introduced providing that tenants shall have a right of renewal of their leases from year to year, and the right to have rents, where they are unfair, revised by Revenue Courts. It is also proposed that where a landlord receives remission of revenue he shall be obliged to make a corresponding reduction in his rent for that year.

On the other hand, the Committee proposes that the landlord shall be given a right of quick and effective attachment; and it is proposed that, similarly, labourers shall have similar rights over the crop in respect of their wages.

Part II of the Report begins with a description of the various kinds of tenure and the many proposals in the past to introduce legislation on land alienation. The Committee think that the situation in Lower Burma is becoming grave and that the continued transfer of land from the agriculturist to the non-agriculturist—who is frequently a resident of another country—is likely to result in violent agitation for the ousting of the foreign owner. In order to prevent any further diminution of the land left in the hands of the agriculturist, the Report concludes with a straight forward proposal to prohibit the transfer of land from agriculturists to non-agriculturists subject to certain inevitable exceptions.

4. The Committee's proposals have been put together in the form of two draft Bills, one on Tenancy and other on Land Alienation. At the time when it was decided to set up the Land and Agriculture Enquiry Committee, it was also decided that after that Committee had finished its work Government would consider the further question of laying the Report before another body constituted on a wider and more representative basis. In pursuance of that decision, the Governor is now pleased to appoint the following Committee for the purpose of examining the Land and Agriculture Committee's Report on Tenancy and Land Alienation and to report to Government the result of its examination :—

U Ba Thane, T.P.S., Senator (*Chairman*).  
Sra Shwe Ba, T.P.S., Senator.  
U Mya, M.H.R. (*Tharrawaddy South*).  
U Pe Maung, M.H.R. (*Maubin South*).  
U Tun, M.H.R. (*Maubin North*).  
U Dwe, M.H.R. (*Magwe North-East*).  
U Ba Win, M.H.R. (*Pyapôn South*).  
U Thi, M.H.R. (*Myingyan West*).  
Mr. Ganga Singh, M.H.R. (*Mandalay, Indian*).  
Mr. W. T. McIntyre, M.H.R., nominated by the Burma Chamber of Commerce.  
U Hla Bu, nominated by the Burmese Chamber of Commerce.  
Mr. A. M. M. Vellayan Chettyar, M.H.R., nominated by the Nattukottai Chettyars' Association.

NOTE.—The names of two members who have not yet intimated acceptance of their nomination will be notified later.

The Committee may take evidence, if necessary, but will not tour. The Committee's Report should be submitted to the Department of Lands and Revenue by the end of June 1938.

5. In order to maintain continuity between this Committee and the Land and Agriculture Committee, the Hon'ble Mr. James Baxter and U Tin Tüt, I.C.S., *Barrister-at-Law*, will act in an advisory capacity and U Tin Tüt will act as Secretary of the Committee. They will not, however, be members of this Committee, nor will they have a vote on it.

ORDER.—Ordered that a copy each of Parts I and II of the Land and Agriculture Committee's Report on Tenancy and Land Alienation respectively be forwarded to the Chairman and each member of the Committee, to the Financial Commissioners, and to all Commissioners of Divisions (except the Commissioner, Federated Shan States), and Deputy Commissioners and to the Hon'ble Mr. James Baxter, Financial Adviser, and U Tin Tüt, I.C.S., *Barrister-at-Law*.

ORDERED ALSO—That this Resolution be published in the *Burma Gazette* for general information and that the two Parts of the Report be made available at the Government Book Depôt for sale to the public.

By order,

H. C. BAKER,

*Secretary to the Government of Burma,  
Dept. of Lands and Revenue.*

GOVERNMENT OF BURMA.

DEPARTMENT OF LANDS AND REVENUE.

[Extract from the Proceedings of the Government of Burma in the Department of Lands and Revenue.—  
No. 53H38 (364), dated the 31st May 1938.]

Addendum.—In the list appended to paragraph 4 of this Department Resolution No. 53H38 (364), dated the 24th May 1938, of names of the members of the wider and more representative Committee appointed for the purpose of examining the Land and Agriculture Committee's Reports on Tenancy and Land Alienation, add the following names :—

U Saw, M.H.R. (*Henzada District North*).  
U Ba Khaing, M.H.R. (*Bassein North, Karen*).

By order,

H. C. BAKER,

*Secretary to the Government of Burma,  
Dept. of Lands and Revenue.*

# REPORT

OF THE

## Land Legislation Committee

### 1938

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The Land Legislation Committee was constituted by the resolution of the Government of Burma in the Department of Lands and Revenue, dated the 24th May 1938. A supplementary resolution in the same Department, dated the 31st May 1938, appointed two more members to the Committee. The inaugural meeting of the Committee was held on the 7th June 1938 and in order to enable Government to receive this Report well before the next session of the Legislature, it was necessary for the Committee to work rapidly and intensively. There were twenty meetings held in all, the Committee sitting daily except where a longer adjournment was found necessary for some special reason such as allowing time for the drafting of the Report after the Committee had defined their views at the meetings. Introductory.

2. The resolution appointing the Committee permitted it to take evidence if necessary but stipulated that it should not tour. Had time permitted, we would have preferred to have visited selected localities in Burma to obtain the views on the spot of selected landlords and tenants, but we recognize that it would have been impossible for us to have submitted our Report in the first half of July had any substantial touring been done. We have taken the next best course, that of summoning to Rangoon representative landlords and tenants from different parts of Burma, and have examined them closely on important points of principle arising from the proposals of the Land and Agriculture Committee on Tenancy and Land Alienation. We have examined in all fifty-five witnesses from various parts of Burma and in the time available to us it was not possible for us to go further in this direction. We have also had the advantage of having at our disposal the record of the oral evidence given before the Land and Agriculture Committee as well as a large volume of written evidence collected by the Committee on the questionnaires which they issued. We take this opportunity of thanking the witnesses who came to give evidence before us at considerable trouble and sacrifice of time. We thank also those gentlemen who offered to give evidence before us but whose offer we were unable to accept through lack of time.

#### TENANCY.

3. We shall deal first with the Land and Agriculture Committee's proposals for tenancy legislation. Our task of reviewing these proposals has been facilitated by the clarity of the proposals and the conciseness with which that Committee explained their proposals in Part I of their Report. We have submitted the Land and Agriculture Committee's draft Tenancy Bill to a detailed scrutiny and have tested its main provisions by questions put to witnesses who, with a few exceptions, were actual tenants, peasant proprietors or owners of land. We are glad to be able to record that the preponderating majority of the witnesses as a whole as well as of landlords, peasant proprietors and tenants taken by each class have given whole-hearted support to the main provisions underlying the Bill. Our detailed scrutiny and careful consideration of the Bill both in the light of our own experience and in the light of the evidence tendered before us have satisfied us that the principles underlying the Bill are sound, that they are likely to prove acceptable to the large majority of tenants and landlords in Burma and that the Bill if enacted without modification of its main principles will conduce to a more equitable relationship between the landlord and the tenant and will undoubtedly serve to further the interests of the country as a whole. Our only regret is that, as pointed out to us by several of our witnesses, some measure of this kind was not put on the Statute Book many years ago. Tenancy Legislation.

**Main Principles.**

4. The main principles of the Land and Agriculture Committee's Tenancy Bill are, firstly, to give the good tenant a right periodically to renew his lease at a fair rent, the landlord being permitted to resume the land only in certain exceptional circumstances, and secondly, to give the landlord a charge on the produce of the tenancy for the unpaid rent and, within specified limits, for the principal and interest on unpaid advances and the labourer a charge on the produce for the unpaid hire of his labour. With very few exceptions, no witness challenged the soundness of these basic principles and while we shall later in this Report make proposals for certain changes in details, we are satisfied that no alteration is needed in these basic principles.

**Exclusion from Bill of tenants holding large areas.**

5. In Appendix I to this Report will be found in their respective columns the Tenancy Bill as proposed by the Land and Agriculture Committee and the same Bill as revised by us. We hope that to a large extent the modifications we have made will be found to explain themselves though we shall state below our reasons for the proposed changes where they are of some importance. The most important of these is in new Clause 2, the effect of which will be to limit the operation of the Bill to tenants who do not in the aggregate hold more than 200 acres of land in Lower Burma or 100 acres in Upper Burma. We admit that in many ways the large tenant is no less deserving of protection than the small tenant in the matter of security of tenure and fairness of rents, but the large tenant would certainly be in a better position than the small tenant to bargain with the landlord and to secure good terms for himself. Clause 19 of the Burma Agrarian Bill of 1927 excluded from the operation of the chapter on the restriction on the disposal of tenancies tenants who hold land exceeding 30 acres on the ground that anyone who is in occupation as tenant or otherwise of over 30 acres is in a position to make his own terms with the landlord. The Burma Tenancy Bill of 1937 excluded from the whole Bill tenants who hold more than 30 acres for the same reason as in the 1927 Bill. We are not prepared to go so low down as 30 acres and doubt whether tenants holding so little land would really be in a position to obtain favourable terms from the landlord, but we think that the argument is valid in the case of tenants holding as much as 200 acres in Lower Burma and 100 acres in Upper Burma. We are also impressed by the fact that the majority of the witnesses we examined are in favour of some limit being imposed though very different views were expressed by them on what the proper limit should be. We note as a point of interest that many of the witnesses who desire a limit appear to have based their suggestion on the ground that large tenancies should be discouraged as tending to push out the smaller tenants from the land.

**Definition of "tenancy year".**

6. We have altered the definition of "tenancy year" in sub-clause (13) of old Clause 2 to make it begin ordinarily from the fifteenth day before the first day of the Burmese New Year. The tenancy year should not begin too early as the new tenant will be entitled to possession from the beginning of that year and it is necessary that sufficient time should be given to the old tenant to complete his operations in cases where there is a change of tenancy. The tenancy year should not, on the other hand, begin too late as in some cases the question of a new tenancy will have to go before the Revenue Courts and sufficient margin must be left to obtain a decision before the working season is too far advanced. We are advised by the majority of the witnesses who appeared before us and to whom we explained the point that the correct date would be somewhere about the first of April. The definition proposed in the Land and Agriculture Committee's Bill would, in our opinion, make the tenancy year begin too early particularly as the first day of the month of *tabaung* may sometimes occur in February. That definition also sacrifices accuracy by the standard of the Western Calendar to the undoubted convenience of prescribing a date by the Burmese Buddhist Calendar in which the months are lunar months. We think that the same object of making the date easily ascertainable to the ordinary cultivator would be achieved by basing the beginning of the tenancy year not on a Burmese lunar month but on the Burmese New Year which though easily ascertainable by the cultivator well ahead is based not on the lunar month but on the solar year so that generally it falls on the sixteenth of April. We have accordingly adopted this arrangement in our revised definition.

7. We have made a small change in old Clause 4 (1), which corresponds to Clause 5 (1) in our revised Bill. It has been suggested to us that the sub-clause as previously drafted imposes no limit on the number of labourers who may be employed by the tenant and that false claims relating to the unpaid hire of labourers might be made by collusion between the tenant and his alleged labourers to the detriment of the landlord. We have accordingly qualified the phrase "labourers employed" by expanding it to "necessary labourers customarily employed". In sub-clause (4) of old Clause 4, now sub-clause (4) of new Clause 5, the hypothecation of the produce for the charges due on it could be made until it is stored after threshing, winnowing and the like operations customary before storing. It has been suggested to us that there is no reason why the hypothecation should not be deemed to continue even after the storing if the produce is still in the holding. We are prepared to adopt the suggestion and have made the necessary changes in our redraft of this sub-clause (4) though we doubt whether any substantial difference will be occasioned in operation owing to the provision in new Clause 6 (1), corresponding to old Clause 5 (1), that the person who desires to make an attachment under the procedure provided in the Bill is to make his application as soon as the reaping or gathering of the crop has begun.

Charges on produce.

8. Under old Clause 5 as well as in the corresponding new Clause 6, a mere fear on the part of a person having a charge that the produce will be removed from the holding entitles him to set going the procedure provided in the Bill for summary attachment. Under old Clause 5, sub-clauses (8), (11) and (14) the cost of the attachment is taken out of the attached produce and will presumably fall on the tenant even in cases where the fear on the part of the person making the attachment that the produce will be removed from the holding is entirely groundless. We do not think that this is fair on the tenant and we also wish to impose some sort of check on attachments made without reasonable apprehension that the tenant is in fact likely to remove the produce from the holding. We have accordingly made changes in sub-clauses (1), (8), (11) and (14) of new Clause 6 (old Clause 5) to put the burden of costs on the person who makes the attachment. In holdings of reasonable size, this cost will constitute only a small proportion of the rent or other charge on the produce and will be analogous to the cost of insurance.

Deposit of costs by the person applying for an attachment.

9. We have made a small change in sub-clause (3) of new Clause 6 (old Clause 5) to meet the case of village-tracts where for any reason at any particular time a Village Committee has not been constituted and we are advised that in such a contingency a Rural Constable would be a suitable person to whom application may be made in the absence of the Headman. In such village-tracts the conciliation functions entrusted to the Village Committee will be performed by the Headman alone. In new Clause 8, which has no corresponding clause in the old Bill, we have made a specific provision that any action imposed on or permitted to any party to an attachment under Chapter II may be performed by his agent authorized in writing on that behalf, and in view of this general provision we have omitted in sub-clause (12) of new Clause 6 (old Clause 5) a reference to an agent authorized in writing by a person who has a charge to consent to an agreement.

10. In connection with compensation for improvements made to the land by a tenant with the permission of the landlord, we are of opinion that the compensation should be due even when the tenant leaves the land at his own wish. We are also of opinion that claims for compensation for improvements are better adjudicated by Revenue Officers who are more likely to have local knowledge and who will have frequent opportunities of making local inspections than by Civil Courts which are necessarily subject to the heavy procedure prescribed by the Civil Law and the delays consequent thereon. We have therefore amended accordingly old Clause 8 (1), which appears as new Clause 10 (1) in our revised Bill. We have changed the wording of the proviso to enable any sum recoverable by the landlord as a charge to be set off against the compensation if the sum is in arrears. The old proviso restricted the set-off to arrears of rent. Clause 11 of our revised Bill is entirely new and is designed to give the Revenue Officer adjudicating a claim for

Compensation for improvements.

compensation the benefit of assistance by two *thamadis* from among the members of the Village Committee, one to be nominated by the tenant and the other by the landlord. New Clause 13 is similarly an innovation and is designed to impose a suitable time-limit for claims for compensation for improvements.

Restrictions on the powers of Civil Courts to evict tenants.

11. In Clause 15 of our revised Bill we have introduced an important new provision to the effect that no Civil Court shall have power to evict a tenant for arrears of rent, for failure to pay rent or for a breach of the conditions of a tenancy or for any debt incurred by the tenant. We realize that this is a far-reaching proposal but our wish is that the relationship between landlords and tenants should be regulated as far as possible without recourse to the Civil Courts. We have found it impracticable to oust the jurisdiction of the Civil Courts altogether as difficult questions of Civil Law may arise in connection with tenancies, e.g., a dispute as to whether the person who gave the lease to the tenant had in fact a right to the ownership of the land. We think it expedient also to leave to the Civil Courts jurisdiction in respect of claims for arrears of rent and in suits for damages for breaches of the conditions of a tenancy or for debts incurred by the tenant. There is nothing in Clause 15 to bar such jurisdiction but our intention is that the Civil Courts should not have power to evict tenants in execution of decrees for arrears of rent or for damages for a breach of the conditions of a tenancy or for decrees for any debt incurred by the tenant. It is our intention that if the landlord has been badly treated by the tenant in respect of such matters, he should plead these facts before the Revenue Court if the tenant at the end of the season desires a renewed lease against the wishes of the landlord and brings the case before the Revenue Court. We are conscious that our decision will mean throwing a heavy burden of extra work on Revenue Courts, but the feeling uppermost in our minds is that the procedure should be simple, swift and inexpensive.

Fair rents.

12. New Clause 16 of our revised Bill corresponds to old Clause 11 of the original Bill. We have provided that if the question of fair rent arises before a Civil Court, a reference shall be made to a Revenue Officer having jurisdiction in the matter for determining the fair rent. In sub-clause (2) of new Clause 17, corresponding to old Clause 12, we have provided for the nomination of one of the *thamadis* by the tenant and of the other by the landlord. In new Clause 20 we have introduced the new provision that where the fair rent of a tenancy is fixed by a Revenue Officer or Rent Settlement Officer, the order shall state the capacity of the basket to be used in the measurement of the rent. We think that this will be a salutary provision pending the enactment of an Act prescribing a standard basket to be used in the measurement of paddy.

Rent Settlements.

13. In our new Clause 18 we have left intact the wording of old Clause 13. The witnesses examined by us were generally in favour of giving power to the Governor to appoint Rent Settlement Officers, though some stipulated that the Rent Settlement Officers should deal only with holdings in which there exists a dispute as to the fair rent. On this idea there would be no need for a Rent Settlement Officer as it would be open to the Governor without the provision in new Clause 18 to appoint a special whole-time Revenue Officer of superior rank to deal with particular areas in which a considerable number of disputes relating to fair rents may be taking place. Our own conception of a Rent Settlement Officer is an officer of the standing of the Land Revenue Settlement Officers who would be required to make general enquiries in a specified area and fix on uniform principles the fair rent of all tenancies in the whole of the area irrespective of whether there is or is not a dispute in a particular holding. We think that such officers are likely to be necessary and that it would be to the public advantage for such officers to settle the fair rents of all holdings in the areas for which they are appointed.

Currency of order determining fair rent.

14. New Clause 22 changes radically the provisions of old Clause 16. There was considerable difference of opinion between the witnesses as to what the period of currency of an order determining fair rent should be and whether such period should be fixed in the Act or be left to be prescribed by Government. We have come to the conclusion that the period should be three years



and that it should be fixed in the Act itself. The period is perhaps a little short particularly in the case of fair rents settled by a Rent Settlement Officer, but we are advised that three years are a long enough period if regard is to be taken of the fact that substantial change sometimes takes place in the productivity of newly reclaimed land within a short period. In the redraft we have provided that an order of a Rent Settlement Officer may supersede the order of a Revenue Officer within these three years. The Rent Settlement Officer would ordinarily be an officer of greater standing and experience than the Revenue Officer and would have the further advantage of being able to study the conditions in the holdings in a particular locality as a whole.

15. In connection with old Clause 19 (now new Clause 25) there was a considerable difference of opinion between the witnesses on whether when a portion of the land revenue is remitted on a holding, the landlord should give a proportionate reduction of rent or should be required merely to pass on to the tenant the whole of the financial benefit which he receives from Government by a reduction of the land revenue. The majority of the witnesses as well as the majority of the witnesses who are landlords are in favour of requiring the landlord to remit rent in proportion to the remission of revenue that he receives and our own consideration of the point has decided us to elect this course which we think to be much fairer to the tenant than the alternative of giving him relief only to the extent of the value of the land revenue remitted. We have therefore retained the main principle of old Clause 19 but have made certain changes which we think will explain themselves. Reference to suspensions of payment of revenue and corresponding suspensions of payment of rent has been omitted as being unnecessary in Burma. The provision we have proposed in connection with Clause 25 may induce some landlords to refrain from applying for remission of revenue as a successful application will render them liable to a remission of rent which would ordinarily exceed the reduction of the revenue. We believe, however, that in the majority of cases the landlord gives a remission of rent without waiting for the result of his application for a remission of revenue and in any case there is nothing in the present land revenue law to prevent a tenant from himself applying to Government for a remission of the land revenue in the years in which there has been a considerable destruction of crops.

Remission of rent when land revenue is remitted.

16. In new Clause 27, which corresponds to old Clause 21, we have in accordance with the almost unanimous opinion of the witnesses who were examined on the point provided that the intimation by the tenant to the landlord of his desire for a renewed lease should not only be in writing but in the prescribed form. In sub-clause (2) of the same clause we have substituted the words "within seven days" for "forthwith" for the sake of greater precision.

17. Clauses 25 and 26 of the Land and Agriculture Committee's Bill involve the making of two important exceptions to the main principle, namely, that a tenant who pays his rent regularly and treats his landlord fairly should be entitled to a new lease when the period of the current tenancy terminates. Old Clause 25 permitted the landlord to resume the land if he intends to work it himself and the Revenue Officer is satisfied that the landlord is an agriculturist. Old Clause 26 entitled the landlord to resume the land to assign the tenancy to a person related to him in the specified manner if the Revenue Officer is satisfied that the intended tenant is an agriculturist. The necessity of defining the term "agriculturist" in the Bill arises from the existence of these two clauses. We found the provisions controversial and unless these two clauses are carefully worded, there is a risk of their defeating the main principle of the whole Bill. In principle it is perhaps only fair that a landlord who really intends to work his own land should be able to resume the tenancy at the end of a tenancy year but the difficulty is that if this right is to be given to every landlord, it would be possible for a landlord who has never been an agriculturist and who has no genuine intention of becoming one to turn out a tenant by merely saying that he wishes to work the land himself. He could escape the charge of making a false statement of intention by

Resumption of tenancy by the landlord.

working the land himself not as a real cultivator but by the employment of agents and hired labourers. An unrestricted right given to a landlord to resume the land merely to work it himself would make it possible for any landlord to threaten the tenant with eviction unless the latter consents to work as his hired labourer. The opinion of the witnesses was divided on the question whether the right should be given to all landlords or only to agriculturist landlords. The problem is how to give the right to a landlord who is not an agriculturist but who has a genuine intention of cultivating the land himself without providing a loophole to unscrupulous landlords who wish to evade the proposed Act. In regard to the landlord himself, we have after anxious consideration arrived at a formula by which the right to resume his land will be given to the landlord either if he is an agriculturist or if he declares his intention of working the land with his own hands as his principal means of subsistence and if he has given the tenant notice of that intention more than six months before the end of the current tenancy year. This right will be subject to the Revenue Officer being satisfied that the intention is genuine and that the notice has in fact been given. We have accordingly retained old Clause 25, which appears as new Clause 31 in our revised Bill, and have inserted a new Clause 32 to regulate the case of a landlord who declares his intention of working the land himself with his own hands as his principal means of subsistence.

18. In regard to the resumption of land by the landlord in order to assign the tenancy to certain relatives, we have found it expedient to restrict in two ways the right proposed in old Clause 26. We think that the list of relations in that clause is too long and we propose that the right should be granted only when the intended tenant is a son, daughter, brother or sister of the landlord or is a grandchild of the landlord if he has no son or daughter alive. The second restriction we have decided on is to stipulate that the intended tenant should not only be an agriculturist but also come within part (a) of sub-clause (1) of new Clause 3 (old Clause 2), that is to say, the intended tenant must be a person who is engaged or has habitually been engaged in the cultivation of land with his own hands as his principal means of subsistence. We have accordingly redrafted old Clause 26, which in its new form appears as new Clause 33 in our revised Bill. As a further precaution in the case of landlords who resume the tenancy under new Clause 32, we have made a new provision in new Clause 36 entitling the ejected tenant in addition to his other remedies to compensation from the landlord for damage suffered in consequence of the eviction if he proves that the landlord's intention to work the land with his own hands as his principal means of subsistence was not fulfilled or has lapsed within three years of the termination of the tenancy.

Abandonment of tenancy.

19. New Clause 38 of our revised Bill is an innovation designed to give a suitable remedy to the landlord if a tenant absents himself from a tenancy and fails to work it at the time usual for such work. We are informed that even under the existing law, when the tenant fails to work the land at the time usual for such work, the landlord is placed in an awkward position as if he leaves the land alone, he is subject to the risk of it becoming too late for him to lease the land to another person while if he enters on the land himself or leases it to another person, he is subject to the risk of the old tenant appearing and claiming the tenancy. We have therefore provided that in such a case the landlord may apply to the Revenue Officer for an order terminating the tenancy and that he shall receive such an order if the Revenue Officer is satisfied, after due enquiry, that the tenant has in fact abandoned the land.

Right of ejected tenants in respect of crops and land prepared for sowing.

20. In new Clause 41 we have widened the scope of old Clause 32 by making the provisions applicable to every tenant ejected from a holding of which he was in lawful possession instead of restricting the right to a person ejected by a Revenue Officer under new Clause 39 (old Clause 30). Under part (a) of sub-clause (1) the landlord has the option of permitting the tenant to retain possession of the land or of paying him the value of the labour and capital expended by him in preparing such land, etc. We have inserted a proviso to this clause to restrict the landlord to the second alternative in cases where a tenant is ejected in favour of another person having a better

title to the tenancy. Sub-clause (2) has been redrafted to impose the responsibility of determining the compensation under this clause solely on Revenue Officers.

21. In new Clause 42, which is an innovation, we have given power to Revenue Officers to enforce their awards by recovering them as arrears of land revenue. The provision is obviously necessary. Recovery of sums awarded by Revenue Officers.

22. In new Clause 46 (old Clause 37), we have changed "imprisonment" to "simple imprisonment" in the belief that simple imprisonment with or without a fine should prove a sufficient deterrent against persons fraudulently or dishonestly causing the attachment of produce. We have made a similar change in new Clause 47 (old Clause 38) and have also made its operation more general by substituting "Chapter V" for "Section 30". The expression "forthwith" has also been made more precise by the substitution of the words "on the date specified by the Revenue Officer". Penalties.

#### LAND ALIENATION.

23. We now pass on to the Land and Agriculture Committee's proposals for land alienation legislation and here again we have been greatly helped by the clarity of the proposals and the conciseness with which the Committee's proposals are explained in Part II of their Report. With two exceptions all the witnesses we examined supported enthusiastically the main principle of the Land and Agriculture Committee's Land Alienation Bill. The main principle is contained in Clause 4 and it is that permanent alienations of land from an agriculturist to a non-agriculturist shall be null and void. We ourselves are definitely of opinion that some measure of this kind should be put on the Statute Book as early as possible and we share the regret which was expressed to us by one of the witnesses that such a measure was not enacted twenty years ago. If this had been done, Burma would have been spared the problem which has arisen in recent years owing to large areas of land having passed from the agriculturist to the non-agriculturist particularly as a result of the recent trade depression. In Appendix II to this Report will be found in their respective columns the Land Alienation Bill as proposed by the Land and Agriculture Committee and the same Bill as revised by us. We have not found it necessary to propose many changes and these changes will be explained below where explanation is necessary. We shall also avail ourselves of the opportunity of commenting on one or two points of interest not involving any change in the drafting of the Bill. Land Alienation Legislation.

24. We have scrutinised with some care the list of exceptions in Clause 2 and we are of opinion that the list of exceptions proposed are generally well merited and that they are not of a nature likely to vitiate the utility of the proposed Act. We think, however, that it would be an advantage to include in this clause a provision to exempt from the operation of the proposed Act the transfer of land from an agriculturist to a non-agriculturist for the purpose of erecting buildings required for trade or industry. Land of small acreage is likely to be required for such purposes and to prohibit such transfers would be to put impediments to the expansion of trade and industry and would also be detrimental to the interest of the agriculturist owner who may usually expect a considerable financial profit from such transfers. A point which we considered but dropped in connection with Clause 2 is the drafting of item (d) of sub-clause (1). The question was whether this item should not be made more general by omitting the specification that the credit institutions concerned should be controlled or organized by Government and merely providing that credit institutions notified or prescribed by Government for the purpose of this clause should be exempted from the operation of the proposed Act. We also considered the alternative of deleting this item altogether and of leaving the Governor to exempt under new Clause 20 of our revised Bill (old Clause 17 of the Land and Agriculture Committee's Bill) such credit institutions as should be exempted in the public interest. We decided that item (d) should be retained as originally drafted. In our view it is desirable to specify that the credit institutions exempted under item (d) should be controlled or organised by Government in order not to give the impression Exceptions.

that any credit institution is entitled to apply to Government for a rule exempting it from the operation of the proposed Act. Our decision will not preclude the exemption under new Clause 20 from the operation of the proposed Act of credit institutions which operate more for the public benefit than for the earning of profit, but we think that before granting an exemption to such an institution, Government should scrutinise with the utmost care the constitution and functions of the credit institution with a view to seeing that the exemption will clearly be for the public benefit.

Definition of "agriculturist."

25. We have not found it necessary to propose any change in the definition of the term "agriculturist" in sub-clause (1) of Clause 3. A few of the witnesses suggested the elimination of part (b) but we think that this will narrow down unduly the scope of the definition. Some other witnesses have suggested that the definition should be restricted to members of races indigenous to Burma, but apart from the desirability or otherwise of making such a restriction, it cannot operate against British subjects domiciled in the United Kingdom, India and the Indian States as being contrary to the provisions of section 44 of the Government of Burma Act. The definition in the Bill was, except for the Explanations, taken from the Burma Agrarian Bill of 1927 and is the fruit of many years' deliberations. It is easy to criticise it but we think that it is a reasonably accurate definition which is likely to be workable in practice and, at any rate, we have not been able to improve on it.

Temporary alienations.

26. The principle underlying Clause 5 is that when an agriculturist mortgages his land to a non-agriculturist, the land will not under any circumstances be permanently lost to him and that at the worst he can be dispossessed of the land up to a maximum period of fifteen years. The principle met with general approval from the witnesses we examined with the exception of the two who objected to the whole Bill. There was considerable difference of opinion between the witnesses as regards the maximum period of dispossession. The period cannot be made very long if the agriculturist is to be given a chance of having the land back in his possession free of encumbrances before his old age, but, on the other hand, the shorter the period, the less chance he has of obtaining reasonable credit on the mortgage of his land. We think that on the whole the period of fifteen years recommended by the Land and Agriculture Committee is suitable and that it is long enough to enable an agriculturist to raise a loan of reasonable amount on the security of his land from a non-agriculturist should he be unable to find another agriculturist to advance him the money he requires. Even with the fifteen years and in view of the provision in sub-clause (3) of Clause 6 giving power to the Collector to permit the mortgagor to redeem his land on payment of such proportion of the mortgage debt as the Collector determines to be equitable, a few of the witnesses doubt whether any of the existing credit agencies would find it worth while making advances to agriculturist landlords on the security of land, but the majority of us think that the risk should be faced and that it would be inexpedient either to extend the period of dispossession beyond fifteen years or to make any substantial alteration to the terms of sub-clause (3) of Clause 6. In part (c) of sub-clause (1) of Clause 5, we have inserted in our redraft a proviso that even in respect of forms of permitted mortgages which the Governor may prescribe, the limit of fifteen years of dispossession should apply. We have also made a slight change in the drafting of sub-clause (2) of Clause 6 to make it apply also to forms of mortgages prescribed by the Governor under Clause 5.

Prescription of minimum areas of land to be left in the ownership of agriculturists.

27. We have now to recommend an important new principle to be embodied in the Land Alienation Bill, a principle which substantially extends the scope of the Bill as recommended by the Land and Agriculture Committee. The majority of the witnesses we examined recommended that the Bill should be expanded to provide a minimum inalienable limit of land in the ownership of each agriculturist. The view prevailing among the witnesses is that there is a tendency for small peasant proprietors to lose their land not only to non-agriculturists but also to fellow agriculturists and that it is desirable in the public interest that the agriculturist should be prevented by law from the possibility of being left without a prescribed minimum area of land. This

sentiment appears to be widespread and while we have considerable sympathy for the suggestion, we are advised that no country in the world has attempted to legislate on these lines and that the furthest attempt made in any country is not to make a minimum area in the hands of a peasant inalienable but merely to protect a minimum area from attachment for debt. We are also advised that in Egypt, where a minimum area was protected from attachment, the result was not favourable to the agriculturist as while he could not lose that minimum area, it meant that the respectable credit institutions and money-lenders ceased giving him credit and that he had to have recourse to the less scrupulous money-lenders who did not mind risking their capital if they could obtain from the agriculturist year by year as interest the whole surplus of his earnings beyond what was necessary to the agriculturist for the barest subsistence of himself and his family. We have abandoned the idea of an inalienable limit which would involve the consequence that every agriculturist would be tied to his land even if he were able to find a more comfortable means of livelihood. But we think that even at the risk of the Burmese peasant being subjected to the unfortunate consequences which befell in Egypt, provision should be included in the Bill to exempt from attachment a minimum area of land owned by an agriculturist. We have accordingly added to the Bill the new provisions which will be found in Clauses 11, 12 and 13 of our redraft. We have left it to Government to prescribe in respect of each class of land in each locality the minimum area which they think necessary for the maintenance in reasonable comfort of a family of reasonable size working the land as proprietors. These provisions will impose no bar to the sale of land by an agriculturist to another agriculturist and the protection proposed is that the minimum areas should be exempted from attachment by order of any Civil or Revenue Court unless that attachment is on account of a sum due to Government as an arrear of land revenue or to a co-operative society of which the agriculturist is a member.

28. In new Clause 14, Explanation (b), corresponding to old Clause 11, Explanation (b), we have deleted the words " during the past year " as we do not think that the qualification serves a useful purpose. In sub-clause (4) of new Clause 18, corresponding to sub-clause (4) of old Clause 15, we have substituted the words " within seven days " for the word " forthwith " for greater precision. Miscellaneous.

29. Item (b) of sub-clause (2) of new Clause 22, corresponding to old Clause 19, is an innovation which we find necessary to introduce as the original draft Bill contains no provision for appeals and revisions. Item (g) is also new but is merely consequential to the introduction of new Clause 11. Rule-making power.

#### CONCLUSION.

30. This concludes our proposals relating to legislation for tenancy and land alienation. The provision of credit to the agriculturist at reasonable cost has been a long-felt want in Burma and to some extent it was the lack of it which has caused the rapid transfer of land from the agriculturist to the non-agriculturist. In past years the agriculturist was financed to a large extent by Chettyar firms as even in cases where the tenant receives loans from the landlord, the landlord frequently in his turn obtains his resources from a Chettyar firm. We understand that as a result of the fall in the price of agricultural land in Burma, Chettyar firms have considerably reduced their land mortgage operations in recent years. At present, outside the Co-operative Societies, the financing of the agriculturist is being done largely by the landlords themselves or by small shop-keepers and others who grant *sabape* loans. Under the measures we have recommended in respect of tenancy legislation, the landlord who will be entitled to a second charge on the produce of the tenancy for his loans to his tenants for agricultural purposes and for the interest thereon will probably have a better inducement to make advances to his tenants though we do not know how far this inducement will be counteracted by the provisions for limiting the amount which may be advanced per acre and the rate of interest which may be charged on such advances. The provisions we have proposed in the Land Alienation Bill are likely to give little inducement to the Need for new credit machinery.

non-agriculturist money-lender to make advances to agricultural land-owners on the security of land and even between agriculturists, our proposal in regard to the protection from attachment of minimum areas are likely to deter agriculturist money-lenders from making advances freely to peasant proprietors. We think it highly desirable therefore that the enactment of the two proposed Acts should be followed rapidly by the provision of new forms of credit agencies such as Land Mortgage Banks and by an expansion in the activities of the Co-operative Societies Department and the Government Estates Department. We learn with pleasure that the Land and Agriculture Committee will shortly be in a position to submit to Government their proposals in connection with agricultural credit and we hope that these proposals will be dealt with expeditiously by Government. While we mention the connection between the need for better credit facilities for the agriculturist and the legislation which we have been called upon to consider, we do not think that the enactment of the two proposed Acts should await the provision of better credit facilities for the agriculturist. We think that even if nothing can be done in the direction of better credit facilities, the utility of the two proposed Acts would be considerable though perhaps impaired. The bulk of the population of this country is engaged in agriculture and the tenant class is growing year by year. The need for tenancy legislation is urgent and imperative. Land is quickly passing from the agriculturist to the non-agriculturist and it is expedient that a Land Alienation Act should be placed as rapidly as possible on the Statute Book. Burma has recently passed through a period of severe depression in the prices of land and of agricultural produce. There is no reason to believe that such periods will not recur and past experience proves that the process of placing land alienation legislation on the Statute Book is a slow one. It is important that the favourable opportunity which now presents itself should not be missed.

**Acknowledgments.**

31. Both our Bills have passed a preliminary scrutiny by the learned Advocate-General and we take this opportunity of thanking him for his help. As we cannot assume that Government will adopt our draft Bill and our report is overdue, we refrained from asking him to make a detailed scrutiny which would have taken a great deal of his time. The printing of the Report has been done with the utmost despatch and we wish to thank U Wa Gyi, the officiating Superintendent of the Government Press, and his staff on that account. Our office staff under the immediate supervision of our Assistant Secretary, Mr. N. R. Chakravarti, has worked overtime throughout the period of our enquiry and we wish to thank them all for the valuable assistance they have rendered us. We have been fortunate in our two advisers. From the Hon'ble Mr. James Baxter we received throughout our deliberations wise counsel based on his mature experience and all the more valuable because of the depth and sincerity of his desire for the welfare of Burma. From U Tin Tüt, who was also our Secretary, we received in full measure the assistance we anticipated from an officer as well-known for his patriotism as for his ability and varied administrative experience.

BA THANE (Shwepaukpin),—*Chairman.*

SHWE BA

THAKIN MYA

PE MAUNG

MAUNG TUN \*

MAUNG DWE

BA WIN \*

MAUNG THI

GANGA SINGH

W. T. McINTYRE \*

HLA BU

A. M. M. VELLAYAN CHETTYAR \*

BA KHAING

Members.

RANGOON, the 15th July 1938.

**Note of Dissent by U Tun, B.A., M.H.R.**

**TENANCY BILL.**

*Clause 2.*—I regret to have to differ from the majority of my colleagues in limiting the application of the Act to tenants who hold in the aggregate not more than 200 acres in Lower Burma or 100 acres in Upper Burma. They hold that the larger tenant can be in a better position to bargain with the landlord and take good care of himself. The Burma Agrarian Bill of 1927 and The Burma Tenancy Bill of 1937 would limit the protection to tenants holding not more than 30 acres. This is the worst part of arm-chair legislation based on arbitrary assumptions and not on actual facts. If we could find time to make careful enquiries from large tenants themselves, we should find that they are as much at the mercy of the landlord as their smaller brethren. Speaking from personal experience as a whilom tenant of an 800-acre paddy land, I have the most cogent reason to refute the assumption that large tenants have any advantage over smaller ones in respect of bargaining with their landlords and therefore need no protection under Tenancy Acts.

There is another aspect of this matter which my colleagues seem to have lost sight of. Burma is producing crops not merely for home consumption but for export also. The exportable surplus in the case of rice only amounts to 3½ million tons or so every year. Our rice has to compete in foreign markets with that of other countries employing more efficient modern methods of cultivation. We are therefore faced with the problem of cutting our cost of production of rice. Given suitable conditions this problem can be solved to a very large extent by employing efficient methods of power farming. To work economically a fair-sized tractor requires a unit of 300 acres or so. I know of some educated young men who are very keen on taking up agriculture on modern lines. It is these educated agriculturists who will help to improve agricultural conditions in Burma and enable Burma's produce to compete successfully in foreign markets. This view is shared by no less an authority on economics than Professor Jevons, late Professor of Economics in the University College, Rangoon, and President of the Burma Agricultural Society since defunct. In his farewell speech he gave as his considered opinion that the agricultural prosperity of Burma lies in the general adoption of power farming in Burma.

I am therefore of opinion that in the interest of the improvement of agriculture large tenancies worked by modern methods are deserving of protection and encouragement. There are already large tenants actually working more than 200 acres even with primitive implements and methods. There appears to me to be no good reason why enterprise in this direction should be discouraged by excluding large tenants from the protection of the Act.

*Clause 16.*—My objection is to a portion of the new clause 16, which reads "and in a suit before a Civil Court for arrears of rent,". It is bad in principle and worse in practice to let tenants agree upon rents and repudiate them later in Civil Courts, especially when it is open to them as well as the landlords to have fair rents fixed beforehand. Such provision is conducive to moral laxity. It will promote a sense of disregard for contracts in general and provide an easy excuse for evasion of rent. In practice it will increase the burden of work in Civil Courts enormously, but to no purpose, as Civil Courts have no voice in the matter of fair rents, which are matters entirely for Revenue Officers and Rent Settlement Officers.

*Clause 19.*—The determination of fair rent is a matter of vital importance, in as much as it is the heart of the Tenancy Bill. This question should, therefore, be considered from all angles, if the term "fair rent" is not to be a misnomer.

Bearing in mind that the rent contract is made between two parties, *viz.*, the landlord and the tenant, the proposal to take the expenses of one party, *viz.*, the tenant, carefully into consideration, while conveniently ignoring those of the other, the landlord, is in my opinion, anything but fair.

A word of personal explanation before proceeding further. As a tenant who had a most unfair treatment from a landlord I am far from holding a brief for landlords. All that I have been advocating is that if Government officials must step in at all between the tenant and the landlord let them consider both sides of the question and make their decision as fair and just as possible. Otherwise their one-sided determination will not justify the use of the term "fair rent"; nay, will cause loss of faith in British justice.

There are two important items of expenditure on the side of the landlord. One is the interest on the capital outlay on the land and the other the land revenue on the same. If I mistake not, it is usual to take interest on capital outlay into account in working out the cost of production and profit and loss in all industries with the single exception of Mr. Henry Ford's motor car manufacture. But in the matter of fixing fair rent neither the interest on the capital value of the land nor the amount of land revenue paid by the landlord on it is considered to be worthy of taking into account. I do not go to the extent of pressing the interest on the capital value of the land to be taken into account. But it seems to me to be manifestly unfair to leave the amount of land revenue out of account in fixing fair rent.

There is a more cogent reason why land revenue should be expressly mentioned as a factor to be taken into consideration in fixing fair rent. Land revenue as a rule varies with the quality or the class of land carefully ascertained at the time of settlement, while the cost of cultivation generally varies inversely, as it were, with the quality or class of land. Hence cost of cultivation is more for poorer lands yielding less than more fertile lands yielding more. Cost of cultivation alone is therefore not good criterion for fixing fair rent, whereas land revenue is more or less in conformity with the productivity of the land.

Objection was made to the consideration of land revenue into account in fixing fair rent on the ground that it is a matter entirely between the landlord and the Government. But clause 25 is to give the benefit of the remission of land revenue to the tenant, though the rent contract between the landlord and the tenant is a *fait accompli*.

This puts an absurd complexion on the question of the consideration of land revenue in relation to rent. In my opinion what is sauce for the goose should also be sauce for the gander. I am therefore in favour of expressly mentioning land revenue as a factor in fixing fair rent in order to avoid ambiguity and ensure uniformity of practice and fairplay.

#### LAND ALIENATION BILL.

All that I have to say with regard to this Bill is it is like putting the cart before the horse introducing a measure of this kind without establishing credit institutions beforehand. There is bound to be serious dislocation, nay, drying up of credit to agriculturists. No banker or money-lender of repute will lend money to agriculturists on the terms contained in the Bill. We have it on the authority of a Banker witness. I therefore trust that credit institutions will come into existence before agriculturists are thrown into the hands of unscrupulous money-lenders completely.

MAUNG TUN.

RANGOON, the 15th July 1938.



**Note of Dissent by U Ba Win, B.Sc., B.L., M.H.R.**

In spite of the exhaustive scrutiny, examination of 55 witnesses from various parts of Burma, and a very careful consideration of the two Bills, I cannot help but feel that we have not arrived at really satisfactory conclusions on few controversial points.

They are :—

- (1) the question of taking into consideration land revenue as a main factor when a fair rent is fixed ;
- (2) the question of raising the points of fair rent by a tenant in spite of any previous agreement; in a suit before a Civil Court for arrears of rent ; and
- (3) the proportion of remission of rent by landlord to his tenant in case of remission of revenue.

For want of time, and lack of thorough discussion with sufficient number of practical agriculturists, I am not in a position to make any better suggestions.

In endorsing paragraph 30 of the Report, I should like to urge that the problem of agricultural credit should be tackled expeditiously by the Government. The subject of Land Mortgage Banks is wide and I do not intend to touch on all its difficulties and complexities in this note. Many officers have been placed on Special Duty, and proposals have been made. In almost all the proposals the recommendations have been a welding of the land mortgage system on to the present co-operative system and employment of higher paid Government officers with no practical experience of land mortgage banking. I personally have grave doubts on the success of these recommended systems. Perhaps most of the recommendations are based on the system followed in India.

In my opinion the safest and most expeditious line to adopt in Burma would be to get hold of some of the Banks which are engaged in practical business of land mortgage, and turn them into Public Utility Institutions, with State control over them.

BA WIN.

RANGOON, *the 15th July 1938.*

**Note of Dissent by Mr. W. T. McIntyre, M.H.R.**

The importance of the proposed legislation merited, in my opinion, a more thorough examination than that permitted by the limitations of time imposed on the Committee. The delay in making copies of the two reports by the Land and Agricultural Committee on (1) Tenancy and (2) Land Alienation, available to the public only on 6th June, has not given witnesses adequate time for study and the absence of translations of these reports into Burmese has, I fear, handicapped Burmese witnesses. At their meeting on 11th June the Committee resolved that translations into Burmese of the proposed Bills should be made and widely published. Through lack of time nothing more was possible. I am afraid, however, that Burmese witnesses were scarcely given enough time thoroughly to study the proposed measures, and, without the report of the Land and Agricultural Committee as a background, were placed at a disadvantage.

With reference to paragraph 11 of the report, had time permitted I feel it would have been an advantage to have sought evidence as to the practicability of the proposals to confine most matters to Revenue Courts as it may be that the setting up of Land Boards, as an alternative, would have been desirable but doubtless Government will satisfy themselves as to the adequacy of the machinery proposed to work the Acts.

With reference to paragraph 26 of the report, witnesses connected with two existing agricultural credit agencies declared they would not be prepared to make advances to agriculturist landlords on the security of their land as laid down in clauses 5 and 6 of the proposed Bill. It appears to me that it may be desirable at the commencement to confine the Act to a specified area, in order to study the effect of its working.

With reference to paragraph 27 of the report, I have not had the benefit of discussing the new clauses 11, 12 and 13 of the Land Alienation Bill with my colleagues of the Committee, but I venture to express the hope that Government in respect of clause 11 will take the most liberal view of what constitutes a family of reasonable size. I am unable to accept clauses 12 and 13. I can see no reason why a man's assets should not be available to his just and lawful creditors. If, for example, an agriculturist were to be cast in damages, for some wrongful act by a Court of law it would surely be intolerable that he should be sheltered from execution of such a decree by the operation of clauses 12 and 13.

W. T. McINTYRE.

RANGOON, *the 15th July 1938.*

**Note of Dissent by Mr. A. M. M. Vellayan Chettyar, M.H.R.**

*Land Legislation Committee's Bills.*—I regret very much to have to disagree with my colleagues on the conclusions reached on some of the most important and basic questions concerning tenancy and land alienation. There has been a preponderance of desire among the members to leave many of the cardinal questions to be decided by the executive entrusted with the administration. Substantive questions such as the definition of "unfair treatment," provision for appeal and fixation of various areas in the Land Alienation Bill, etc., requiring definite indication of policy have been left to be decided by the Governor or the executive. The tenancy legislation aims at protecting the rights of the tenants, but by no means does that intend to jeopardize the rights of the landlord. Even a cursory perusal of the Bill will leave the impression that while the tenant is carefully tended the landlord is either ignored or hit.

**TENANCY BILL.**

*Clause 18.*—Notwithstanding the fact that most of the witnesses examined were opposed to the appointment of the Rent Settlement Officer and conceded only, if it should be inevitable, settlement of fair rent by him in disputed cases alone, the Committee retained the clause in its original form. The Governor is required to appoint such officer by executive authority and the very provision will be the harbinger of interminable litigation between the landlord and the tenant; for a matter which is best settled by mutual consent is sought to be adjusted by super-imposing a new authority the existence of which is sure to engender artificial discontentment. There will again be insuperable difficulties and practical obstacles in the actual working of the measure to any degree of efficiency and in satisfactorily fixing a fair rent of any holding. Above all is the cost of the machinery proposed. Perhaps the only result will be to make land, which is already less attractive, compared with other industries and sources of investment, less valuable. In view of the many encumbrances and unwanted interference in the natural adjustment of normal affairs, possession of land instead of being a cherished desire will be shunned by peace-loving citizens.

*Clause 2.*—The operation of the Bill is excluded to tenants who hold more than 200 acres in Lower Burma or 100 acres in Upper Burma or 200 acres in Lower and Upper Burma. The last mentioned condition will for obvious reasons lead to anomalous situation. Even with regard to the other two, the holding of either 200 or 100 acres may be so scattered that it may not be humanly possible for any tenant to work them personally. For any tenant to cultivate this much area he must perforce employ labour and as the bill now stands he may with impunity create subsidiary holdings, for under Clause 44 a labourer who is virtually a tenant may claim rights as such. This creation of intermediaries which is the curse of the tenancy system in other parts should be avoided and it will be extremely desirable in my view to restrict the extent of the holdings to an economic unit which has been as a result of several enquiries found to be somewhere about 30 acres. This will surely stop smaller tenants being pushed out and reduced to the position of labourers.

*Clauses 3 (1), 31, 32 and 33.*—The term "agriculturist" has created considerable controversy. Its presence in the bill, besides limiting its usefulness hinders the smooth working. If a landlord intends resuming the land either to work it himself or to lease it to his near relations then the landlord or such relation who is a tenant is required to be an agriculturist. The bill has been further modified by introduction of additional clauses so as to require such landlord or tenant to work the land with his own hands. A tenant under the bill has the privilege of engaging hired labour to work the land. This privilege is being denied to the landlord who is after all anxious to work his own land. This is, of course, manifestly unjust, and the

repercussions are likely to have deterrent effect on the agricultural operations and the political economy of the country. In Burma where agriculture is the mainstay, large scale cultivation on economic and industrial lines will increase the wealth of the country and thereby enhance the purchasing power. Any one alive to the present world conditions will realize that large estates are essential and specialization and mass production alone can survive competition. Such cultivation will not in any way interfere with the intended distribution of small areas among the peasants and particularly so in view of the limited local population and influx of labourers from outside Burma for cultivation of the existing expanses of arable lands. It is my considered opinion that there should be no restriction placed on the right of the landlord to work his land with the aid of hired labour as much as the tenant under the bill.

*Clause 6.*—The costs of attachment are required to be borne by the applicant and is intended to be a check on hasty or ill-conceived attachment. To give a right and to take it by the back door is no acme of legislation. If the applicant should be the landlord he may not feel this burden. But should he be the poor labourer then this condition will be an insurmountable impediment in his way of getting justice. Ordinarily successful litigants get costs awarded and there is no reason pointing to a deviation from the usual course. To be fair, costs should be included with the rent or the hire of labourers and be recovered as a first charge.

*Clause 16.*—In any litigation before a Civil Court, if a question of fair rent arises it is to be referred to a Revenue Officer for decision. In clause 16 however the tenant is given the privilege to dispute indiscriminately the fairness of the rent at any time a suit is filed in a Civil Court. The disputed rent can be only the effect of an agreement expressed or implied between the landlord and the tenant or the one fixed by the Revenue or Rent Settlement Officer. In none of the cases does the tenant possess the semblance of justice to dispute the fairness and hence this provision in the clause seems unnecessary.

*Clause 25.*—The landlord is required to remit the rent at the same proportion at which the revenue is remitted. In view of the great hardship to the landlord and also in view of the tenant being entitled to the irreducible minimum and unattachable produce, many of the witnesses examined suggested that it would be fair and quite equitable if the amount of land revenue remitted is passed on to the tenant. There are also several difficulties in the actual working of the adjustment proposed.

#### LAND ALIENATION BILL.

The inalienable portion of land is being exempt from attachment for a civil decree but it should also be made incapable of voluntary transfer if the aim is not to fail. Besides it may not be desirable to leave the extent of this area to be fixed by the executive and I suggest that 30 acres will be a reasonable limit. In addition to this limit, there should be another limit within which the agriculturists may alienate land to other agriculturists alone and beyond which they may alienate either to agriculturists or non-agriculturists. A provision of this nature will not militate against the object of the measure. Indeed if an agriculturist comes to possess more than 30 acres of land he ceases to be a peasant proprietor and when his holding is about 100 acres or over he tends to be an industrial agriculturist. My own personal view is that 100 acres will be a suitable maximum limit.

I consider that the establishment of institutions for providing credit facilities to the agriculturists should be simultaneous if not precede the introduction of either legislation, and any hasty attempt to put into effect these measures without providing for such credit facilities as suggested by the Committee is to paralyse the normal working of a simple industry which is the mainstay of the people and the major source of revenue.

A. M. M. VELLAYAN CHETTYAR.

RANGOON, the 15th July 1938.

APPENDIX J.

BILL AS PROPOSED BY THE LAND AND AGRICULTURE COMMITTEE.

HOUSE OF REPRESENTATIVES.

BILL No. OF 1938.

THE TENANCY BILL, 1938.

*A Bill to make provision for certain matters relating to Agricultural Tenancies.*

WHEREAS it is expedient to regulate Agricultural Tenancies ; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

1. (1) This Act may be called the Tenancy Act, 1938.
- Short title, extent and commencement. (2) It shall come into force on such date as the Governor may, by notification, specify in this behalf.
- (3) This section extends to the whole of British Burma, but the Governor may by notification extend all or any of the remaining sections to any area in British Burma.

2. In this Act, unless there is anything repugnant in the subject or context,—
- Definitions.

- (1) " agriculturist " means a person—
- (a) who is engaged or has habitually been engaged in the cultivation of land with his own hands as his principal means of subsistence ; or
- (b) who satisfies both the following conditions, namely—
- (i) that he superintends personally and throughout the working periods of the year the actual cultivation of land including all the processes thereof and the treatment of the cattle and other equipment used therein ; and
- (ii) that he derives the major part of his income either from such superintendence or from the cultivation of land with his own hands or jointly from such superintendence and such cultivation ;

(2) " charge " means a charge created by section 4 ;

(3) " improvement " means a work made after the coming into force of this Act and suitable to the tenancy, by which the productivity of the land is increased and includes—

- (a) the construction of works for drainage and for protection against floods ;

BILL AS REVISED BY THE LAND LEGISLATION COMMITTEE. CHANGES ARE UNDERLINED.

HOUSE OF REPRESENTATIVES

BILL No. OF 1938.

THE TENANCY BILL, 1938.

*A Bill to make provision for certain matters relating to Agricultural Tenancies.*

WHEREAS it is expedient to regulate Agricultural Tenancies ; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

1. (1) This Act may be called the Tenancy Act, 1938.
- Short title, extent and commencement. (2) It shall come into force on such date as the Governor may, by notification, specify in this behalf.
- (3) This section extends to the whole of British Burma, but the Governor may by notification extend all or any of the remaining sections to any area in British Burma.

2. Nothing in this Act shall apply to a tenant who holds a tenancy or tenancies which in the aggregate exceed two hundred acres in Lower Burma or one hundred acres in Upper Burma, or two hundred acres partly in Lower Burma and partly in Upper Burma.

3. In this Act, unless there is anything repugnant in the subject or context,—
- Definitions.

- (1) " agriculturist " means a person—
- (a) who is engaged or has habitually been engaged in the cultivation of land with his own hands as his principal means of subsistence ; or
- (b) who satisfies both the following conditions, namely—
- (i) that he superintends personally and throughout the working periods of the year the actual cultivation of land including all the processes thereof and the treatment of the cattle and other equipment used therein ; and
- (ii) that he derives the major part of his income either from such superintendence or from the cultivation of land with his own hands or jointly from such superintendence and such cultivation ;

(2) " charge " means a charge created by section 5 ;

(3) " improvement " means a work made after the coming into force of this Act and suitable to the tenancy, by which the productivity of the land is increased and includes—

- (a) the construction of works for drainage and for protection against floods ;

- (b) the construction of works for the storage and supply of water for agricultural purposes ;
- (c) the reclaiming, enclosing, levelling and terracing of land for agricultural purposes ;
- (d) the renewal or reconstruction of any of the foregoing works or such alterations therein or additions thereto as are not of the nature of mere repairs and as durably increase their value ;

but it does not include manuring or such clearances, embankments, levellings, enclosures or water channels as are made by tenants in the ordinary course of cultivation and without any special expenditure, or any other benefit accruing to the land from the ordinary operations of husbandry ;

(4) "labourer" means a person employed for wages in the cultivation of land ;

(5) "land" means land which is not occupied as the site of any building in a town or village and is occupied or has been let for agricultural purposes or for purposes subservient to agriculture and includes the sites of buildings and other structures on such land ;

(6) "landlord" means any person under whom a tenant holds land and to whom such tenant is liable to pay rent ;

(7) "lease" means a lease of immoveable property as defined in section 105 of the Transfer of Property Act ;

(8) "prescribed" means prescribed by rules made under this Act ;

(9) "rent" means whatever is payable to a landlord in money, kind or service by a tenant on account of the use or occupation of the land held by him ;

(10) "Revenue Officer" means any person whom the Governor may appoint to do anything required by this Act to be done by a Revenue Officer ; provided that except in the case of a Myoök in charge of a Subdivision, no person who is lower in rank than an Extra Assistant Commissioner or Superintendent of Land Records shall be appointed a Revenue Officer under this Act ;

(11) "tenant" means a person who holds land under another person and is liable to pay rent for that land to that other person but does not include a mortgagee or an agent or labourer employed by the landlord ;

(12) "tenancy" means the holding of a tenant under a single lease ;

(13) "tenancy year" means the twelve months commencing on the first day of the month of *tabaung* or such shorter period commencing on such date as the Governor may by notification appoint for leases of any particular kind of land ;

(14) "wages" means the amount in money or kind which an employer stipulates that he will pay a labourer for work done in the cultivation of land.

## CHAPTER II.

### CHARGES OF LANDLORDS, OWNERS OF CATTLE AND LABOURERS.

3. Nothing in this Chapter shall apply to such agricultural produce as is exempted from attachment under the provisions of section 61 of the Civil Procedure Code.

- (b) the construction of works for the storage and supply of water for agricultural purposes ;

- (c) the reclaiming, enclosing, levelling and terracing of land for agricultural purposes ;

- (d) the renewal or reconstruction of any of the foregoing works or such alterations therein or additions thereto as are not of the nature of mere repairs and as durably increase their value ;

but does not include manuring or such clearances, embankments, levellings, enclosures or water channels as are made by tenants in the ordinary course of cultivation and without any special expenditure, or any other benefit accruing to the land from the ordinary operations of husbandry ;

(4) "labourer" means a person employed for wages in the cultivation of land ;

(5) "land" means land which is not occupied as the site of any building in a town or village and is occupied or has been let for agricultural purposes or for purposes subservient to agriculture and includes the sites of buildings and other structures on such land ;

(6) "landlord" means any person under whom a tenant holds land and to whom such tenant is liable to pay rent ;

(7) "lease" means a lease of immoveable property as defined in section 105 of the Transfer of Property Act ;

(8) "prescribed" means prescribed by rules made under this Act ;

(9) "rent" means whatever is payable to a landlord in money, kind or service by a tenant on account of the use or occupation of the land held by him ;

(10) "Revenue Officer" means any person whom the Governor may appoint to do anything required by this Act to be done by a Revenue Officer ; provided that except in the case of a Myoök in charge of a Subdivision, no person who is lower in rank than an Extra Assistant Commissioner or Superintendent of Land Records shall be appointed a Revenue Officer under this Act ;

(11) "tenant" means a person who holds land under another person and is liable to pay rent for that land to that other person but does not include a mortgagee or an agent or labourer employed by the landlord ;

(12) "tenancy" means the holding of a tenant under a single lease ;

(13) "tenancy year" means the twelve months beginning from the 15th day before the Burmese New Year day or such period commencing on such date as the Governor may by notification appoint for leases of any particular kind of land ;

(14) "wages" means the amount in money or kind which an employer stipulates that he will pay a labourer for work done in the cultivation of land.

## CHAPTER II.

### CHARGES OF LANDLORDS, OWNERS OF CATTLE AND LABOURERS.

4. Nothing in this Chapter shall apply to such agricultural produce as is exempted from attachment under the provisions of section 61 of the Civil Procedure Code.

4. (1) The unpaid rent payable for the current tenancy year in respect of a Charges on produce. tenancy and the unpaid hire of labourers employed by the tenant in the same year shall rank equally and shall be a first charge on the produce thereof raised in that year.

(2) The unpaid advances granted by the landlord to the tenant to meet the expenses of cultivation in respect of the current tenancy year, the unpaid interest thereon and the unpaid hire of cattle supplied by the landlord to the tenant in the same year shall rank equally and shall be a second charge on the produce thereof :

Provided that the advances and the interest so charged shall be limited to such sum per acre and such rate not exceeding one per cent per month, respectively, as may be prescribed generally or for any particular area.

(3) Notwithstanding anything contained in the Transfer of Property Act, 1882, or in the Code of Civil Procedure, 1908, the charges created by the foregoing sub-sections shall be enforceable in the manner prescribed in this Chapter and in no other way.

(4) The said produce, until it is stored after threshing, winnowing and the like operations customary before storing, shall be deemed to be hypothecated for the said charges, and until such charges have been satisfied or have lapsed under the provisions of this Chapter no other claim on the produce shall be enforced by sale in execution of a decree of a Civil Court or otherwise ; provided that the surplus, if any, remaining after the charges have been satisfied shall be deposited in the Court from which the order for attachment or sale was issued.

(5) When the produce is insufficient to satisfy the first charges in full it shall be divisible among the landlord and the labourers in proportion to the unpaid rent and wages.

(6) When the produce is sufficient to satisfy the first charges but is insufficient to satisfy the second charges in full, the balance remaining after the first charges are satisfied shall be payable to the landlord.

(7) Nothing in this section shall affect the rights of Government to any revenue, rent, tax or fee owing to it.

5. (1) If any person who has a charge fears Attachment. that the produce will be removed from the holding on which it was raised or from the tenancy before he has been paid the rent, wages or hire for which he has a charge, he may apply as soon as the reaping or gathering of the crop has begun to the headman of the village-tract in which the holding or tenancy or any part of it is situated to attach the produce, including standing crops.

(2) For the purposes of this section the threshing floor or other place where produce is taken and kept for threshing, winnowing, treading out of grain or the like shall be deemed to be part of the holding or tenancy.

(3) In the absence of the headman the application may be made to any other member of the

5. (1) The unpaid rent payable for the Charges on produce. current tenancy year in respect of a tenancy and the unpaid hire of necessary labourers customarily employed by the tenant in the same year shall rank equally and shall be a first charge on the produce thereof for that year.

(2) The unpaid advances granted by the landlord to the tenant to meet the expenses of cultivation in respect of the current tenancy year, the unpaid interest thereon and the unpaid hire of cattle supplied by the landlord to the tenant in the same year shall rank equally, and shall be a second charge on the produce thereof for that year :

Provided that the advances and the interest so charged shall be limited to such sum per acre and such rate not exceeding one per cent per month, respectively, as may be prescribed generally or for any particular area.

(3) Notwithstanding anything contained in the Transfer of Property Act, or in the Code of Civil Procedure, the charges created by the foregoing sub-sections shall be enforceable in the manner prescribed in this Chapter and in no other way.

(4) The said produce, until it is removed from the holding after threshing, winnowing and the like operations customary before removal, shall be deemed to be hypothecated for the said charges, and until such charges have been satisfied or have lapsed under the provisions of this Chapter no other claim on the produce shall be enforced ; provided, however, that the surplus, if any, remaining after the said charges have been satisfied shall be deposited in the Court from which the order for attachment or sale was issued.

(5) When the produce is insufficient to satisfy the first charges in full it shall be divisible among the landlord and the labourers in proportion to the unpaid rent and wages.

(6) When the produce is sufficient to satisfy the first charges but is insufficient to satisfy the second charges in full, the balance remaining after the first charges are satisfied shall be payable to the landlord.

(7) Nothing in this section shall affect the rights of the Crown to any revenue, rent, tax or fee owing to it.

6. (1) If any person who has a charge fears Attachment. that the produce will be removed from the holding on which it was raised or from the tenancy before he has been paid the rent, wages or hire for which he has a charge, he may apply as soon as the reaping or gathering of the crop has begun to the headman of the village-tract in which the holding or tenancy or any part of it is situated to attach the produce, including standing crops. Every application under this section shall be accompanied by a deposit in cash for the cost of the attachment estimated in such manner as may be prescribed.

(2) For the purposes of this section the threshing floor or other place where produce is taken and kept for threshing, winnowing, treading out of grain or other process shall be deemed to be part of the holding or tenancy.

(3) In the absence of the headman the application may be made to any other member of the

Village Committee of the tract in which the holding or tenancy or any part of it is situated.

(4) The person to whom application is made shall forthwith issue a warrant to attach the produce and shall appoint some proper person nominated by the applicant to take care of it during attachment. Such warrant shall not be executed if the produce has been removed from the holding or tenancy. The person appointed to take care of the produce during attachment shall be deemed to be a public servant.

(5) The attachment shall be made by affixing the warrant of attachment—

(i) where the produce is a growing crop, on the land on which such crop has grown ;

(ii) where such produce has been cut or gathered, on the threshing floor or place for treading out grain or the like on or in which it is deposited.

(6) Notwithstanding the attachment, standing crops may be reaped by the tenant and may be gathered in such place as is commonly used by him under the supervision of the person appointed to take care of the attached produce.

(7) If the tenant neglects to reap standing crops which have been attached, the landlord if he has a charge on the produce may reap and gather such crops or may cause such crops to be reaped and gathered in such place as may be convenient under the supervision of the person appointed to take care of the attached produce.

(8) If within five days of the attachment the person who caused the produce to be attached under sub-section (4) does not apply to the Village Committee to effect an amicable distribution of the attached produce or of so much of it as may be necessary to satisfy the charges on it, among the persons having such charges and the tenant, the Committee after setting aside so much of the produce as may be prescribed to remunerate the person appointed to take care of the attached produce, shall remove the attachment forthwith. The produce so set aside shall be delivered to the said person, and the amount of the debt due to the person having the charge who caused the attachment to be made shall be reduced by the amount set aside and delivered.

(9) If within five days of the attachment the person who caused the produce to be attached under sub-section (4) applies to the Village Committee to effect an amicable distribution of the attached produce, or of so much of it as may be necessary to satisfy the charges on it, among the persons having such charges and the tenant, the Committee shall thereupon summon all persons who have intimated to it that they have charges on the produce or who are known to it to have such charges, to attend before it at a specified place and at a specified time, not being later than seven days from the date of such summons. The

Village Committee of the tract in which the holding or tenancy or any part of it is situated. In a village-tract where no Village Committee has been constituted, the application may be made to a rural constable (sè-aingaung or wagaung) in the absence of the headman, and the functions entrusted to the Village Committee in this section shall be discharged by the headman.

(4) The person to whom application is made shall forthwith issue a warrant to attach the produce and shall appoint some proper person nominated by the applicant to take care of it during attachment. Such warrant shall not be executed if the produce has been removed from the holding or tenancy. The person appointed to take care of the produce during attachment shall be deemed to be a public servant.

(5) The attachment shall be made by affixing the warrant of attachment—

(i) where the produce is a growing crop, on the land on which such crop has grown ;

(ii) where such produce has been cut or gathered, on the threshing floor or place for treading out grain or other process on or in which it is deposited.

(6) Notwithstanding the attachment, standing crops may be reaped by the tenant and may be gathered in such place as is commonly used by him under the supervision of the person appointed to take care of the attached produce.

(7) If the tenant neglects to reap standing crops which have been attached, the landlord if he has a charge on the produce may reap and gather such crops or may cause such crops to be reaped and gathered in such place as may be convenient under the supervision of the person appointed to take care of the attached produce. The cost incurred by the landlord under this sub-clause shall be deemed to be part of the rent payable to the landlord for the current tenancy year for the purpose of this Chapter.

(8) If within seven days of the attachment the person who caused the produce to be attached under sub-section (4) does not apply to the Village Committee to effect an amicable distribution of the attached produce or of so much of it as may be necessary to satisfy the charges on it, among the persons having such charges and the tenant, the Committee shall remove the attachment forthwith. The Committee shall refund to the applicant the deposit he made under sub-section (1) less so much of the sum as may be prescribed to remunerate the person appointed to take care of the attached produce under sub-section (4).

(9) If within seven days of the attachment the person who caused the produce to be attached under sub-section (4) applies to the Village Committee to effect an amicable distribution of the attached produce, or of so much of it as may be necessary to satisfy the charges on it, among the persons having such charges and the tenant, the Committee shall thereupon summon all persons who have intimated to it that they have charges on the produce or who are known to it to have such charges, to attend before it at a specified place and at a specified time, not later than seven days from the date of such



tenant shall also, by notice in writing, be invited at such place and time.

(10) At the place and time so fixed or at any place or time to which the Committee may adjourn the proceedings the Committee shall hear all the aforesaid persons, or such as attend, in turn, and shall use its best endeavours to induce them to agree to an amicable distribution of the produce. It may hear, but shall not record, the statement of any witness and may peruse any relevant book of account or other document produced for its inspection.

(11) If such of the persons aforesaid or their agents authorized in writing to consent to an agreement as attend before the Committee reach an agreement the Committee, after setting aside so much of the produce as may be prescribed to remunerate the persons appointed under sub-section (4) and the members of the Committee, shall remove the attachment and shall distribute the produce in accordance with the agreement.

(12) If any person who has a charge fails to attend before the Committee either in person or by an agent authorized in writing to consent to an agreement after notice has been received by him or a summons left at his house, his charge shall, notwithstanding anything in section 4, be postponed to the charges of persons who have attended before the Committee. His absence and the absence of the tenant after notice received or summons left shall not prevent the Committee from proceeding under sub-sections (10) and (11).

(13) If the persons having charges and the tenant who attend before the Committee fail to come to an agreement for the distribution of the attached produce the Committee shall furnish each of those so attending with a certificate in the prescribed form which shall state the failure to agree.

(14) If within twenty days of the issue of a certificate no order is received from a Civil Court regarding the attachment, the Committee, after setting aside so much of the produce as may be prescribed to remunerate the persons appointed under sub-section (4) and the members of the Committee, shall remove the attachment.

(15) Nothing in the foregoing sub-sections shall prevent the persons having charges and the tenant from selling the produce by agreement and depositing the proceeds in a prescribed place. While the proceeds are so deposited, the charges which were attached to the produce shall be attached to the proceeds, and any warrant by which the produce was attached shall be deemed to have attached the proceeds.

(16) If within seven days of the issue of a certificate under sub-section (13) a person, other than the tenant, to whom such a certificate has been issued institutes a suit to recover the rent, advance, hire or wages to which the certificate refers or any portion of such rent, advance, hire or wages, the Court shall direct either that the attachment of so much of the produce as will satisfy the amount in dispute be continued pending the decision of the suit, or that so much of the attached produce as will satisfy the amount in dispute be sold and the proceeds be placed in

summons. The tenant shall also be given notice in writing to attend at such place and time.

(10) At the place and time so fixed or at any place or time to which the Committee may adjourn the proceedings, the Committee shall hear all the aforesaid persons, or such as attend, in turn, and shall use its best endeavours to induce them to agree to an amicable distribution of the produce. It may hear, but shall not record, the statement of any witness and may peruse any relevant book of account or other document produced for its inspection.

(11) If such of the persons aforesaid as attend before the Committee reach an agreement the Committee shall remove the attachment and shall distribute the produce in accordance with the agreement. The Committee shall then refund to the applicant the deposit he made under sub-section (1) less so much of the sum as may be prescribed to remunerate the person appointed to take care of the attached produce under sub-section (4) and the members of the Village Committee.

(12) If any person who has a charge fails to attend before the Committee after notice has been received by him or a summons left at his house, he shall be bound by any agreement reached under sub-section (11) between those present and his absence and the absence of the tenant after notice received or summons left shall not prevent the Committee from proceeding under sub-sections (10) and (11).

(13) If the persons having charges and the tenant who attend before the Committee fail to come to an agreement for the distribution of the attached produce the Committee shall furnish each of those so attending with a certificate in the prescribed form which shall state the failure to agree.

(14) If within twenty days of the issue of a certificate no order is received from a Civil Court regarding the attachment, the Committee shall remove the attachment. The remuneration of the persons appointed under sub-section (4) and the members of the Committee shall be payable by the person who made the application under sub-section (1) and the balance, if any, of the deposit made by him under the same sub-section shall be refunded to him.

(15) Nothing in the foregoing sub-sections shall prevent the persons having charges and the tenant from selling the produce by mutual consent and depositing the proceeds in a prescribed place. While the proceeds are so deposited, the charges which were attached to the produce shall be attached to the proceeds, and any warrant by which the produce was attached shall be deemed to have attached the proceeds.

(16) If within seven days of the issue of a certificate under sub-section (13) a person, other than the tenant, to whom such a certificate has been issued institutes a suit to recover the rent, advance, hire or wages to which the certificate refers or any portion of such rent, advance, hire or wages, the Court shall direct either that the attachment of so much of the produce as will satisfy the amount in dispute be continued pending the decision of the suit, or that so much of the attached produce as will satisfy the amount in dispute be sold and the proceeds be placed in

deposit pending such decision. It shall direct that so much of the produce as it releases from attachment or so much of the proceeds as it does not direct to be placed in deposit shall be returned to the person in whose possession the produce was when attached.

6. No suit for rent, hire or wages shall be instituted by any person who has caused the produce of the land to be attached under section 5 until he has received a certificate under sub-section (13) or the attachment is removed.

Bar to suit until receipt of certificate or until attachment is removed.

deposit pending such decision. It shall direct that so much of the produce as it releases from attachment or so much of the proceeds as it does not direct to be placed in deposit shall be returned to the person in whose possession the produce was when attached.

7. No suit for rent, hire or wages shall be instituted by any person who has caused the produce of the land to be attached under section 6 until he has received a certificate under sub-section (13) or the attachment is removed.

Bar to suit until receipt of certificate or until attachment is removed.

8. Any action required of or permitted to any party to an attachment under this Chapter may be performed by his agent authorized in writing in that behalf.

CHAPTER III.

IMPROVEMENTS.

7. A landlord may make improvements to his land notwithstanding the fact that the land is held by a tenant.

8. (1) A tenant shall be entitled to make an improvement on the land he holds with the permission of the landlord and shall be entitled to compensation from the landlord if evicted by the landlord. Where the order of eviction is passed by a Civil Court and the tenant claims compensation for improvements, the Court shall, before enforcing the order of eviction, record such evidence as may be necessary and fix and award to the outgoing tenant such compensation for improvement claimed to have been made by the tenant as the Court may decide to be fair :

Provided that when the rent is in arrears, such arrears shall be set off against the compensation awarded :

Provided also that nothing in this sub-section shall be deemed to prevent an evicted tenant from recovering the compensation by a separate suit.

(2) Where any sum is awarded as compensation under the foregoing sub-section, the Civil Court shall make an order forbidding the landlord to evict the tenant until such sum is paid, and if payment is not made within sixty days of the end of the tenancy year, shall, on application by the tenant, make a further order forbidding the landlord to evict the tenant during the then current tenancy year.

CHAPTER III.

IMPROVEMENTS.

9. A landlord may make improvements to his land notwithstanding the fact that the land is held by a tenant.

10. (1) A tenant who makes an improvement on the land with the written permission of the landlord shall be entitled to compensation from the landlord when he vacates the land. No suit for such compensation shall lie in a Civil Court but a Revenue Officer shall, on the application of a tenant adjudicate claims for compensation under this sub-section and where an order evicting a tenant is passed by a Civil Court and the tenant claims compensation for improvements, the Court shall, before enforcing the order of eviction, refer the claim to a Revenue Officer having jurisdiction in the matter and shall award the outgoing tenant such compensation for improvements as shall have been determined by the Revenue Officer :

Provided that when any sum recoverable by the landlord as a charge is in arrears, such arrears shall be set off against the compensation awarded.

(2) Where any sum is awarded as compensation under the foregoing sub-section, the Court shall make an order forbidding the landlord to evict the tenant until it is paid, and if payment is not made within sixty days after the end of the tenancy year, shall, on application by the tenant, make a further order forbidding the landlord to evict the tenant during the then current tenancy year.

11. A Revenue Officer adjudicating a claim for compensation under section 10 shall hold the enquiry with the aid of two thamadis one of whom shall be appointed on the nomination of the tenant and the other on the nomination of

9. In estimating the amount of compensation payable under section 8, the Civil Court shall have regard to—  
Considerations in determining the amount of compensation.

- (a) the amount by which the produce of the land or the value of that produce has been increased by the improvement ;
- (b) the condition of the improvement and the probable duration of the effects thereof ;
- (c) the labour and capital required in making the improvement ;
- (d) any remission or reduction of rent or other advantage given by the landlord to the tenant in consideration of the improvement ;
- (e) the length of time during which the tenant has had the benefit of the improvement.

10. Stipulations in a contract providing that a tenant on ejection from his holding shall not be entitled to compensation for improvement in any case in which he would, under this Act, be entitled to such compensation shall be void.  
Invalidity of agreements to forego compensation.

the landlord. These *thamadis* shall be members of the Village Committee where such a Committee has been constituted under the Burma Village Act. If the tenant or the landlord fails to nominate a *thamadi*, the Revenue Officer shall select the *thamadi* himself.

12. In estimating the amount of compensation payable under section 10 the Revenue Officer shall have regard to—  
Considerations in determining the amount of compensation.

- (a) the amount by which the produce of the land or the value of that produce has been increased by the improvement ;
- (b) the condition of the improvement and the probable duration of the effects thereof ;
- (c) the labour and capital required in making the improvement ;
- (d) any remission or reduction of rent or other advantage given by the landlord to the tenant in consideration of the improvement ;
- (e) the length of time during which the tenant has had the benefit of the improvement.

13. A claim for compensation under this Chapter shall be made to a Revenue Officer within ninety days of the vacation of the holding by the tenant.

14. Stipulations in a contract providing that a tenant on leaving his holding shall not be entitled to compensation for improvement in any case in which he would, under this Act, be entitled to such compensation shall be void.  
Invalidity of agreements to forego compensation.

15. Notwithstanding the provisions of any other law, no Civil Court shall have power to evict a tenant for failure to pay rent or for a breach of the conditions of a tenancy or for any debt incurred by the tenant.

#### CHAPTER IV.

##### PROVISIONS RELATING TO RENT.

11. (1) Notwithstanding any agreement to the contrary, no tenant shall be liable to pay to the landlord any rent in excess of the fair rent of the tenancy, and, in a suit before a Civil Court for arrears of rent or for eviction for arrears of rent, or in an application made by a tenant for a new lease under Chapter V, the tenant may plead that the rent demanded is not a fair rent :  
Right of tenants to pay a fair rent.

Provided that a rent determined under the orders of the Revenue Officer or a Rent Settlement Officer under the provisions of this Chapter shall be deemed to be the fair rent and that in the absence of such determination, the rent fixed by expressed or implied agreement between the landlord and the tenant shall be presumed to be a fair rent until the contrary is proved.

#### CHAPTER IV.

##### PROVISIONS RELATING TO RENT.

16. (1) Notwithstanding any agreement to the contrary, no tenant shall be liable to pay to the landlord any rent in excess of the fair rent of the tenancy, and, in a suit before a Civil Court for arrears of rent, or in an application made by a tenant for a new lease under Chapter V, the tenant may plead that the rent demanded is not a fair rent :  
Right of tenants to pay a fair rent.

Provided that a rent determined under the orders of the Revenue Officer or a Rent Settlement Officer under the provisions of this Chapter shall be deemed to be the fair rent and that in the absence of such determination, the rent fixed by expressed or implied agreement between the landlord and the tenant shall be presumed to be a fair rent until the contrary is proved.

(2) If such plea is proved—

(a) a Civil Court shall, in awarding a decree for arrears of rent, assess the amount in accordance with such rent as may appear to it to be fair, and, in a suit for eviction for arrears of rent, may, in its discretion, refuse to evict the tenant ;

(b) a Revenue Officer shall, in determining whether a tenant has treated his landlord unfairly, take the fact into account as a circumstance in favour of the tenant.

12. (1) A landlord or a tenant may, subject to the proviso to section 16, apply to a Revenue Officer for the determination of the fair rent of the land.

(2) On receipt of such an application, the Revenue Officer shall give due notice to the opposite party and after due local enquiry with the aid of *thamadis* appointed by him from among the permanent residents of the village-tract in which the land is situated, shall pass an order determining the fair rent of the land.

13. (1) The Governor may appoint a Rent Settlement Officer for a specified area not smaller than a village-tract and such officer shall, after giving due notice to the residents of the area, hold an enquiry with the aid of *thamadis* appointed by him from among the residents of the area and fix the fair rent of every tenancy existing in the area.

(2) The appointment of a Rent Settlement Officer shall be notified in the Gazette.

14. In determining the fair rent, the Revenue Officer or Rent Settlement Officer shall have regard to the outturn of the land if cultivated with due diligence, to the cost of cultivation, including the reasonable remuneration of such necessary physical labour in its cultivation as has been performed by the tenant or any member of his family living with him, to the rent as determined by competition which has been paid for the land and for similar land in the neighbourhood over long periods, to the market value of the produce if the rent is payable in money, and to such other factors as may seem relevant. But regard shall not be had to any diminution of outturn caused by the incapacity, illness, incompetence or other such disability of the tenant.

(2) If such plea is proved—

(a) a Civil Court shall, in awarding a decree for arrears of rent, assess the amount in accordance with such fair rent as may have been determined under the provisions of this Chapter and if no such fair rent has been determined, the Court shall refer the matter to a Revenue Officer having jurisdiction in the matter for determination of the fair rent of the land ; a Revenue Officer on being referred to under this sub-section shall proceed in the same manner as under section 17 with the exception that he shall issue notices to both parties.

(b) a Revenue Officer shall, in determining whether a tenant has treated his landlord unfairly, take the fact that the rent was not a fair one into account as a circumstance in favour of the tenant.

17. (1) A landlord or a tenant may, subject to the provisions of section 22, apply to a Revenue Officer for the determination of the fair rent of the land.

(2) On receipt of such an application, the Revenue Officer shall give due notice to the opposite party and after due local enquiry with the aid of *thamadis* appointed by him shall pass an order determining the fair rent of the land. Such *thamadis* shall be residents of the village-tract in which the land is situated ; the tenant shall be entitled to nominate one of the *thamadis* and the landlord the other.

18. (1) The Governor may appoint a Rent Settlement Officer for a specified area not smaller than a village-tract and such officer shall, after giving due notice to the residents of the area, hold an enquiry with the aid of *thamadis* appointed by him from among the residents of the area and fix the fair rent of every tenancy existing in the area.

(2) The appointment of a Rent Settlement Officer shall be notified in the Gazette.

19. In determining the fair rent, the Revenue Officer or Rent Settlement Officer shall have regard to the outturn of the land if cultivated with due diligence, to the cost of cultivation, including the reasonable remuneration of such necessary physical labour in its cultivation as has been performed by the tenant or any member of his family living with him, to the rent as determined by competition which has been paid for the land and for similar land in the neighbourhood over long periods, to the market value of the produce if the rent is payable in money, and to such other factors as may seem relevant. But regard shall not be had to any diminution of outturn caused by the incapacity, illness, incompetence or other such disability of the tenant.

20. Where the fair rent of a tenancy is fixed under this Chapter in kind, the order shall state the capacity of the basket to be used in the measurement of the rent.

15. An order of a Revenue Officer or a Rent Settlement Officer determining the fair rent of any land shall operate from the commencement of the tenancy year next following the date of the order.

16. An order of a Revenue Officer or a Rent Settlement Officer determining a fair rent shall be valid until superseded by a subsequent order of a Revenue Officer or a Rent Settlement Officer :  
Provided that except on appeal or revision, no such order shall be superseded until it has had effect for such period as may be prescribed.

17. Notwithstanding the proviso to section 16, but subject to any contract in writing between the parties, the rent payable by any tenant may, on the application of his landlord, be enhanced by a Revenue Officer, after due enquiry in the manner provided in section 12 on the ground that an improvement has been effected by or at the expense of the landlord since the present rent was agreed upon or determined as fair rent. Such enhanced rent shall constitute the fair rent of the land

18. If the fair rent of any tenant has been enhanced under section 17, or was fixed by the current order of a Revenue Officer or a Rent Settlement Officer with regard to an improvement effected by or at the expense of the landlord, a Revenue Officer may, at any time, on the application of the tenant modify or cancel the order for enhancement or reduce such rent, on the ground that the effect of the improvement in increasing the productive power of the holding has diminished or ceased since the date of the order for enhancement, or of the last modification of such order made under this section, or since the fair rent was determined as the case may be.

19. (1) When for any cause the payment of the whole or any part of the revenue payable in respect of any land is remitted or suspended, the authority ordering the remission or suspension may order that the rent of the tenants holding such land or any portion thereof, shall be remitted or suspended for the period of such remission or suspension of payment of revenue, as the case may be, to an amount which shall bear the same proportion to the whole of the rent payable in respect of the land as the revenue of which the payment has been so remitted or suspended bears to the whole of the revenue payable in respect of such land.

(2) An order passed under sub-section (1) shall not be questioned in any Civil or Revenue Court.

(3) A suit shall not lie for the recovery of any rent of which the payment has been remitted, or, during the period of suspension, of any rent of which the payment has been suspended.

21. An order of a Revenue Officer or a Rent Settlement Officer determining the fair rent of any land or an order under sections 23 or 24 shall operate from the commencement of the tenancy year next following the date of the order.

22. An order of a Revenue Officer determining a fair rent shall be valid for three years unless superseded within the period by an order of a Rent Settlement Officer. An order of a Rent Settlement Officer determining fair rent shall be valid for three years.

23. Notwithstanding the provisions of section 22, but subject to any contract in writing between the parties, the rent payable by any tenant may, on the application of his landlord, be enhanced by a Revenue Officer, after due enquiry in the manner provided in section 17 on the ground that an improvement has been effected by or at the expense of the landlord since the present rent was agreed upon or determined as fair rent. Such enhanced rent shall constitute the fair rent of the land.

24. If the fair rent of any tenancy has been enhanced under section 23, or was fixed by the current order of a Revenue Officer or a Rent Settlement Officer with regard to an improvement effected by or at the expense of the landlord, a Revenue Officer may, at any time, on the application of the tenant modify or cancel the order for enhancement or reduce such rent, on the ground that the effect of the improvement in increasing the productive power of the holding has diminished or ceased since the date of the order for enhancement, or of the last modification of such order made under this section, or since the fair rent was determined, as the case may be.

25. (1) When for any cause the payment of the whole or any part of the revenue payable in respect of any land is remitted, the landlord shall remit for the period of such remission of revenue an amount of rent which shall bear the same proportion to the whole of the rent payable in respect of the land as the revenue of which payment has been so remitted bears to the revenue payable in respect of such land.

(2) No suit shall lie for the recovery of any rent of which the payment has been remitted or has been ordered to be remitted.

(3) Where a landlord has collected and retained rent in excess of the amount payable under the operation of sub-section (1) the tenant shall, notwithstanding any agreement to the contrary, be entitled on application to a Revenue Officer to a refund by the landlord of the excess amount.

(4) When the payment of rent has been suspended the period during which the suspension is continued shall be excluded in the computation of the period of limitation prescribed for a suit for the recovery of the rent.

(4) If a tenant has, pending an application for a remission of land revenue, obtained a remission of rent of an amount which subsequently proves to be in excess of what he would be entitled to under sub-section (1) the landlord shall, on application to a Revenue Officer, be entitled to a payment of the difference from the tenant :

Provided that such difference shall not be deemed to be an arrear of rent for the purposes of Chapter V :

Provided also that the Revenue Officer may direct that it shall be paid in such instalments and at such intervals as he may consider suitable.

(5) If a landlord collects any rent of which payment has been remitted, or before the expiration of the period of suspension, collects any rent of which the payment has been suspended, the whole of the revenue or cess remitted or suspended in his favour, shall become immediately payable by him.

CHAPTER V.

RESTRICTION ON THE DISPOSAL OF TENANCIES.

20. A tenant who is not in arrears with his rent and who has not treated his landlord unfairly shall, subject to the provisions of this Chapter, be entitled to have his lease renewed for another tenancy year.

21. (1) Any tenant who has fully paid his rent for a current tenancy year and who desires to renew his lease for another tenancy year shall intimate in writing his desire to his landlord before the end of the current tenancy year, and shall state in writing the rent which he offers.

(2) The landlord shall forthwith deliver a written lease in the prescribed form at the rent offered to the applicant or shall intimate in writing to the applicant that he is unwilling to grant him a new lease either at the rent offered or absolutely. If he is willing to grant a new lease to the applicant at a rent other than the rent offered, he shall state such rent in writing. Failure to intimate in writing shall be deemed a refusal.

22. Notwithstanding anything contained in the terms of the expiring lease, a tenant who has applied for a new lease under the foregoing section and has been refused such lease absolutely or at a rent which he considers fair, may apply within fifteen days of the end of the tenancy year to a Revenue Officer for an order granting a lease of the tenancy for the next tenancy year, on the ground that he is ready to pay a fair rent, which shall be stated, and that he has treated his landlord fairly in the past and is ready to treat him fairly.

23. The Revenue Officer on receiving such application shall summon or otherwise direct the landlord and the applicant to appear before him as soon as possible.

CHAPTER V.

RESTRICTION ON THE DISPOSAL OF TENANCIES.

26. A tenant who is not in arrears with his rent and who has not treated his landlord unfairly shall, subject to the provisions of this Chapter, be entitled to have his lease renewed for one tenancy year at a time.

27. (1) Any tenant who has fully paid his rent for a current tenancy year and who desires to renew his lease for another tenancy year shall intimate his desire and the rent, which he offers, in writing in the prescribed form to his landlord before the end of the current tenancy year.

(2) The landlord shall within seven days after receipt of such intimation deliver a written lease in the prescribed form at the rent offered to the applicant or shall intimate in writing to the applicant that he is unwilling to grant him a new lease either at the rent offered or at all. If he is willing to grant a new lease to the applicant at a rent other than the rent offered, he shall state such rent in writing. Failure to intimate in writing within the said seven days shall be deemed a refusal.

28. Notwithstanding anything contained in the terms of the expiring lease, a tenant who has applied for a new lease under the foregoing section and has been refused such lease absolutely or at a rent which he considers fair, may apply within fifteen days after the end of the tenancy year to a Revenue Officer for an order granting a lease of the tenancy for the next tenancy year, on the ground that he is ready to pay a fair rent, which shall be stated, and that he has treated his landlord fairly in the past and is ready to treat him fairly.

29. The Revenue Officer on receiving such application shall as soon as possible summon the landlord and the applicant to appear before him.

24. (1) If the landlord fails to appear at the time appointed, the Revenue Officer shall pass an order granting the application for the lease and shall determine under Chapter IV the fair rent of the tenancy if it has not already been determined previously under the same Chapter. Such order shall be deemed to be and shall have such force as if it were a lease of the tenancy in the prescribed form for the tenancy year granted by the landlord to the applicant.

(2) If the tenant fails to appear at the time appointed, the Revenue Officer shall dismiss his application.

25. If the landlord appears at the time appointed and presents a written statement that he has refused a new lease because he intends to work the land himself, the Revenue Officer shall reject the application, provided that he is satisfied that the landlord is an agriculturist.

26. If the landlord appears at the time appointed and presents a written statement that he has refused a new lease because he intends to assign the tenancy to a brother, brother-in-law, son, son-in-law, grandson or nephew, including a nephew by marriage, the Revenue Officer shall reject the application, provided that he is satisfied that the intended tenant is an agriculturist.

27. If the landlord appears at the time appointed and presents a written statement that he has refused a new lease because he intends to let the land lie fallow so as to permit the soil to recover from exhaustion and if he can prove that for the past six years the land has not lain fallow or has not been adequately manured, the Revenue Officer shall reject the application.

28. (1) When a Revenue Officer rejects an application under the provisions of sections 25, 26 or 27, the applicant shall be entitled to resume his application if he is able to prove subsequently that the purpose for which his tenancy was terminated has for any reason not been effective or that the purpose has lapsed within three years

30. (1) If the landlord fails to appear at the time appointed, the Revenue Officer shall pass an order granting the application for the lease and shall determine under Chapter IV the fair rent of the tenancy if it has not already been determined previously under the same Chapter. Such order shall be deemed to be and shall have such force as if it were a lease of the tenancy in the prescribed form for the tenancy year granted by the landlord to the applicant.

(2) If the tenant fails to appear at the time appointed, the Revenue Officer shall dismiss his application.

31. If the landlord appears at the time appointed and presents a written statement that he has refused a new lease because he intends to work the land himself, the Revenue Officer shall reject the application, provided that he is satisfied that the landlord is an agriculturist.

32. If the landlord who is not an agriculturist, appears at the time appointed and presents a written statement that he has refused the new lease because he has the intention of working the land himself with his own hands as his principal means of subsistence and has given the tenant notice of that intention more than six months before the end of the current tenancy year, the Revenue Officer shall reject the application if he is satisfied that the intention is genuine and that the notice has in fact been given.

33. If the landlord appears at the time appointed and presents a written statement that he has refused a new lease because he intends to assign the tenancy to a son, daughter, brother or sister or to a grandchild if no son or daughter is alive, the Revenue Officer shall reject the application, provided that he is satisfied that the intended tenant is an agriculturist as defined by part (a) of sub-section (1) of section 3.

34. If the landlord appears at the time appointed and presents a written statement that he has refused a new lease because he intends to let the land lie fallow so as to permit the soil to recover from exhaustion and if he can prove that for the past six years the land has not lain fallow or has not been adequately manured, the Revenue Officer shall reject the application.

35. (1) When a Revenue Officer rejects an application under the provisions of sections 31, 32, 33, and 34, the applicant shall be entitled to renew his application if he is able to prove subsequently that the purpose for which his tenancy was terminated has for any reason not been effective or that the purpose has lapsed

of such termination. A resumed application shall ordinarily be deemed to be in respect of the tenancy year following that in which it is resumed but may, in special circumstances at the discretion of the Revenue Officer and at the request of the applicant, be deemed to be in respect of the tenancy year following that in which the original application was made.

(2) When a Revenue Officer has rejected an application under the provisions of section 27, the applicant may subsequently apply for a fresh lease for the tenancy year following the year or years in which the land has lain or will lie fallow.

29. (1) If a landlord who has been summoned under section 23 appears at the time appointed and presents no written statement under sections 25, 26 or 27, the Revenue Officer shall hear the applicant and the landlord and shall record their statements and such relevant evidence as they may produce.

(2) The Revenue Officer shall reject the application if the landlord proves that the applicant has not treated him fairly or that the applicant is in arrears with his rent or if the applicant is unwilling to pay the fair rent for the renewed lease. Otherwise the Revenue Officer shall pass an order granting the application for the lease and shall determine under Chapter IV the fair rent of the tenancy if it has not already been determined previously under the same Chapter. Such order shall be deemed to be and shall have such force as if it were a lease of the tenancy granted in the prescribed form by the landlord to the applicant for the year concerned.

30. A Revenue Officer who passes an order under sub-section (1) of section 24 or under sub-section (2) of section 29 may give effect to it by the issue of an order ejecting from the land anyone in possession of it other than the applicant.

within three years of such termination. A renewed application shall ordinarily be deemed to be in respect of the tenancy year following that in which it is renewed but may, in special circumstances at the discretion of the Revenue Officer and at the request of the applicant, be deemed to be in respect of the tenancy year in which the application is renewed.

(2) When a Revenue Officer has rejected an application under the provisions of section 34, the applicant may subsequently apply for a fresh lease for the tenancy year following that in which the land has lain or will lie fallow.

36. When a Revenue Officer rejects an application under the provisions of section 32, the applicant shall, in addition to his rights under section 35, be entitled, on application to a Revenue Officer to be granted compensation from the landlord for any damage suffered by him in consequence of the order if he proves to the satisfaction of the Revenue Officer that the landlord's intention to work the land with his own hands as his principal means of subsistence was not fulfilled or has lapsed within three years of the termination of the tenancy.

37. (1) If a landlord who has been summoned under section 29 appears at the time appointed and presents no written statement under sections 31, 32, 33 or 34, the Revenue Officer shall hear the applicant and the landlord and shall record their statements and such relevant evidence as they may produce.

(2) The Revenue Officer shall reject the application if the landlord proves that the applicant has not treated him fairly or that the applicant is in arrears with his rent or if the applicant is unwilling to pay the fair rent for the renewed lease. Otherwise the Revenue Officer shall pass an order granting the application for the lease and shall determine under Chapter IV the fair rent of the tenancy if it has not already been determined previously under the same Chapter. Such order shall be deemed to be and shall have such force as if it were a lease of the tenancy granted in the prescribed form by the landlord to the applicant for the tenancy year concerned.

38. Where a tenant absents himself from a tenancy and fails to work it at the time usual for such work, the landlord may apply to the Revenue Officer for an order terminating the tenancy and the Revenue Officer shall, after due enquiry, pass such an order if he is satisfied that the tenant has in fact abandoned the land.

39. A Revenue Officer who passes an order under this Chapter may give effect to it by ejecting anyone in possession of the land. Such orders shall specify the date on or before which it must be obeyed.



31. No tenant who is in possession of a tenancy as the result of an order under section 24 or section 29 shall transfer his lessee's interest by mortgage, sub-lease or otherwise, and, notwithstanding anything in the Transfer of Property Act, 1882, no cause of action shall be founded on any such transfer.

Tenant not to transfer interest.

40. No tenant who is in possession of a tenancy as the result of an order under section 30 or section 37 shall transfer his interest by mortgage, sub-lease or otherwise, and, notwithstanding anything in the Transfer of Property Act, no cause of action shall be founded on any such transfer.

Tenant not to transfer interest.

CHAPTER VI.

MISCELLANEOUS.

32. (1) The following provisions shall be applicable in the case of every tenant ejected from a holding other than a person ejected by a Revenue Officer under section 30 :—

Rights of ejected tenants in respect of crops and land prepared for sowing.

(a) If the tenant has, before the date of his ejection, sown or planted crops in any land comprised in the holding, he shall be entitled, at the option of the landlord, either to retain possession of such land and to use it for the purpose of tending and gathering in the crops, or to receive from the landlord the value of the labour and capital expended by him in preparing such land and sowing, planting and tending such crops ;

(b) if the tenant has, before the date of his ejection, prepared for sowing any land comprised in his holding, but has not sown or planted crops thereon, he shall be entitled to receive from the landlord the value of the labour and capital expended by him in preparing such land :

Provided that—

(i) a tenant shall not be entitled to retain possession of any land or receive any sum in respect thereof under this section if, after the commencement of proceedings by the landlord for his ejection, he has cultivated or prepared such land contrary to local usage ;

(ii) the rent, if any, payable to the landlord by the tenant at the time of ejection may be set off against any sum payable to the tenant under this section.

(2) The Court or Revenue Officer ejecting the tenant shall determine the amount of any compensation payable under sub-section (1) and shall, on application by the ejected tenant, recover it from the landlord.

33. When two or more persons are joint landlords, anything which a landlord is, under this Act, required or authorized to do, shall be done by both or all those persons acting together, or by an agent authorized to act on behalf of both or all of them.

Joint landlords.

CHAPTER VI.

MISCELLANEOUS.

41. (1) The following provisions shall be applicable in the case of every tenant ejected from a holding of which he was in lawful possession :—

Rights of ejected tenants in respect of crops and land prepared for sowing.

(a) If the tenant has, before the date of his ejection, sown or planted crops in any land comprised in the holding, he shall be entitled, at the option of the landlord, either to retain possession of such land on payment of rent and to use it for the purpose of tending and gathering in the crops, or to receive from the landlord the value of the labour and capital expended by him in preparing such land and sowing, planting and tending such crops :

Provided that where the ejection is in favour of a person having a better title to the tenancy, the landlord shall have no option to permit the ejected tenant to retain possession of such land.

(b) If the tenant has, before the date of his ejection, prepared for sowing any land comprised in his holding, but has not sown or planted crops thereon, he shall be entitled to receive from the landlord the value of the labour and capital expended by him in preparing such land :

Provided that—

(i) a tenant shall not be entitled to retain possession of any land or receive any sum in respect thereof under this section if, after the commencement of proceedings by the landlord for his ejection, he has cultivated or prepared such land contrary to local usage or custom ;

(ii) any charge recoverable by the landlord from the tenant at the time of ejection may be set off against any sum payable to the tenant under this section.

(2) The Revenue Officer ejecting the tenant shall determine the amount of any compensation payable under sub-section (1) and shall, on application by the ejected tenant, recover it from the landlord. Where the ejection is by a Civil Court and the question of compensation under this section arises, the Court shall refer the question to a Revenue Officer having jurisdiction in the matter and award such compensation as may be determined by the Revenue Officer.

34. Except as hereinbefore expressly provided, no Civil Court shall exercise jurisdiction in respect of the adjudication of any matters the determination of which is expressly entrusted to Revenue Officers by this Act.

Bar to jurisdiction of Civil Courts in certain matters.

35. Notwithstanding the provisions of section 91 of the Evidence Act a written agreement to work as an agent or labourer on land shall not prevent any person from proving that he is in fact a tenant of the land.

Saving from operation of section 91 of the Evidence Act.

36. Any provision in any lease that a tenant shall sell his produce to the landlord or to any other specified person shall be void.

Bar to agreements restricting sale of tenants' produce to specified persons.

37. Any person who fraudulently or dishonestly causes produce to be attached under section 5 by representing that he has a charge on it, which representation he knows to be false, shall be punished with imprisonment which may extend to three months or with fine not exceeding Rs. 500 or with both.

Penalty for fraudulently or dishonestly causing the attachment of produce.

38. Any person who wilfully disobeys an ejectment order of a Revenue Officer passed under section 30 and fails to leave the land forthwith, shall be punishable on conviction before a Magistrate with imprisonment which may extend to one month or with fine which may extend to Rs. 200 or with both. The Magistrate may in his discretion direct that the fine, or any part of it, if realized, shall be paid as compensation to the applicant in whose favour the Revenue Officer's order was made.

Penalty for disobeying an order of ejectment passed under section 30.

39. (1) The Governor may make rules—

- (i) prescribing the Revenue Officers to whom applications may be made, and the manner in which such applications may be made and disposed of ;
- (ii) prescribing the maximum advance per acre and the maximum monthly rate of interest on advances which may be recovered under section 4 as charges on the produce of the tenancy ;
- (iii) prescribing the scale of remuneration in any district to the persons appointed to take care of the attached produce under section 5 ;
- (iv) prescribing the scale of remuneration in any district to be paid to members of the Village Committee acting under section 5 ;

42. Any sum awarded by a Revenue Officer under the provisions of this Act shall be recoverable by him as though it were an arrear of land revenue.

Recovery of sums awarded by Revenue Officer as arrear of land revenue.

43. Except as hereinbefore expressly provided, no Civil Court shall exercise jurisdiction in respect of the adjudication of any matters the determination of which is expressly entrusted to Revenue Officers by this Act.

Bar to jurisdiction of Civil Courts in certain matters.

44. Notwithstanding the provisions of section 91 of the Evidence Act a written agreement to work as an agent or labourer on land shall not prevent any person from proving that he is in fact a tenant of the land.

Saving from operation of section 91 of the Evidence Act.

45. Any provision in any lease that a tenant shall sell his produce to the landlord or to any other specified person shall be void.

Bar to agreements restricting sale of tenant's produce to specified persons.

46. Any person who fraudulently or dishonestly causes produce to be attached under section 6 by representing that he has a charge on it which representation he knows to be false, shall be punishable on conviction before a Magistrate with simple imprisonment which may extend to three months or with fine not exceeding Rs. 500 or with both.

Penalty for fraudulently or dishonestly causing the attachment of produce.

47. Any person who wilfully disobeys an ejectment order of a Revenue Officer passed under Chapter V and fails to leave the land on the date specified by the Revenue Officer, shall be punishable on conviction before a Magistrate with simple imprisonment which may extend to one month or with fine which may extend to Rs. 200 or with both. The Magistrate may in his discretion direct that the fine, or any part of it, if realized, shall be paid as compensation to the applicant in whose favour the Revenue Officer's order was made.

Penalty for disobeying an order of ejectment passed under Chapter V.

48. (1) The Governor may make rules—

- (i) prescribing the Revenue Officers to whom applications may be made, and the manner in which such applications may be made and disposed of ;
- (ii) prescribing the manner in which the cost of an attachment shall be calculated under section 6 ;
- (iii) prescribing the maximum advance per acre and the maximum monthly rate of interest on advances which may be recovered under section 5 as charges on the produce of the tenancy ;
- (iv) prescribing the scale of remuneration in any district to the persons appointed to take care of the attached produce under section 6 ;
- (v) prescribing the scale of remuneration in any district to be paid to members of the Village Committee acting under section 6 ;

- (v) prescribing the form of certificate required under sub-section (13) of section 5 ;
  - (vi) prescribing the procedure to be observed by a Village Committee acting under section 5 ;
  - (vii) prescribing a standard form of lease for the purposes of sections 21, 24 and 29.
  - (viii) prescribing the considerations of which a Revenue Officer shall or may take into account in determining what constitutes unfair treatment of a landlord by a tenant.
  - (ix) prescribing under section 16 the period within which an order determining fair rent may not be superseded except on appeal or revision ;
  - (x) prescribing the officers who shall have powers of appeal or revision in respect of orders passed by Revenue Officers under the Act, the procedure for and the periods of limitations of such appeals and revisions ;
  - (xi) generally for carrying into effect the purposes of this Act.
- (2) All rules made under this section shall be published in the Gazette.
- (vi) prescribing the form of certificate required under sub-section (13) of section 6 ;
  - (vii) prescribing the procedure to be observed by a Village Committee acting under section 6 ;
  - (viii) prescribing the form in which an intimation shall be given by a tenant to the landlord under sub-section (1) of section 27 ;
  - (ix) prescribing standard forms of lease for the purposes of sections 27, 30 and 37 ;
  - (x) prescribing the considerations of which a Revenue Officer shall or may take into account in determining what constitutes unfair treatment of a landlord by a tenant ;
  - (xi) prescribing the officers who shall have powers of appeal or revision in respect of orders passed by Revenue Officers under this Act, the procedure for and the periods of limitations for such appeals and revisions ;
  - (xii) generally for carrying into effect the purposes of this Act.
- (2) All rules made under this section shall be published in the Gazette.

APPENDIX II.

BILL AS PROPOSED BY THE LAND AND AGRICULTURE COMMITTEE.

BILL AS REVISED BY THE LAND LEGISLATION COMMITTEE. CHANGES ARE UNDERLINED.

HOUSE OF REPRESENTATIVES.

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—  
BILL No.            OF 1938.  
—

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—

THE LAND ALIENATION BILL, 1938.

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*A Bill to make provision for certain matters relating to the Alienation of Agricultural Land.*

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WHEREAS it is expedient to regulate and control the Alienation of Agricultural Land held by agriculturists : It is hereby enacted as follows :—

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PRELIMINARY.

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1. (1) This Act may be called the Land Alienation Act, 1938.  
Short title, extent and commencement.

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Short title, extent and commencement.

(2) It shall come into force on such date as the Governor may, by notification, specify in this behalf.

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2. (1) Nothing in this Act shall apply to transfers of land—  
Saving in respect of certain transfers.

2. (1) Nothing in this Act shall apply to transfers of land—  
Saving in respect of certain transfers.

- (a) under the Land Acquisition Act,
- (b) by or to Government,
- (c) by or to Co-operative Societies engaged in the provision of agricultural credit or the marketing of agricultural produce,
- (d) by or to credit institutions controlled or organised by Government and prescribed as such,
- (e) made in good faith for a religious or charitable purpose,
- (f) resulting from inheritance,
- (g) made between joint owners of the land,
- (h) made on execution of an order or decree of a Civil Court passed before the commencement of this Act,
- (i) from the mortgagor of the land to the mortgagee in cases where the mortgage was entered into and registered under the Registration of Deeds Act before the commencement of this Act.

- (a) under the Land Acquisition Act,
- (b) by or to Government,
- (c) by or to Co-operative Societies engaged in the provision of agricultural credit or the marketing of agricultural produce,
- (d) by or to credit institutions controlled or organised by Government and prescribed as such,
- (e) made in good faith for a religious or charitable purpose,
- (f) resulting from inheritance,
- (g) made between joint owners of the land,
- (h) made in execution of an order or decree of a Civil Court passed before the commencement of this Act,
- (i) from the mortgagor of the land to the mortgagee in cases where the mortgage was entered into and registered under the Registration of Deeds Act before the commencement of this Act.

(2) Nothing in this Act shall apply to the mortgage of land by a vendee to a vendor as security for payment of the price or part of the price of the land or to the subsequent retransfer of the land from the vendee to the vendor as a result of foreclosing the mortgage : Provided that the mortgage is in the prescribed form, that the mortgage was entered into at the time of the sale and that both the deed of sale and the deed of mortgage were registered under the Registration of Deeds Act within one month of their execution.

(2) Nothing in this Act shall apply to the mortgage of land by a vendee to a vendor as security for payment of the price or part of the price of the land or to the subsequent retransfer of the land from the vendee to the vendor in satisfaction of the mortgage debt : Provided that the mortgage is in the prescribed form, that the mortgage was entered into at the time of the sale and that both the deed of sale and the deed of mortgage were registered under the Registration of Deeds Act within one month of their execution.

(3) Nothing in this Act shall apply to the transfer of land from an agriculturist to a non-agriculturist for the purpose of erecting thereon buildings required for trade or industry.

3. In this Act, unless there is anything repugnant in the subject or context—  
Definitions.

(1) "agriculturist" means a person—

(a) who is engaged or has habitually been engaged in the cultivation of land with his own hands as his principal means of subsistence ; or

(b) who satisfies both the following conditions, namely—

(i) that he superintends personally and throughout the working periods of the year the actual cultivation of land including all the processes thereof and the treatment of the cattle and other equipment used therein, and

(ii) that he derives the major part of his income either from such superintendence or from the cultivation of land with his own hands or jointly from such superintendence and such cultivation.

*Explanation (1).*—An agriculturist who, with intention of changing his status as such in order to enable him to sell land to a non-agriculturist, temporarily ceases to earn his livelihood by agriculture or to engage personally in agricultural labour as aforesaid, or who is prevented from so earning his livelihood or engaging in agriculture by age or bodily infirmity or by necessary absence in the military service of His Majesty, does not thereby cease to be an agriculturist for the purposes of this Act.

*Explanation (2).*—The wife or the minor son or the minor daughter of an agriculturist, shall be deemed to be an agriculturist for the purposes of this Act.

(2) "Conditional sale" includes any agreement whereby in default of payment of the mortgage money or interest at a certain time the land will be absolutely transferred to the mortgagee.

(3) "Permanent alienation" includes sales, exchanges and gifts.

(4) "Usufructuary mortgage" means a mortgage by which the mortgagor delivers possession of the mortgaged land to the mortgagee and authorizes him to retain such possession until payment of the mortgage money and to receive the rents and profits of the land and to appropriate them in lieu of interest or in payment of the mortgage money or partly in lieu of interest and partly in payment of the mortgage money.

(5) "Land" means land which is not in a town or village and is occupied or let for agricultural purposes or for purposes subservient to agriculture and includes—

(a) the sites of buildings and other structures on such agricultural land ;

(b) a share in the profits of an estate or holding ;

(c) rights of a usufructuary mortgagee ;

(d) any right to water enjoyed by the owner or occupier of land as such ; and

(e) any right of occupation under any law in force.

(6) A "non-agriculturist" means a person who is not an agriculturist.

(7) "Prescribed" means prescribed by rules made under the Act.

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Definitions.

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*Explanation (1).*—An agriculturist who, with intention of changing his status as such in order to enable him to sell land to a non-agriculturist, temporarily ceases to earn his livelihood by agriculture or to engage personally in agricultural labour as aforesaid, or who is prevented from so earning his livelihood or engaging in agriculture by age or bodily infirmity or by necessary absence in the military service of His Majesty, does not thereby cease to be an agriculturist for the purposes of this Act.

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(2) "Permanent alienation" includes sales, exchanges and gifts.

(3) "Usufructuary mortgage" means a mortgage within section 58 (d) of the Transfer of Property Act.

(4) "Land" means land which is not in a town or village and is occupied or let for agricultural purposes or for purposes subservient to agriculture and includes—

(a) the sites of buildings and other structures on such agricultural land ;

(b) rights to rents or profits of an estate or holding ;

(c) rights of a usufructuary mortgagee ;

(d) any right to water enjoyed by the owner or occupier of land as such ; and

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(5) A "non-agriculturist" means a person who is not an agriculturist.

(6) "Prescribed" means prescribed by this Act or by rules made under the Act.

## PERMANENT ALIENATION OF LAND.

4. Notwithstanding the provisions of any other law, permanent alienations of land from an agriculturist to a non-agriculturist shall be null and void.

Alienation of land from an agriculturist to a non-agriculturist to be void.

## TEMPORARY ALIENATIONS OF LAND.

5. (1) If an agriculturist mortgages his land and the mortgagee is not an agriculturist, the mortgage shall be made in one of the following forms :—

Forms of mortgage permitted in certain cases.

- (a) in the form of a usufructuary mortgage, by which the mortgagor delivers possession of the land to the mortgagee and authorizes him to retain such possession and to receive the rents and profits of the land in lieu of interest and towards payment of the principal, on condition that after the expiry of the term agreed on or (if no term is agreed on or if the term agreed on exceeds fifteen years) after the expiry of fifteen years, the land shall be delivered to the mortgagor ; or
- (b) in the form of a mortgage without possession, subject to the condition that, if the mortgagor fails to pay principal and interest according to his contract, the mortgagee may apply to the Collector to place him in possession for such term not exceeding fifteen years as the Collector may consider to be equitable, the mortgage to be treated as a usufructuary mortgage for the term of the mortgagee's possession and for such sum as may be due to the mortgagee on account of the balance of principal due and of interest due not exceeding the amount claimable as simple interest at such rate and for such period as the Collector thinks reasonable ; or
- (c) in any other form which the Governor may prescribe generally or for particular areas.

(2) The Collector, if he accepts the application of a mortgagee under sub-section (1) (b) shall have power to eject the mortgagor, and as against the mortgagor to place the mortgagee in possession.

6. In the case of mortgages made under section 5 :—  
Provisions applying to permitted mortgages.

- (1) no interest shall accrue during the period for which the mortgagee is in possession of the land or in receipt of rent ;
- (2) if the mortgage is in form (a) or form (b) then at the end of such period of possession the mortgage-debt shall be extinguished ;
- (3) the mortgagor may redeem his land at any time during the currency of the mortgage on payment of the mortgage-debt or in the case of a mortgage in form (a) or form (b) of such proportion of the mortgage-debt as the Collector determines to be equitable :

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- (b) in the form of a mortgage without possession, subject to the condition that, if the mortgagor fails to pay principal and interest according to his contract, the mortgagee may apply to the Collector to place him in possession for such term not exceeding fifteen years as the Collector may consider to be equitable, the mortgage to be treated as a usufructuary mortgage for the term of the mortgagee's possession and for such sum as may be due to the mortgagee on account of the balance of principal and of interest due not exceeding the amount claimable as simple interest at such rate and for such period as the Collector thinks reasonable ; or
- (c) in any other form which the Governor may prescribe generally or for particular areas : Provided that the period of possession allowed to the mortgagee shall not exceed fifteen years.

(2) The Collector, if he accepts the application of a mortgagee under sub-section (1) (b) shall have power to eject the mortgagor, and as against the mortgagor to place the mortgagee in possession.

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- (2) at the end of such period of possession the mortgage-debt shall be deemed to be extinguished ;
- (3) the mortgagor may redeem his land at any time during the currency of the mortgage on payment of the mortgage-debt or in the case of a mortgage under section 5 (1) (a) or (b) of such proportion of the mortgage-debt as the Collector determines to be equitable :

Provided that if any question arises as to the determination of the person who has the right to redeem or of the person to whom payment should be made, a reference may be made by the Collector to the District Judge who shall then decide the question and communicate the decision to the Collector ;

(4) in the case of a usufructuary mortgage, the mortgagor shall not be deemed to bind himself personally to repay the mortgage-money ; and

(5) if a mortgagor who has applied to the Collector under sub-section (3) proves to the satisfaction of the Collector that he has paid the mortgage-debt or such proportion of the mortgage debt as the Collector has determined to be equitable, or deposits with the Collector the amount of such mortgage-debt or of such proportion thereof, the redemption of the land shall be deemed to have taken place, a certificate to that effect shall be given by the Collector to the mortgagor on request, and the Collector shall have power to eject the mortgagee, if in possession and as against the mortgagee to place the mortgagor in possession.

7. (1) In a mortgage made under section 5, the following conditions may be added by agreement between the parties :—

- (a) a condition fixing the time of the agricultural year at which a mortgagor redeeming his land may resume possession thereof ;
- (b) conditions limiting the right of a mortgagor or mortgagee in possession to cut, sell or mortgage trees or to do any act affecting the permanent value of the land ; and
- (c) any condition which the Governor may prescribe either generally or for particular areas.

(2) In mortgages made under section 5, any condition not permitted by or under this Act shall be null and void.

8. If an agriculturist makes a mortgage of his land in any manner or form not permitted by or under this Act, the Collector shall have authority to revise or alter the terms of the mortgage so as to bring it into accordance with such form of mortgage permitted by or under this Act as the mortgagee appears to him to be equitably entitled to claim.

9. Any agriculturist may make a lease or farm of his land for any term not exceeding 10 years and any lease or farm made by an agriculturist for a longer term than 10 years shall be deemed to be a lease or farm for a period of 10 years.

10. If a mortgagee, lessee or farmer holding possession under a mortgage made under section 5 or under a lease or farm made under section 9 remains in possession after the expiry of the term for which he is entitled to hold under his mortgage, lease or farm, the Collector may, on his

Provided that if any question arises as to the determination of the person who has the right to redeem or of the person to whom payment should be made, a reference may be made by the Collector to the District Judge who shall then decide the question and communicate the decision to the Collector ;

(4) in the case of a usufructuary mortgage, any covenant of personal liability to repay the mortgage debt shall be null and void notwithstanding the provisions of any law to the contrary ; and

(5) if a mortgagor who has applied to the Collector under sub-section (3) proves to the satisfaction of the Collector that he has paid the mortgage-debt or such proportion of the mortgage-debt as the Collector has determined to be equitable, or deposits with the Collector the amount of such mortgage-debt or of such proportion thereof, the redemption of the land shall be deemed to have taken place, a certificate to that effect shall be given by the Collector to the mortgagor on request, and the Collector shall have power to eject the mortgagee, or any person whom he may have put in possession and as against them to place the mortgagor in possession.

7. (1) In a mortgage made under section 5, the following conditions may be added by agreement between the parties :—

- (a) a condition fixing the time of the agricultural year at which a mortgagor redeeming his land may resume possession thereof ;
- (b) conditions limiting the right of a mortgagor or mortgagee in possession to cut, sell or mortgage trees or to do any act affecting the permanent value of the land ; and
- (c) any condition which the Governor may prescribe either generally or for particular areas.

(2) In mortgages made under section 5, any condition not permitted by or under this Act shall be null and void.

8. If an agriculturist makes a mortgage of his land in any manner or form not permitted by or under this Act, the Collector shall have authority to revise or alter the terms of the mortgage so as to bring it into accordance with such form of mortgage permitted by or under this Act as the mortgagee appears to him to be equitably entitled to claim.

9. Any agriculturist may grant a lease of his land for any term not exceeding 10 years and any lease made by an agriculturist for a longer term than 10 years shall be deemed to be a lease for a period of 10 years.

10. If a mortgagee or lessee holding possession under a mortgage made under section 5 or under a lease made under section 9 remains in possession after the expiry of the term for which he is entitled to hold under his mortgage or lease the Collector may, on his own motion or on

own motion or on the application of the person entitled to possession, eject such mortgagee, lessee or farmer and place in possession the person so entitled.

the application of the person entitled to possession eject such mortgagee or lessee and place in possession the person so entitled.

**PROVISIONS RELATING TO MINIMUM AREAS.**

**11.** The Governor shall divide agricultural land into suitable classes and localities and prescribe in respect of each class of land in each locality the minimum area which he considers necessary for the maintenance in reasonable comfort of a family of reasonable size working the land as proprietors.

**12.** Where an agriculturist owns solely or jointly with others land not exceeding the minimum area prescribed in section 11, the whole of such land shall be exempted from attachment by order of any Civil or Revenue Court unless that attachment is on account of a sum due to Government as an arrear of land revenue or to a co-operative society of which he is a member.

**13.** Where an agriculturist owns solely or jointly with others land exceeding the minimum area prescribed under section 11, the prescribed minimum area shall be exempted from attachment by order of a Civil or Revenue Court unless the attachment is on account of a sum due to Government as an arrear of land revenue or to a co-operative society of which he is a member.

**GENERAL PROVISIONS.**

**11.** Every agreement whereby an agriculturist purports to alienate or charge the produce of his land or any part of or share in such produce for more than one year shall not take effect for more than one year from the date of the agreement.

*Explanation.*—The produce of the land means:—

- (a) crops and other products of the earth standing or ungathered on the holding; and
- (b) crops and other products of the earth which have been grown on the land during the past year and which have been reaped or gathered.

**12.** No land belonging to an agriculturist shall be sold to a non-agriculturist in execution of any decree or order of any Civil or Revenue Court.

**13.** Notwithstanding anything contained in any other enactment for the time being in force, no land belonging to an agriculturist shall, in execution of any decree or order of any Civil or Revenue Court, be leased or farmed for a period exceeding 10 years or mortgaged except in one of the forms permitted by section 5.

**GENERAL PROVISIONS.**

**14.** Every agreement whereby an agriculturist purports to alienate or charge the produce of his land or any part of or share in such produce for more than one year shall not take effect for more than one year from the date of the agreement.

**15.** No land belonging to an agriculturist shall be sold to a non-agriculturist in execution of any decree or order of any Civil or Revenue Court.

**16.** Notwithstanding anything contained in any other enactment for the time being in force, no land belonging to an agriculturist shall be decreed or ordered by any Civil or Revenue Court to be leased for a period exceeding 10 years or mortgaged except in one of the forms permitted by section 5.



14. A Civil Court shall not have jurisdiction in any matter which the Governor or a Revenue Officer is expressly empowered to dispose of by this Act.

15. (1) Notwithstanding anything contained in the Code of Civil Procedure or any other Act for the time being in force, every Civil Court which passes a decree or order involving the permanent alienation of land by an agriculturist or the mortgage by an agriculturist of his land to a mortgagee who is not an agriculturist, shall send to the Collector a copy of such decree or order.

(2) When it appears to the Collector that any Civil Court has passed a decree or order contrary to any of the provisions of this Act, the Collector may apply for the revision of such decree or order to the Court, if any, to which an appeal would lie from such decree or order in which an appeal could have been instituted at the time when the decree or order was passed, or in any other case, to the High Court. And when the Court finds that such decree or order is contrary to any of the provisions of this Act, it shall alter it so as to make it consistent with this Act. Such application shall be made within two months of the date upon which the Collector is informed of such decree or order.

(3) When any such Appellate Court other than the High Court, passes an order rejecting such application, the Collector may, within two months after the date upon which he is informed of such order, apply to the High Court for revision thereof.

(4) Every Civil Court which passes an order on any application made under this section shall forthwith send a copy thereof to the Collector.

(5) No stamp shall be required upon such applications and the provisions of the Code of Civil Procedure as regards appeals shall apply so far as may be to the procedure of the Court on receipt of such application :

Provided that no appearance by or on behalf of the Collector shall be deemed necessary for the disposal of the application.

16. The powers conferred by this Act upon a Collector may be exercised by a Revenue Officer of higher rank, or by any officer, not below the rank of Subdivisional Officer, authorised by the Governor in this behalf.

17. The Governor may, by notification in the Gazette, exempt any district or part of a district or any person or class of persons from the operation of this Act or of any of the provisions thereof.

18. (1) The Governor may by notification in the Gazette require or permit the registration of agriculturists in any area specified in the notification.

17. A Civil Court shall not have jurisdiction in any matter which the Governor or a Revenue Officer is expressly empowered to dispose of by this Act.

18. (1) Notwithstanding anything contained in the Code of Civil Procedure or any other Act for the time being in force, every Civil Court which passes a decree or order involving permanent alienation of land by an agriculturist or a mortgage by an agriculturist of his land to a non-agriculturist, shall send to the Collector a copy of such decree or order.

(2) (a) When it appears to the Collector that any Civil Court has passed a decree or order contrary to any of the provisions of this Act, the Collector may apply for the revision of such decree or order to the Court, if any, to which an appeal would lie from such decree or order in which an appeal could have been instituted at the time when the decree or order was passed, or in any other case, to the High Court.

(b) Such application shall be made within two months of the date upon which the Collector is informed of such decree or order.

(c) And if the Court finds that such decree or order is contrary to any of the provisions of this Act, it shall alter it so as to make it consistent with this Act.

(3) When any such Appellate Court other than the High Court, passes an order rejecting such application, the Collector may, within two months after the date upon which he is informed of such order, apply to the High Court for revision thereof.

(4) Every Civil Court which passes an order on any application made under this section shall within seven days send a copy thereof to the Collector.

(5) No court fee shall be leviable on such applications and the provisions of the Code of Civil Procedure as regards appeals shall apply so far as may be to the procedure of the Court on receipt of such application :

Provided that no appearance by or on behalf of the Collector shall be necessary for the disposal of the application.

19. The powers conferred by this Act upon a Collector may be exercised by a Revenue Officer of higher rank, or by any officer, not below the rank of Subdivisional Officer, authorised by the Governor in this behalf.

20. The Governor may, by notification in the Gazette, exempt any district or part of a district or any person or class of persons from the operation of this Act or of any of the provisions thereof.

21. (1) The Governor may by notification in the Gazette require or permit the registration of agriculturists in any area specified in the notification.

(2) The fact that a person is or was so registered shall be conclusive proof that he was an agriculturist at the date of the registration.

19. (1) The Governor may make rules for carrying into effect the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the Governor may make rules :—

(a) prescribing the Revenue Officers to whom applications may be made, and the manner in which such applications shall be made and disposed of ;

(b) prescribing the credit institutions controlled or organised by Government ;

(c) prescribing the form of mortgage for the purpose of the proviso to subsection (2) of section 2 ;

(d) prescribing additional forms in which mortgages may be made under section 5 ;

(e) prescribing additional conditions which may be added by agreement in permitted mortgages under section 7 ;

(f) prescribing the procedure for and the manner in which agriculturist shall be or may be registered under section 18.

20. All rules made under this Act shall be published in the Gazette.

(2) The fact that a person is so registered shall be conclusive proof that he was an agriculturist at the date of the registration.

22. (1) The Governor may make rules for carrying into effect the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the Governor may make rules :—

(a) prescribing the Revenue Officers to whom applications may be made, and the manner in which such applications shall be made and disposed of ;

(b) prescribing the officers who shall have powers of appeal or revision in respect of orders passed under this Act, the procedure for and the periods of limitation for such appeals and revisions ;

(c) prescribing the credit institutions controlled or organized by Government ;

(d) prescribing the form of mortgage for the purpose of the proviso to subsection (2) of section 2 ;

(e) prescribing additional forms in which mortgages may be made under section 5 ;

(f) prescribing additional conditions which may be added by agreement in permitted mortgages under section 7 ;

(g) prescribing the minimum areas under section 11 ;

(h) prescribing the procedure for the registration of agriculturists under section 21 and the manner in which such registration shall be effected.

23. All rules made under this Act shall be published in the Gazette.

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# Government of Madras

REVENUE DEPARTMENT

G.O. No. 948, 1st May 1931

Prices—Economic depression—Enquiry—Committee—Report—Published.

READ—the following papers :—

I

G.O. No. 328, Revenue, dated 11th February 1931.

II

Report of the Economic Depression Enquiry Committee.

Order—No. 948, Revenue, dated 1st May 1931.

The Committee which was appointed in G.O. No. 328, Revenue, dated 11th February 1931, to examine the effects of the general economic depression and to report whether any measures should be adopted by the Government to mitigate them, has submitted its report. The report will be published for general information.

2. The Government will give the various recommendations their early and careful consideration and issue orders on them in due course.

3. The Government desire to convey their thanks to the Chairman and the members (including the Secretary) of the Committee for the thorough and prompt manner in which they have carried out the obligations laid upon them.

(By order of the Governor in Council)

H. R. PATE,  
Secretary to Government.

To the Board of Revenue (Land Revenue and Settlement) } with copies of the report.  
" Accountant-General }  
" Finance and Public Department }  
" Chairman and Members of the Economic Depression Enquiry Committee (including Mr. H. M. Hood, I.C.S., Secretary).  
" Government of India, Department of Commerce, with C.L.  
Press.

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## REPORT OF THE ECONOMIC DEPRESSION ENQUIRY COMMITTEE.

### APPOINTMENT OF COMMITTEE.

The Government have in G.O. No. 328, dated 11th February 1931, constituted a Committee "to examine the effects of the general economic depression at present prevailing and to report whether any measures should be adopted by the Government to mitigate them by arranging for the co-operative marketing of certain produce or otherwise." The Committee was, however, instructed that the question whether, so far as the ryot population is concerned, partial relief should be given in the form of a postponement within the fasli of some of the remaining kists in areas which have specially suffered owing to the fall in prices should not be dealt with by this Committee.

2. The Committee so constituted consists of the following members:—

Mr. H. A. B. Vernon, C.S.I., C.I.E., I.C.S., Commissioner of Land Revenue  
(Chairman),

M.R.Ry. Diwan Bahadur A. Appadurai Pillai Avargal, Director of Industries,

Mr. G. R. Hilson, Director of Agriculture,

Mr. R. D. Richmond, Chief Conservator of Forests,

Mr. D. N. Strathie, I.C.S., Registrar of Co-operative Societies,

Mr. J. Gray, O.B.E., I.C.S., Commissioner of Labour,

Mr. H. E. Carter, The Eastern Bank, Limited, Madras, nominated by the Madras Chamber of Commerce,

Mr. C. D. Priestley, The Imperial Chemical Industries (India), Limited, Madras, nominated by the Madras Chamber of Commerce,

Mr. F. G. Luker, Messrs. Addison & Co., Limited, Madras, nominated by the Madras Trades Association,

M.R.Ry. Sami Venkatachalam Chetti Garu, M.L.C.,

" M. A. Muthiah Chettiyar Avargal, B.A., M.L.C., nominated by the Nattukkottai Nagarathars' Association,

" T. K. Duraiswami Ayyar Avargal, Professor of Economics, Annamalai University,

" Raja Shunmuga Rajeswara Sethupathi Avargal, Raja of Ramnad,

" A. Ranganatha Mudaliyar Avargal, M.L.C.,

" C. V. Venkatafama Ayyangar Avargal, Coimbatore,

" M. R. Seturatnam Ayyar Avargal,

" K. P. Raman Menon Avargal, M.L.C., Calicut,

" Hota Suryanarayana Garu, B.A., B.L., Advocate, Madras,

" M. S. Sreshta Avargal, M.L.C., Mangalore,

" Diwan Bahadur D. Seshagiri Rao Pantulu Garu, Cocanada,

" Rao Bahadur R. Srinivasan Avargal, M.L.C.,

" C. Basu Dev Avargal, M.L.C.,

" Raja Sahib Mehrban-i-dostan Raja Sri Ravu Swetchalapati Ramakrishna Ranga Rao Bahadur Garu, Raja of Bobbili, M.L.C., and

Mr. H. M. Hood, I.C.S. (Member and Secretary).

Causes of  
Depression.

It is not practicable to attempt to find remedies without forming some general idea of the causes which have brought about the present state of affairs, and accordingly it seems desirable to consider very briefly some suggestions that have been made in regard to causes. Many have been suggested but they may be grouped under three heads:—

(1) Scarcity and sterilization causing an appreciation in the value of gold as the standard fixing the value of currencies. This would affect all countries which have adopted the gold standard and the prices in those currencies of all articles purchased by them.

(2) Overproduction of certain commodities resulting in large stocks and a fall in prices of those commodities and of other commodities which may be used alternatively, and indirectly, other commodities generally.

(3) Various influences tending to destroy confidence.

We do not propose to discuss the question of the rupee ratio though it has been suggested that it is in part responsible for the present state of prices in this Presidency.

4. The first item is fully discussed by Sir Henry Strakosch (Supplement to the *Economist*, July 5, 1930). The currency of practically the whole civilized world is based on a gold standard, the money of each country being by law exchangeable into a fixed weight of gold. Consequently the currency of any such country will buy what the equivalent weight of gold will buy. The index of prices shows that from December 1925 to May 1930 the purchasing power of gold has gone up from 65.4 to 86.4. Production increases by about 3 per cent annually, but gold has not only not been produced to this extent but what has been produced, and more, has gone into countries which have already more than enough to cover their currency requirements. This excess has therefore, as a basis for currency, been sterilized. In this way France and the United States of America absorbed in 1929, 110 millions. Gold Deficiency.

5. It is claimed that, apart from all other conditions, this absorption of gold is in itself quite sufficient to account for the fall of prices over the last five years.

6. It is assumed in the above argument that there is symmetry in production of different commodities, and that over-production in one article results in a fall of prices which automatically checks production until symmetry is again established. There has undoubtedly been over-production in certain directions but Sir Henry Strakosch's assumption of automatic readjustment of production does not seem to work efficiently as it assumed a degree of organization and control of production which does not exist.

7. Over-production produces a fall in prices. Reluctance to buy in a falling market produces further falls and increase in stocks. The resultant effect on the value of money affects banks and other trades while directly the cheapening of one article affects the price of connected articles, e.g., the cheap production of synthetic indigo, and the increased consumption of cheap rice reducing the demand for, and therefore the price of cholam. *Per contra*, a slump in prices due to another cause will result in the accumulation of stocks which will again give the appearance of over-production. Over-production.

8. The effects of over-production in certain commodities have been accentuated by an attempted control of output failing, followed by a further spate on the market.

9. The third category includes various influences which have resulted in general shyness and reluctance to trade freely owing to lack of confidence engendered. These influences include the political unrest in India, China, and the rampant speculation chiefly in America which turned finance from steady investment on a stable basis to gambling on the chance of immediate large profits. These influences supplement the natural reluctance of buyers to operate on a falling market and enhance the difficulty of re-establishing trade when other causes have brought about a heavy fall in prices. This aspect of the slump is of great importance in India where special conditions and the uncertainty of the political situation have had a very depressing effect on business while considerable amounts of capital have during the last year or more been withdrawn from India. Lack of Confidence.

10. We do not find it practicable to make any recommendation to the Government of Madras to deal with any of these causes as a whole, but have decided to recommend that steps be taken to mitigate the effects of the depression in a number of directions which have been carefully considered.

11. There has been an all-round decline in prices of commodities and trade. There has been as yet no material fall in wages and in the cost of transport and other services. The precise extent of the fall and the period over which it has extended will be examined later, but first a brief examination will be made of the extent of population affected.

12. The population affected beneficially includes all persons on a money wage. Wages have not yet fallen generally. That they must fall in the near future seems inevitable if there is to be a satisfactory readjustment to a lower level of prices, but Classes affected.

in the meantime all on a fixed money wage gain by the cheapness of food-stuffs and of clothing. Again all those whose economic position is such that they customarily do not spend any material amount on services and taxes, which have remained constant unlike grain and other commodities, are little, if any, worse off than before on account of the fall in prices. Farm labourers are also better off so far as they are on a fixed money wage and little worse off when paid in kind for the same reasons which apply to the small cultivators. This applies also generally to crops which the ryot must sell *in toto* to purchase food-grains and other articles, for though commercial crops have dropped to an abnormally low figure, the fall is not generally greater than that of food-grains and the graph [Appendix II (A)] will show the relative values of cotton, groundnut, rice and cholam over a period. This graph indicates that though there may have been a slump in the values of each of these products, the value of one in terms of another, e.g., the quantity of cholam which can be bought by a fixed quantity of groundnut, may have fluctuated from time to time but has in no case shown any steady or regular decline.

13. The area of various crops classified on this basis is as follows :—

	Lakhs of acres.
Total cereals ... ..	256
Pulses ... ..	88
Fruit and other food crops ... ..	16
	<hr/>
Total food ...	805
Non-food crops ... ..	88
	<hr/>
Total ...	893

and although the food crops of which the small cultivator himself consumes the bulk of the produce is thus by far the largest of crops grown, we think the ryot is in much the same position whether he grows the one or the other.

14. The extent of the population affected by this statement of the case is indicated by the following figures (Census of 1921) :—

Population of Presidency ... ..	42,819,000
Total cultivators (owners or lessees) ... ..	21,812,000
Farm servants and field labourers ... ..	8,224,000

Of these cultivators the following table which refers only to ryotwari cultivation for 1929-30 will indicate the proportion of small holders :—

(Note.—All figures in thousands.)

	Number of pattas.	Area.		Assessment. Rs.
		Dry.	Wet.	
<b>SINGLE PATTAS.</b>				
1. Assessment less than Rs. 1 per patta .. ..	615	839	26	571
2. Assessment less than Rs. 10, more than Rs. 1 per patta .. ..	1,890	4,862	553	7,768
3. Total of assessment less than Rs. 10 .. ..	2,505	5,200	579	8,139
Total of all pattas ..	3,394	12,838	3,766	37,638
<b>JOINT PATTAS.</b>				
1. Assessment less than Rs. 1 per patta .. ..	471	221	17	265
2. Assessment less than Rs. 10, more than Rs. 1 per patta .. ..	1,047	3,315	269	4,477
3. Total of assessment less than Rs. 10 .. ..	1,518	3,536	286	4,742
Total of all pattas ..	2,021	8,508	1,575	18,828

That is to say about three-fourth of the pattas of ryotwari holdings are for not more than Rs. 10 each and these cover almost half the total area of dry lands.

15. If it is assumed, as we consider it may be assumed, that the proportion of small holders in zamindari areas is comparable with these figures we arrive at the conclusion that there are about 16,000,000 directly dependent on cultivation of small holdings paying a kist of not more than Rs. 10 each.

16. Of the total ryot population only about 5 per cent have, according to census returns, any subsidiary occupation and the payment of kists and rents in cash are fixed charges more expensive to ryots in times of low prices.

\* 17. The ryot population is, however, affected in a different direction by another aspect of the depression and that is the shortage of currency and consequent tightness and difficulty of obtaining at the same rate of interest the funds he requires. If he has to sell at a low rate and to pay interest at a higher rate on loans taken to pay costs of cultivation including wages at the same level as previously, clearly again he is worse off. But the small working cultivator does not borrow much to pay coolie wages though he may have to borrow for living expenses and for some cultivation expenses. Most of the other reasons for borrowing go on as hitherto—marriages, litigation and so forth—but, we understand, at a rather higher rate of interest.

18. Cottage industries are seriously affected and the weaving community which has suffered probably more than any other directly by the trade slump and by the political activities comprises over 1,000,000 of the population.

19. The whole extent of the population dependent on trade and prices have felt the pinch of restricted trade while the professional classes whose income depends on the prosperity of other classes have also suffered.

20. We shall now proceed to examine the cases of a few crops and industries which can be taken as representative of the general situation. We consider that it is neither practicable nor necessary to examine the cases in detail of all crops, and such recommendations as we are able to make are of a general nature and will benefit all activities to which they are applicable.

21. The graphs of paddy prices (Appendix II (g)) show that the price has been <sup>Rice and</sup> falling away for some years but in 1930 it has collapsed and the price has only <sup>paddy.</sup> recently ceased to fall. The floods in the autumn of 1930 caused a local rise, e.g. in Tanjore, of prices but this effect was very temporary. It could not be expected to recover at an earlier date, the biggest paddy harvests being from December to February.

22. The area of paddy cultivation has not increased, the area under paddy cultivation being

in 1902-03	...	...	...	...	7.2 millions of acres.
1908-09	...	...	...	...	10.3 do.
1912-13	...	...	...	...	10.9 do.
1915-16	...	...	...	...	11.2 do.
1917-18	...	...	...	...	11.7 do.

This is the maximum figure and in the twelve years from then till 1929-30 it has been 10.5, 11.6, 11.1, 11.3, 11.3, 10.5, 10.9, 11.3, 11.4, 11.3, 11.1 and 11.3.

23. The output per acre has not materially increased. The main producing areas are the Circars, the Nellore and Tanjore deltas, Madura district, and South Kanara. These are surplus areas which provide paddy and rice for export to other parts of the Presidency and to outside the Presidency. The total amount of paddy grown has been between 7.1 and 7.9 million tons annually for the last six years, the average being 7.5. Ceylon until 1919 took much Tanjore rice. That trade has somewhat fallen off, Burmese rice having replaced it, and much Burmese rice is now consumed on the West Coast having replaced other, including Kistna delta, rice.

24. The exports and imports of rice and paddy have been examined and the following figures obtained :—

*Exports of paddy and rice.*—(All figures in tons of paddy, rice being converted to the equivalent weight of paddy which would produce that weight of rice : for this 50 per cent must be added to the weight of rice to give the paddy equivalent.)

	1927-28.	1928-29.	1929-30.	1930-31 (11 months).
Circars to Ceylon .. .. .	51,000	56,000	35,000	37,000
South Coast ports to Ceylon .. .. .	95,000	88,000	102,000	104,000
South Coast ports to Straits .. .. .	5,400	7,800	7,200	7,800

	Exports from all ports in the Presidency.	To Ceylon.	Mauritius and other countries.	Straits.
1912-13.	.. .. .	158,000	..	..
1913-14	.. .. .	214,000	..	..
1914-15	.. .. .	255,000	..	..
1915-16	.. .. .	337,000	..	..
1916-17	.. .. .	265,000	22,000	4,500
1917-18	.. .. .	253,000	9,000	7,500
1918-19	.. .. .	145,000	..	3,000
1919-20	.. .. .	Nil.	..	..
1920-21	.. .. .	..	..	..
1923-24	.. .. .	110,000	..	1,700
1924-25	.. .. .	81,000	..	1,800
1925-26	.. .. .	91,000	..	2,300
1927-28	.. .. .	146,000	..	5,400
1928-29	.. .. .	144,000	..	7,800
1929-30	.. .. .	137,000	..	7,200
1930-31	.. .. .	141,000	..	7,650

Other exports outside the Presidency were trivial.

The imports of rice and paddy (tons) from Bengal, Bihar and Orissa and other parts are as follows :—

(Coasting trade.)

Year.		From Bengal, Bihar, Orissa and Bombay.	Burma.	Ports in the presidency.
		TONS.	TONS.	TONS.
1912-13	Paddy	68,000	54,000	17,000
	Rice	96,700	48,000	10,000
1913-14	Paddy	24,000	180,000	19,000
	Rice	27,000	93,000	12,000
1914-15	Paddy	24,000	137,000	17,000
	Rice	16,000	103,000	9,000
1915-16	Paddy	20,000	147,000	12,000
	Rice	4,000	93,000	6,000
1916-17	Paddy	15,000	14,000	8,000
	Rice	1,000	91,000	2,000
1917-18	Paddy	18,000	29,000	16,000
	Rice	3,000	77,000	7,000
1918-19	Paddy	3,000	16,000	12,000
	Rice	30,000	199,000	13,000
1919-20	Paddy	24,000	23,000	7,000
	Rice	232,000	380,000	5,000
1920-21	Paddy	7,000	6,000	15,000
	Rice	34,000	247,000	23,000
	Paddy	24,000	83,000	20,000
1921-22	Cleaned rice	31,000	54,000	4,000
	Broken rice	1,000	35,000	1,000
	Boiled rice	42,000	55,000	21,000
	Paddy	25,000	115,000	14,000
1922-23	Cleaned rice	21,000	50,000	4,000
	Broken rice	1,000	83,000	2,000
	Boiled rice	74,000	54,000	18,000
	Paddy	35,000	64,000	8,000
1923-24	Cleaned rice	31,000	27,000	2,000
	Broken rice	2,000	85,000	1,000
	Boiled rice	145,000	40,000	13,000
	Paddy	22,000	82,000	12,000
1924-25	Cleaned rice	12,000	36,000	1,000
	Broken rice	4,000	123,000	1,000
	Boiled rice	138,000	49,000	35,000
	Paddy	19,000	100,000	10,000
1925-26	Cleaned rice	1,000	31,000	1,000
	Broken rice	..	162,000	1,000
	Boiled rice	30,000	139,000	19,000
	Paddy	14,000	24,000	7,000
1926-27	Cleaned rice	1,000	33,000	1,000
	Broken rice	..	89,000	1,000
	Boiled rice	12,000	71,000	34,000
	Paddy	21,000	79,000	1,000
1927-28	Cleaned rice	2,000	31,000	1,000
	Broken rice	..	143,000	2,000
	Boiled rice	7,000	159,000	29,000
	Paddy	28,000	98,000	7,000
1928-29	Cleaned rice	1,000	33,000	3,000
	Broken rice	..	96,000	2,000
	Boiled rice	2,000	187,000	29,000
	Paddy	15,000	103,000	3,000
1929-30	Cleaned rice	1,000	29,000	1,000
	Broken rice	1,000	89,000	1,000
	Boiled rice	3,000	139,000	31,000
1930-31 (ten months)	Paddy	..	..	2,000
	Rice	..	..	20,000



The imports from the Straits and Far East have been trivial ; they were

1929-30 ... ..	4,900 tons.
1930-31 ... ..	3,400 ,, (11 months.)

in earlier years than 1926 there was none.

25. From these figures it will be seen that not only is the export from the Presidency inconsiderable being only 150,000 out of 7,500,000, i.e., 2 per cent but also that in 1929-30 approximately the equivalent of 500,000 tons of paddy and in 1928-29 of 600,000 tons were imported into this Presidency.

26. Prior to 1918-19 when the rice crops failed over considerable areas, the exports (paddy equivalent) were over 250,000 tons in 1917-18 when the area under paddy was at its maximum, 11.7 million acres. Madras paddy and rice have been undersold and it is obviously necessary, if Burma rice is to be ousted again, that it should be possible for ryots to put Madras rice on to those markets at a lower rate than they do at present, but while the population has increased 10.5 per cent in this last decade the production of paddy has not increased and the surplus available for export from the paddy surplusing areas is reduced.

27. These figures make it clear that the Presidency as a whole does not produce as much rice as it requires for its own consumption, and if it is to regain its old position, and export 250,000 tons to Ceylon as it did previously, it can at present only do so by importing more rice from Burma for its own consumption.

28. It is to be observed that in 1917-18, 270,000 tons of paddy were exported and 164,000 imported and in 1915-16, 337,000 were exported and 334,000 imported and 1913-14 exports were 214,000 and imports 421,000, and we must presume that if paddy is imported while other crops are grown on wet lands, that these crops pay the ryot better than the paddy, and we do not therefore consider it necessary to take any steps to discourage the import of rice and paddy at present.

29. We shall now consider the position in regard to cholam. The graphs Cholam. appended to this report [Appendix II (f)] indicate clearly the variations in price over a considerable period. They show that a decline in prices from early in 1927 was followed in 1930 by a collapse and there is as yet little indication of any recovery.

30. The area grown with cholam has fluctuated but has not materially increased and similarly the output has varied but for the last fifteen years apart from seasonal fluctuation there has been no general increase. All cholam is consumed on the premises and none is exported. Consequently with a material increase in the population the amount of cholam per head of population has been reduced. The actual figures of production are as follows (in lakhs) :—

Year.	Acres.	Output (tons.)	Year.	Acres.	Output (tons.)
1902-03	46	...	1920-21	52	14
1903-04	41	...	1921-22	56	15
1906-07	45	...	1922-23	53	14
1909-10	51	...	1923-24	46	13
1912-13	52	...	1924-25	44	14
1915-16	55	...	1925-26	45	13
1916-17	48	14	1926-27	47	12
1917-18	49	15	1927-28	48	13
1918-19	50	13	1928-29	46	14
1919-20	55	15	1929-30	52	15

31. The slump is therefore not due to over-production of cholam in the ordinary course but the slump in prices of rice has resulted in greater consumption of rice and consequently less demand for cholam—the price of this has therefore collapsed also with a reduced demand at a time when all prices are falling. Cholam is in general a much less profitable crop than paddy and is chiefly grown in the less prosperous parts of the Presidency.

32. We may turn from the details of statistics of these crops, which we consider Ryots' Needs. typical of the position of food grains, to the requirements of the ryots in general and we are immediately concerned with two problems.

33. All ryots are interested in obtaining the maximum profits of cultivation—of obtaining the maximum yield in proportion to the cost and of obtaining the maximum value for the crop they sell or give as wages. The question of yield is being dealt with by the Agricultural Department and we have no recommendation to make in that respect but we have examined the question of assisting the ryot to obtain the

fullest possible value for the crop and we have considered the further problem of assisting him to finance his crops under the most favourable conditions.

34. We shall take this second point—assistance in financing agricultural operations first. There is all round a dearth of money: lenders have withdrawn much money and owing at least in part to paucity of repayments, co-operative banks are also short. The money-lending rates have gone up materially in villages and money is very shy. A vast amount of cultivation is customarily carried on with the help of loans from merchants, money-lenders, commission agents and other ryots and it is, we consider, desirable to take steps to see that adequate funds are available for the next cultivation season. It is not intended that these loans should be provided to make up for the deficiencies in the prices obtained for the last crop, though this is in itself to some extent unavoidable, but to ensure that the next crop will be financed at as easy rates as practicable. It must be borne in mind that ryots do not entirely maintain themselves and their dependants and grow the next crop on the proceeds of the last. They are frequently living on credit based on what the next crop is going to bring. Consequently loans are necessary and profits are greatly influenced by the terms on which ryots borrow.

35. It is the smaller ryots who suffer most severely at such times. It is they who have to pay the highest rates of interest and to borrow on the most disadvantageous terms. It is they who are chiefly compelled to sell produce at the buyer's price to meet obligations at the harvest.

36. To assist in this finance of Agriculture we consider that loans should be granted to the smaller ryots for cultivation expenses for the ensuing season by the Government through the Revenue Department.

37. We further consider that considering the large number of villages served by the co-operative organization and for the facilities co-operative societies have for ascertaining when loans can most suitably be granted the Government should supplement the existing grant to co-operative societies for the purpose of advancing money to smaller ryots.

Marketing.

38. We now come to the other aspect of the problem which we have had under examination, namely, the practicability of assisting and enabling ryots to obtain the fullest possible value for their crops.

39. We do not consider that any steps which we can recommend in this direction will have immediate great results but this alone is not sufficient reason for making no effort to provide facilities which will gradually improve the ryots' position and may conceivably in time make his labours materially more profitable.

Co-operative  
Marketing.

40. Many attempts have been made in the Co-operative Department to develop co-operative marketing and the outstanding success has been the Cotton Sale Society at Tiruppur. This society receives the cotton of its members to be ginned and sold, the member getting an advance on it as soon as it is brought in, part of this advance being paid direct to the Co-operative Central Bank in liquidation of his previous borrowings for cultivation and seed from his village society.

Godown  
Societies.

41. There is also a number of small societies owning godowns which merely give advances on produce brought into the godown, leaving the ryot to sell the produce and to repay the advance from the sale-proceeds before removing the produce.

42. It is essential that a Co-operative marketing society should be in a position in the fullness of its organization to pay for all services rendered to it and to show a material benefit to its members. It may be given assistance by honorary work and by monetary help in its early stages, but it will not be a permanent success until it pays its own way and shows a profit for distribution to the members in addition to their obtaining as good a price for their produce as formerly. Experience with societies which have already succeeded or failed indicates that the first requisite for success on a considerable scale is production in a fairly compact area, concentration and despatch through a 'bottle neck' to a distant market. Efficient and honest management must naturally be assured. Production spread over a wide area, largely for local consumption over an equally diffuse area, a common condition with food grains, will render concentration for co-operative marketing on a considerable scale unprofitable though a co-operative organization to assist ryots on a small scale in the early stages of marketing may be very profitable to them.

Generally much of the food grains is consumed locally in this Presidency while commercial crops, e.g., cotton, groundnut and plantation crops are concentrated for marketing.

43. It must be shown in each case that by the condition of marketing there is a gradation in the prices along the channel of marketing from the ryot to the largest wholesale trader and to the consumer, sufficient to justify the ryot in replacing one or more intermediaries by a co-operative organization, and it is observed that in this test for the justification of promoting a co-operative organization, the question of forcing up prices against the consumer does not arise. In the marketing organisations that have hitherto been attempted in this Presidency no provision has been made for such a possibility nor is it the intention of a co-operative organization to do so. The object of a co-operative selling organization is to ensure for the producer the greatest price for his labour by cutting out as many as practicable of the intermediaries between consumer and producer. Consequently in this Presidency ryots have been advised to bring their produce to co-operative organizations for sale but not to attempt the very speculative business of holding up produce for a better price. The exception to this is in regard to food grains principally rice, and cotton promises of all crops grown locally the best possibility for co-operative sale because it is concentrated for sale in a few definite large markets.

44. Generally so far as the ryots are concerned the benefit to be derived from co-operative marketing arises from the terms on which he is financed and this remark applies also to the weavers. There are considerable possibilities for local godowns for ryots, to provide a place of safe custody when advances are required and to assist in selling the produce.

45. It must be clearly recognized that one of the difficulties which co-operative trading societies have to face in this country is the dearth of business experience and knowledge of banking and commercial practice among those for whose benefit the co-operative movement is being fostered. This and the ease with which members have been seduced from loyalty to their societies by the blandishments of those who think their interests threatened are factors at the root of many failures. We consider that every effort should be made to push on the teaching and training of staff, official and non-official, for conducting such societies. Business Knowledge Lacking.

46. The prospects of successful marketing of paddy co-operatively on a large scale are exceedingly remote, but co-operative societies can give loans on the pledge of paddy enabling the ryot to pay pressing demands from the Government and from money-lenders and others, who have financed the crop. If he is unable to obtain loans on such a pledge—a readily realizable security which enables him to get the most advantageous terms possible—he is compelled to sell in the most unfavourable conditions. There is commonly also a marked harvest time slump in prices in villages. This 'slump' is absorbed by the smaller local merchants. It is advantageous for ryots to be able to hold up produce for a short time till prices recover from the depressing effects of forced sales at the harvest. Produce Loans.

47. It does not appear practicable to attempt to develop co-operative marketing of food grains beyond the stage of granting loans on produce, enabling the ryot to sell when it seems good to him to do so, and giving the further advantage that when it is concentrated in a godown, the quantity available for sale will attract a merchant of more importance than the village dealer and one prepared to offer a slightly more favourable rate.

48. There are very few godowns available particularly in villages and the cost of constructing godowns is a strong deterrent, while the fact that the godown will be fully occupied for only a portion of the year adds to the difficulty of making it pay. There are 73 co-operative societies carrying on this class of business but not entirely with paddy and 8.27 lakhs were advanced to ryots on the pledge of produce in these societies. The Government under present rules advance on easy terms half the cost of godown erected by co-operative societies.

49. We consider therefore that an immediate investigation should be made into the possibility of starting more co-operative sale societies for all kinds of agricultural produce on the lines of the Tiruppur Cotton Sale Society which we understand is being run successfully and these should be immediately organized wherever they are found practicable.

50. We further think that more godowns should be made available wherever this is possible for the use of co-operative societies, either by assisting them in building or in paying the rent for them.

51. In this connexion we wish also to refer to the recommendation made by the Banking Enquiry Committee ; we consider that there is ample scope for the organization of ware-houses independent of the co-operative sale societies, and we wish to recommend that the Government institute ware-houses to receive goods and grant a certificate over the signature of a responsible marketing officer of the quantity and quality of such goods held in the ware-house. Such certificates should be made available as instruments of credit.

52. It has been suggested to us that owing to the dearth of credit or for other causes the Imperial Bank has greatly restricted the credit which it has been accustomed to grant to merchants more particularly the smaller merchants who deal direct with the ryots. It is urged that there is no justification for this contraction of credit and that advances should be given by the Imperial Bank on the security of real estate, this being a perfectly sound form of security, to stimulate and revive the trade in Agricultural produce. It is argued that if money is so advanced to merchants and commission agents the cash will reach the ryots through this channel, and these merchants are sufficiently alive to their own interests not to charge the ryots exorbitant rates of interest on advances.

53. There is no doubt a general lack of funds and in a falling market merchants are unwilling to buy more than they are obliged to do while banks must naturally be expected to be conservative in their advances on produce. We are unable to agree that the Government should exert pressure on the Imperial Bank or guarantee loans to local merchants nor have a majority of us been able to see our way to recommend that loan be given through co-operative banks to merchants who are not members of those banks, for it is foreign to the nature of a co-operative society to grant loans to non-members.

54. As a further means of reducing the cost of putting goods on the market we have considered the question of railway freights. With the general lowering of prices that has been taking place for some time, there has been no reduction in freights and we consider that one method of combating the present depression is to reduce railway freights.

55. In consideration of the fact that generally the harvest time is the time when it is least advantageous for a ryot to sell his crops, although we are aware that to some extent the crops are the security for the payment of kists, and unless the Government collect it then, there is some slight risk that the ryot will sell his crop to pay his other debts and neglect to pay his kists, rendering its recovery more difficult, we recommend that the proposal to defer the kist dates until some little time after the harvest should receive the careful consideration of the Government.

Groundnut.

56. The graph (Appendix II) shows how prices have fallen for the last few years ending with a severe fall in 1930. The price is now recovering.

57. The following figures show how the cultivation has extended since 1915 :—

Years.	Total area.	Total yield.	Yield per acre.	
			ACS.	LB.
1915-16 .. .. .	1,136,000	..	..	..
1916-17 .. .. .	1,796,000	..	..	..
1917-18 .. .. .	1,415,000	680,000	..	1,098
1918-19 .. .. .	1,001,000	442,000	..	990
1919-20 .. .. .	1,144,000	568,000	..	1,120
1920-21 .. .. .	1,600,000	740,000	..	1,040
1921-22 .. .. .	1,459,000	678,000	..	1,060
1922-23 .. .. .	1,764,000	823,000	..	1,060
1923-24 .. .. .	1,812,000	746,000	..	928
1924-25 .. .. .	1,904,000	948,000	..	1,115
1925-26 .. .. .	2,599,000	1,263,000	..	1,089
1926-27 .. .. .	2,680,000	1,207,000	..	1,023
1927-28 .. .. .	3,337,000	1,670,000	..	1,118
1928-29 .. .. .	3,879,000	1,830,000	..	1,114
1929-30 .. .. .	3,209,000	1,522,000	..	1,062

\* Less 25 per cent if decorticated.

Figures for previous years are not available.

58. These figures of yield per acre indicate that there has been no general deterioration in the gross output. They fluctuate from year to year but the high figure in 1919-20 is repeated in 1924-25 and 1927-28. We are informed by one firm of merchants who deal largely in groundnut that they have no reason to suppose that the oil content and proportion of kernel on decortication have fallen off. Another firm asserts, however, that there has been a falling off in the quality of the kernel. The question of providing improved seed giving a better yield and better oil output and suitable to local conditions is, we understand, engaging the attention of the Agricultural department. There is no reason to suppose that the great increase in output of the Madras crop has influenced the market price. We have been unable in the time at our disposal to obtain figures of the world output but understand that merchants are endeavouring to persuade ryots in South Arcot to grow more groundnut. An output of two candies per acre will at present prices of about Rs. 30 per candy give a gross yield of Rs. 60 an acre, and even at this price the land yields more profit than it did under other more precarious dry crops. There is some local expression of oil, for example, in Madura a considerable amount of oil is extracted and the cake exported for manure to Ceylon.

59. So far as the cultivator is concerned, we have dealt elsewhere with everything that can be done for him directly. He will benefit indirectly no doubt also if the market can be so improved that the crop is more valuable by applying manufacturing processes to it in India and by manufacturing commodities from it in India for consumption in India as well as abroad and so cutting out the expenses of freight to and from Europe and the profits of manufacture paid by Indian consumers to foreign manufacturers.

60. The exports of groundnuts are as follows (in tons) from ports in the Presidency:—

Year.	Groundnuts.	Groundnut cake.	Total oil cakes.
1916-17	67,000	21,000	51,000
1917-18	63,000	32,000	55,000
1918-19	8,000	38,000	59,000
1919-20	70,000	28,000	47,000
1920-21	86,000	13,000	30,000
1921-22	20,800	14,000	35,000
1922-23	225,000	17,000	35,000
1923-24	224,000	15,000	36,000
1924-25	330,000	21,000	40,000
1925-26	370,000	15,000	36,000
1926-27	318,000	25,000	44,000
1927-28	472,000	29,000	46,000
1928-29	584,000	24,000	44,000
1929-30	583,000	14,000	32,000
1930-31 (11 months)	415,000	7,000	20,000

61. The total export of groundnut from Madras and Bombay is, we are informed, about 1,000,000 tons annually, and the world trade in oil nuts seems to be about 28,000,000 tons. Madras is about the biggest producer of groundnuts, but East and West (French) Africa are competitors and there are other oil seeds and nuts.

62. On the other hand, the imports in tons of vegetable oil and products through ports in this Presidency are as follows:—

—	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31 (11 months).
Vegetable ghee, etc., including margarine ..	..	..	1,300	2,600	1,900	2,400
Copra .. .. .	55	7	8	45	1	14
Groundnut .. .. .	1	..	4	..	1	..
Sesamum .. .. .	1	10	..	..	..	9
Coconut oil .. .. .	70	1	9	100	2	3
Groundnut oil .. .. .	..	3	..	..	..	..
Linseed oil .. .. .	60	60	60	90	60	60

63. The reimport of groundnut or other oil products of this Presidency are thus trivial, though some of us are of opinion that if the groundnut oil were expressed and manufactured into other products in this presidency, the local consumption would be

greatly increased. There is a certain amount of margarine and other vegetable oil products manufactured in India, but we are not in possession of precise figures showing the extent of this business.

64. Representations have been made that the present slump in groundnut is the result of a ring of European consumers, but this assertion is discounted by the fact that there are, so far as we are aware, no indications of over-production, the slump in groundnut is no greater than that in other commodities and the price is showing signs of improvement.

65. A proposal has been made that the ryots should form a pool, hold the stock and sell only at advantageous rates. We do not think such a scheme practicable.

66. France has large works for expressing and refining oils. These are protected by a heavy duty, while the French Colonies in Africa (Senegal) produce much groundnut. If Madras attempted to export oil instead of nuts, they would be in competition with these established interests. Much oil nut is now being supplied direct to Northern ports in Europe and there again the plant is in existence not only for expressing but also for purifying and deodorizing the oil.

67. The bye-product in the expression of groundnut oil is an important factor. It is urged that the oil cake should go back to the land, but even with the present small local extraction of oil, groundnut cake is being exported and in Europe it is chiefly, we understand, used as cattle-food. Any attempt to deter its export by a tariff would probably result in less production, for it would certainly diminish the value of the crop.

68. It does not appear probable that this Presidency could utilize the whole of the produce of the present crop and there are obvious difficulties in the way of crushing and manufacturing the oil for export. The business arose from a demand from Europe where there are established businesses with all that that implies of plant, capital, goodwill and trained staff, and when competition in the groundnut trade is so keen there is a risk of losing everything if difficulties are placed in the way of the free export of the groundnut.

69. On the other hand, we consider that it may be possible to build up a business in the manufacture of vegetable oil products in this country. It cannot be done suddenly, but we understand that the Government are erecting plant to explore the possibilities of such enterprises and we consider that the Government should give all possible help to develop the vegetable oil and allied industries in this country.

Sugar.

70. We have discussed the question of jaggery and sugar manufacture but have in the time at our disposal been unable to obtain from any official source reliable figures of prices over a period. By the courtesy of Messrs. Parry & Co., however, we have obtained annual average figures for various centres and these are shown in a graph. The price, has fallen to a very low figure.

71. The amounts of sugar grown in this Presidency and that imported and exported by sea are given in the following statement; but, without exports and imports by rail to and from other parts of India, it is impossible to ascertain to what extent the present cultivation results in excess over or deficiency under the requirements of the Presidency.

	Sugarcane cultivation.		Total produce (jaggery).	Sugar.	
	Year.	Acres		Export.	Import.
			TONS.	TONS.	TONS.
1913-14 .. .. .	83,600	..	..	7,800	27,000
1914-15 .. .. .	74,500	..	..	4,400	29,000
1915-16 .. .. .	94,600	..	..	3,000	22,000
1916-17 .. .. .	114,400	..	..	11,000	27,000
1917-18 .. .. .	127,400	..	262,400	8,000	30,000
1918-19 .. .. .	123,200	..	313,500	4,800	39,000
1919-20 .. .. .	92,700	..	264,300	12,900	15,000
1920-21 .. .. .	103,300	..	273,400	17,300	19,000
1921-22 .. .. .	119,300	..	314,500	4,100	15,000
1922-23 .. .. .	131,100	..	358,000	2,900	10,000
1923-24 .. .. .	121,300	..	320,400	32,500	12,000
1924-25 .. .. .	110,400	..	313,200	20,000	30,000
1925-26 .. .. .	112,800	..	315,000	2,200	29,000
1926-27 .. .. .	114,500	..	304,500	1,800	54,000
1927-28 .. .. .	84,300	..	282,500	2,600	66,000
1928-29 .. .. .	84,800	..	245,000	1,900	72,000
1929-30 .. .. .	83,100	..	275,000	..	..

These figures of sugar production refer only to sugarcane, but much is also obtained from other sources. They show, however, that compared with what is produced locally, the sea-borne trade is comparatively small. Nevertheless the imported sugar has great influence in regulating the price of the whole, and any step that could be taken to reduce the cost of manufacture and to raise the price of sugar and jaggery would assist the dealer and the ryot.

72. There seems to be scope for improving the extraction of sugar on a small scale and the Department of Industries, we are informed, is constantly demonstrating the use of small portable crushing plants and lending them out to ryots. Some of the larger factories have, however, been closed and it does not apparently pay to manufacture the better qualities of refined sugar. The Agricultural Department is busy producing more productive strains of cane and finding means to reduce the cost of cultivation, while the Department of Industries is concerned with finding more economical methods of extraction, and we consider that every encouragement should be given to these departments to extend their activities in these directions. The only method which would ensure a higher price locally and deter the import of sugar to the advantage of local manufacture thereby stimulating the sugar industry in this Presidency is to increase the import duty on sugar.

We recommend that this may be done.

73. The prices of tea still continue to fall. The report of stocks in the London market show that there are considerable accumulations during the year, but the information as to world stocks is incomplete. An estimate has been made with the following results (in millions of pounds):—

	Production.		World consumption.
	British India.	World.	
1926	392	856	852
1927	390	869	833
1928	390	899	898
1929	423	945	902

In 1930 there was a restriction of crops which reduced the output by 50 million pounds and the world output was further reduced by 22 million pounds by climatic conditions but the price of common tea fell and London merchants held record stocks. Consumption in England has increased but export to other markets fell off, probably not on account of less consumption but of reduced buying in a falling market. The total exports were as follows for 1930:—

	Million pounds (11 months).
From North India	324
„ South India	33
„ Ceylon	242
„ Java	135
„ Sumatra	22
„ China	36
„ Formosa	6
	<hr/> 798

The South Indian tea is thus less than one-twentieth of the whole. There has been more tea produced than can be consumed and attempts to restrict output seem to have for the moment failed and prices are still falling.

74. The following abstract is taken from the monthly report of one of the principal firms of tea merchants:—

“In India itself the boycott has had disastrous results. At one time in the year, demand fell away by over 50 per cent and for the complete year we estimate that consumption has decreased 20 per cent. Latterly demand has improved and as tea is the cheapest and safest drink we have no doubt that India will eventually be one of her best consumers.”

The planters are well awake to their requirements and financial help does not seem required. The restriction of output must be attended to by themselves.

75. Prices have fallen to a very low figure and are shown in the graph plotted. Subsequently prices in Mangalore have risen slightly and the newspapers now report a rise in Brazilian as well as of mild coffee in the London market.

76. We have obtained no figures for complete production or consumption, but the following approximate estimate of production (in millions of bags) has been obtained:—

	Brazil.	Other countries.	Total
1925-26 ... ..	14	9	23
1926-27 ... ..	14	10	24
1927-28 ... ..	28	11	39
1928-29 ... ..	23	11	34

77. The enormous Brazilian crop of 1927-28 frustrated all attempts at controlling the marketing and, with the prospect of another big crop in 1929-30, brought about a collapse of prices which are again indicated as follows:—

	Cents per pound—New York (Rio No. 7).		Cents per pound—New York (Rio No. 7).
July 1926 ... ..	19.3	December 1929 ... ..	9.9
" 1927 ... ..	16.4	July 1930 ... ..	7.5
" 1928 ... ..	15.1	March 8, 1931 ... ..	5½
" 1929 ... ..	17.6	" 9, " ... ..	5¼*
September 1929 ... ..	15.8		

78. Coconuts have generally suffered a similar slump, as also have pepper and ginger, but we are informed that prices are slightly improving. We considered the question of levying an import duty on coconuts but a majority of us considered that such a step was unnecessary.

79. No suggestions have been made to us that any steps are necessary to improve the situation, beyond what can be done by the Government to ensure that all may confidently go about their lawful occasions without hindrance, except certain requests that the sale of adulterated produce should be effectively prohibited. This proposal we have dealt with elsewhere.

Food  
adulteration.

80. A representation was made to us that the local trade in tea and coffee, was much damaged by the sale in the bazaar of cheap mixtures sold as tea or coffee, but so adulterated that they were sold at prices impossible for real tea or coffee, and so unpleasant that the consumption of these beverages was seriously discouraged in anyone who drank these nasty decoctions. It was suggested that active steps should be taken to put a stop to the sale of such products.

81. No samples or precise statements of the extent of such adulteration have been placed before us, and it does not appear from the report of the Public Analyst for the year ending 31st March 1930 that among the few samples, 98 in all, from five municipalities in the Presidency there was any adulterated tea, and there was only one sample of coffee adulterated with 40 per cent of chicory; even in that case no action was taken. There is a specific regulation under Act III of 1918 dealing with the adulteration of tea but the Act itself has only been extended to fifteen municipalities including Madras and to one union. Evidently very little use has been made of the Act. We consider that a more vigorous use of this Act would have beneficial results.

Weaving.

82. We have examined the position of the weaving community.

In the census returns of 1921 these are shown to be 687,000 supported by cotton spinning, sizing and weaving and the other weaving communities dealing with wool, silk and other weaving, spinning, ginning, etc., took the total to 1,124,000, it is now presumably well over one million in all and recent investigations may show these figures to be too small.

83. This community has been affected by the general trade depression resulting in a less demand for cloths, and in addition all these numerous weavers who were weaving finer counts have been thrown out of work owing to the boycott of foreign yarns, the finer yarn being unprocurable from Indian mills. Thus as the outcome of the Congress activities 10,000 weavers are out of work in Coimbatore alone. Previously these weavers were engaged in a prosperous trade of supplying to North India fine cloths of cotton with silk and gold lace headings and borders. This trade is now definitely stopped and several of us consider that it will not be revived.





	Rs.
Total working capital available for loans to members	5,55,400
Cost of managements	10,700
Profit of societies working at a profit	15,000
Loss of societies working at a loss	8,300

Other societies for weavers (non-credit) supply the following figures :—

	Rs.
Raw material in hand opening balance	800
Do. bought during the year for weavers	9,000
Goods sold during the year for weavers	9,400
Closing balance	1,000
Finished produce, opening balance	1,500
Bought from the members during the year	13,000
Sold to the public	14,000
Closing balance	400
Working capital	81,000
Cost of management	1,000
Profit of some societies	2,000
Loss of the rest of the societies	3,000

90. There is scope for such societies, if carefully guided and advised, to direct the energies of the weavers and see that they manufacture the class of goods which for the time being will bring them the best return. But more advice than can be provided by self-managed societies is necessary to guide the activities of the members and to see that they weave goods of a kind and quality which can readily be sold. There is a vast amount of cross marketing of hand-woven goods, but, with a fuller organization, distribution could we think be done more economically. In addition to the large local demand for hand-woven cloths, there is a considerable market for hand-woven "Handkerchiefs". The exports of them from Madras ports are as follows in pieces of, approximately, eight yards each.

Year.	Pieces.	Year.	Pieces.
1912-13	1,812,000	1922-23	1,792,000
1913-14	1,336,000	1923-24	2,642,000
1914-15	1,444,000	1924-25	3,379,000
1915-16	2,203,000	1925-26	2,908,000
1916-17	786,000	1926-27	1,352,000
1917-18	276,000	1927-28	3,298,000
1918-19	474,000	1928-29	3,009,000
1919-20	1,278,000	1929-30	4,786,000
1920-21	1,991,000	1930-31 (11 months).	2,452,000
1921-22	406,000		

91. We consider that much more can be done by organization on the lines followed at Salem but the places should be selected where the most readily marketable goods, e.g. lungies, are being made leaving for the future places where clothes are woven to be hawked by the weaver around the local shandies and villages. We have discussed the question whether it would pay to employ motor vans as travelling shops to sell clothes and display samples but consider that that is a matter to be decided by an expert marketing officer. We wish however to recommend that in order to alleviate distress among weavers, co-operative societies be formed at the following centres :—

Gudiyattam with Tiruvottiyur,  
Madura,  
Kumbakonam with Mayavaram,  
Tinnevelly,  
Pedana (Kistna),  
Conjeeveram,  
Coimbatore,

and such other places as the Director of Industries and the Registrar of Co-operative Societies may suggest and that the Government supply marketing officers to assist in disposing of the produce.

92. These co-operative societies should be organized on the lines of the Salem society. We consider also that in view of the success so far achieved by the Salem society, it is desirable that Government grant financial help to that society and to such of them as reasonably require such help.

93. The efforts of the different centres in marketing should be correlated and harmonized by a central officer and the institution of a central depot in Madras. It is to be understood that ultimately the whole organization should be self-supporting.

94. We understand that the Textile Advisory Committee, the Cottage Industries Committee and the Textile Conference made certain recommendations to the Government and in view of the present condition of the weaving communities we suggest that they be further considered.

95. We have discussed the question of the trade in Hides and Skins and Tanning and have examined the figures of imports and exports. We have had the benefit of the report of the Imperial Economic Committee which examined the matter in all its aspects as a world-wide trade and of that of the Hides Cess Committee and have also received representations by the Southern India Skin and Hide Merchants Association. <sup>Skins and Hides.</sup>

96. There is no doubt from the figures before us that the trade in skins and hides has materially fallen off in the last two years, i.e., since 1928-29 and we have been given the following particulars indicating the present depressed state of this business by the Southern India Hides and Skins Merchants Association:—

Number of tanneries in the Presidency	...	...	...	600
Number of men employed in them	...	...	...	50,000

This is exclusive of tanners working in cottages and those engaged in subsidiary occupation such as collection of bark, myrabolams, oil supply and the like. We have no figures to show what the number of these is but it may be very considerable.

Average wages—

Rupees 20 for skilled workmen.

Rupees 12 for boys and women.

About 75 per cent are skilled workmen—

Number of tanneries closed	...	...	...	About 50
Number thrown out of employment	...	...	...	15,000

According to the average number given for each tannery, namely, about 100, the number thrown out of employment by the closing of tanneries should be only about 6,000. The excess shown above is due to a reduction in the number of hands now employed in tanneries.

Reduction in the number of tanneries and in their output affects also other workmen engaged in the collection of bark, myrabolams, etc.

The Madras trade in raw hides is small and not very great in raw skins, but the exports of tanned or partially tanned hides and skins was of considerable importance.

In 1927-28 we find that—

92 per cent of the partially tanned hides,

80 per cent of the partially tanned sheep skins,

92 per cent of the partially tanned goat skins

went to England. Of these about 3 per cent of hides and 30 per cent of the skins were re-exported mainly to the European continent.

97. The raw hide business is largely from the rest of India to foreign countries, only about 6 per cent of it going to the United Kingdom. In other words foreign countries buy fourteen times as many raw hides and twice as many raw skins as they buy of partially tanned products, while England supports the Indian tanneries by buying ten times as many partially tanned hides and sixty times as many partially tanned skins as it buys of raw products. Eighty-five per cent of the raw goatskins went to America for the manufacture of glace kid of which it is the chief producer.

98. The relative importance of the skins and hides exports from Madras and from India as a whole are shown in the subjoined tables.

The export of raw and tanned skins and hides for ten months ending with 31st January 1931 compared with the corresponding period in the previous two years.

	Raw hides.		Raw skins.		Tanned hides.		Tanned skins.	
	Whole India.	Madras.	Whole India.	Madras.	Whole India.	Madras.	Whole India.	Madras.
1928-29 ..	Rs. 3,28,11,201	Rs. 457	Rs. 4,13,51,901	Rs. 32,41,817	Rs. 8,87,87,551	Rs. 8,37,54,573	Rs. 3,84,20,194	Rs. 8,61,25,244
1929-30 ..	2,27,22,675	116	3,71,68,336	28,78,891	2,86,43,717	2,49,53,166	3,64,74,855	8,31,92,982
1930-31 ..	1,49,53,632	14	2,96,68,185	29,00,721	2,25,86,827	2,05,52,650	2,95,68,429	2,68,10,022

Hides and skins exports.

	Raw hides.		Raw skins.		Tanned hides.		Tanned skins.	
	Whole India.	Madras.	Whole India.	Madras.	Whole India.	Madras.	Whole India.	Madras.
1910-11 ..	£ 3,597,835	Rs. 9,979	£ 2,398,296	Rs. 40,58,416	£ 849,331	Rs. 96,52,595	£ 1,941,832	Rs. 2,34,20,688
1911-12 ..	3,985,302	6,181	2,310,416	31,75,919	988,665	1,20,13,712	1,964,653	2,48,15,149
1912-13 ..	5,372,407	1,11,399	2,447,576	48,63,186	1,863,278	1,80,27,098	1,648,798	2,08,43,411
1913-14 ..	5,580,638	1,03,240	2,260,244	28,06,853	1,058,575	8,23,25,371	1,712,767	2,16,88,584
1914-15 ..	3,500,683	28,974	1,695,583	17,19,654	1,606,649	1,79,88,387	1,471,950	1,79,85,021
1915-16 ..	4,523,690	38,265	1,995,184	26,34,153	2,041,582	2,36,58,457	1,645,477	2,03,47,415
1916-17 ..	4,894,675	49,953	4,610,898	46,03,840	2,985,561	1,85,07,241	3,176,763	8,78,30,666
1917-18 ..	2,057,092	5,851	3,295,321	38,05,460	3,269,596	3,63,119	849,083	57,71,960
1918-19 ..	1,742,736	35,804	4,480,907	1,10,16,143	4,744,980	6,46,62,529	1,630,768	87,92,770
1919-20 ..	Rs. 8,25,23,990	3,74,550	Rs. 15,12,46,310	1,92,73,450	Rs. 7,87,91,970	5,56,25,990	Rs. 4,66,96,280	4,09,80,410
1920-21 ..	2,00,15,440	56,440	3,23,49,540	48,05,300	1,14,83,240	86,32,760	2,02,40,510	1,80,64,870
1921-22 ..	1,81,35,551	28,699	4,15,59,621	63,47,562	1,45,81,859	84,64,895	2,46,25,614	2,13,47,667
1922-23 ..	2,17,68,884	81,981	3,51,24,131	51,95,904	2,31,47,675	1,70,01,306	2,74,23,203	2,39,31,348
1923-24 ..	2,85,47,507	3,942	4,05,70,541	67,62,587	3,16,77,871	2,48,97,122	2,73,08,268	2,41,22,720
1924-25 ..	3,30,79,136	30,683	3,42,68,342	43,88,994	2,35,03,806	2,58,28,846	3,83,14,157	3,31,61,348
1925-26 ..	3,20,57,693	1,093	3,98,85,536	46,24,936	3,04,18,021	2,49,76,954	2,93,35,654	3,50,50,326
1926-27 ..	2,57,80,380	1,590	4,56,01,852	38,36,247	2,77,82,542	2,31,52,884	4,59,66,294	4,06,34,454
1927-28 ..	3,84,89,180	4,110	4,89,85,358	34,88,953	4,11,76,849	3,48,26,493	4,95,49,973	4,80,21,800
1928-29 ..	4,05,42,783	645	5,41,41,572	40,08,945	4,89,98,873	3,85,46,776	4,90,75,620	4,22,28,238
1929-30 ..	2,70,16,833	116	5,18,58,021	32,01,792	3,43,67,323	2,98,90,115	4,61,60,319	3,90,54,362
1930-31 ..	1,49,53,632	14	2,96,68,185	29,00,721	2,25,86,827	2,05,52,650	2,95,68,429	2,68,10,022

(10 months.)

	Raw hides and skins.		Tanned hides and skins.		
	Whole India.	Madras.	Whole India.	Madras.	
1910-11 ..	£ 5,986,131	Rs. 40,78,395	£ 2,791,168	Rs. 3,30,73,283	1910-11
1911-12 ..	6,295,718	31,82,100	2,943,318	3,88,28,861	1911-12
1912-13 ..	7,819,983	49,75,285	3,012,076	3,68,70,509	1912-13
1913-14 ..	7,790,882	27,10,093	2,771,342	3,40,13,955	1913-14
1914-15 ..	5,196,276	17,48,628	3,078,579	3,59,73,408	1914-15
1915-16 ..	6,518,774	26,72,418	3,687,079	4,10,05,872	1915-16
1916-17 ..	9,605,563	46,53,793	6,172,324	5,63,37,807	1916-17
1917-18 ..	5,352,413	38,11,311	4,118,679	61,35,079	1917-18
1918-19 ..	6,228,643	1,10,51,947	6,375,748	7,34,55,299	1918-19
1919-20 ..	Rs. 28,37,70,300	1,96,48,000	Rs. 12,54,88,250	9,66,06,400	1919-20
1920-21 ..	5,23,64,980	48,61,740	3,17,23,750	2,86,97,330	1920-21
1921-22 ..	5,96,95,172	63,76,261	3,92,07,473	2,98,42,562	1921-22
1922-23 ..	5,68,93,015	52,77,885	3,05,70,878	4,09,32,654	1922-23
1923-24 ..	6,91,18,048	67,66,529	5,89,86,139	4,90,19,842	1923-24
1924-25 ..	6,73,47,478	44,17,677	7,18,17,968	5,89,90,194	1924-25
1925-26 ..	7,19,43,229	46,26,029	6,97,53,675	6,00,27,280	1925-26
1926-27 ..	7,13,82,212	38,37,837	7,37,66,836	6,37,87,338	1926-27
1927-28 ..	8,74,24,488	34,93,063	9,07,26,822	7,78,48,293	1927-28
1928-29 ..	9,46,84,355	40,09,590	9,30,74,493	8,07,70,014	1928-29
1929-30 ..	7,88,67,938	32,01,908	6,05,28,242	6,89,44,457	1929-30

It is evident from these figures that from the point of view of providing employment for the Indians employed in the tanneries, that Madras is far in advance of the rest of India. But there is none the less at present considerable depression and many tanneries are idle.

99. The South India Hide and Skin Merchants Association is strongly opposed to any suggestion that the 5 per cent export duty should be converted into a cess. They represent that the export duty should be increased to 20 per cent on raw hides and 25 per cent on raw skins.

100. They argue that this will not divert the trade to other sources in view of the magnitude of the Indian supply to the world's markets but that it will mean that many skins instead of being exported raw to keep foreign tanneries employed will be tanned in India and be exported as partially tanned leather.

101. The argument that this duty is desirable as it will provide 140 lakhs more revenue to the Government of India does not impress us as it is irrelevant to the objects of the enquiry which we are conducting, but we recommend that the question of increasing the duty on raw skins and hides in order to foster the tanning industry in Madras be examined.

102. In the course of preparing material for this Committee the absence of a <sup>Statistics.</sup> central depository for statistics in this Presidency has been keenly felt. Each department has its own compilations, and these seem to vary from time to time in regard to the units in which they are expressed and the manner in which they are set out. There is further no information readily available of a statistical nature on events outside the Presidency which directly concern its interests (e.g., development of the cultivation of groundnut in other countries). Some of the statistics placed at our service are obviously unreliable. Prices recorded by subordinates appear to have been accepted and forwarded without question or scrutiny.

103. A great deal of time and trouble would have been saved in tracing the tendency of prices over a period had there been a central bureau to receive, regulate, check and correlate statistics from all sources.

104. We consider that there should be constituted a permanent committee with a bureau of statistics in charge of a responsible officer who would be the secretary of the Committee.

105. Such a bureau would both receive reports to check and correlate statistics and to circulate to all who desired it periodic or special information on prices, etc.

106. The functions of the Committee would be to make whatever enquiries were from time to time found necessary in regard to economic and commercial matters both rural and urban, and so to keep in touch with developments in this sphere as to be in a position to advise the Government when required to do so. In this connexion attention is invited to the Committee adumbrated in the conversations with Sir Arthur Salter. We do not consider that the standing committee should be a large one but it should be added to for special purposes as occasion may arise.

107. A proposal has been made to us that some control of agriculture should be attempted in the direction of recommending the extension or contraction of the cultivation of particular crops in particular areas, as for example, when it appears likely from outside influences that one crop will not pay or that a new strain of seed will probably produce another much more profitable crop. We consider that this should be dealt with by the Standing Economic Committee of which we have recommended the constitution in the preceding paragraphs.

#### SUMMARY OF RECOMMENDATIONS.

108. We have in this report made recommendations and observations which are summarized as follows:—

1. It is not practicable for the local Government to deal as a whole with any of the causes of the depression—paragraph 11.
2. It is desirable to take steps to see that adequate funds are available for the next cultivation season—paragraph 34.
3. Loans should be granted to the smaller ryots for cultivation expenses for the ensuing season by the Government through the Revenue Department—paragraph 36.
4. The Government should increase the grant to co-operative societies to advance loans to smaller ryots—paragraph 37.
5. There are considerable possibilities for local godowns for ryots—paragraph 44.
6. Every effort should be made to push on the teaching and training of staff to conduct trading societies—paragraph 45.

7. It is advantageous for ryots to hold up produce for a short time till prices recover from the depressing effects of forced sales at the harvest—paragraph 46.

8. Co-operative marketing of food grains cannot now be carried beyond giving loans on produce—paragraph 47.

9. The possibility of starting more co-operative sale societies on the lines of the Tiruppur Cotton Sale Society should be immediately investigated—paragraph 49.

10. Such societies should be at once organized when found practicable—paragraph 49.

11. More godowns should be available for co-operative societies—paragraph 50.

12. Government should institute warehouses—paragraph 51.

13. Such warehouse receipts should be available as instruments of credit—paragraph 51.

14. Railway freights should be reduced—paragraph 54.

15. Modification of kist dates should be carefully considered—paragraph 55.

16. All possible help should be given to develop the vegetable oil and allied industries in this country—paragraph 69.

17. The import duty on sugar should be increased—paragraph 72.

18. Food adulteration should be stopped—paragraph 81.

19. More can be done by organizing co-operative sale societies for weavers as at Salem—paragraph 91.

20. Such co-operative societies should first be formed at seven other centres—paragraph 91.

21. The Government should supply marketing officers—paragraph 91.

22. Financial help should be given to the Salem Society by the Government and also to other sale societies when formed—paragraph 92.

23. A central officer should correlate the work of local marketing societies—paragraph 93.

24. The question of increasing the export duty on raw skins and hides should be examined with the greatest consideration—paragraph 101.

25. There should be a permanent economic committee with a bureau of statistics in charge of a responsible officer—paragraph 107.

109. Finally we wish to place on record our appreciation of the ready help of a number of gentlemen, official and non-official, who have placed statistical and other information and valuable suggestions at our disposal. We wish to record also our obligation to the members of the staff whose care and diligence have so greatly facilitated our work and finally the other members of the committee desire to thank the Chairman and Secretary for the manner in which they have carried out their duties.

C. V. VENKATARAMANA AIYANGAR,

G. R. HILSON.

M. R. SETURATNAM.

A. RANGANATHAM.

R. D. RICHMOND.

D. N. STRATHIE.

M. S. SRESHTA (subject to a note of dissent).

M. A. MUTHIAH CHETTIAR.

A. APPADURAI.

R. SRINIVASAN (subject to a note of dissent).

HOTA SURYANARAYANA (subject to minute of dissent).

C. D. PRIESTLEY.

F. G. LUKER.

T. K. DURAISWAMI AIYAR.

H. E. CARTER (subject to minute of dissent).

SAMI VENKATACHALAM CHETTI (subject to a note of dissent).

SHANMUGA RAJESWARAN, RAJA OF RAMNAD

D. SESHAGIRI RAO.

RANGA ROW (subject to a supplementary note).

C. BASU DEV.

K. P. RAMAN MENON.

H. M. HOOD.

H. A. B. VERNON (chairman).

## APPENDIX I.

Formal resolutions passed by the Committee.

1. Finance of agriculture—

(a) Loans should be given to smaller ryots for cultivation expenses for the ensuing season through the Revenue Department.

(b) The Government should increase their grants to co-operative societies for the purpose of advancing money to smaller ryots.

2. Preparation of produce for the market—

(a) This Committee recommends to the Government that the further increase of duty on sugar is necessary for the successful development of the sugar industry in this country.

(b) The Government should give all possible help to develop the vegetable oil and allied industries in this country.

3. Marketing of produce—

(a) The Government should be asked to direct an immediate investigation into the possibility of starting more co-operative sale societies for all kinds of agricultural produce on the lines of the Tiruppur Cotton Sale Society which, it is understood, is being run successfully and the early constitution of such societies where found practicable.

(b) More godowns should be made available for the use of co-operative societies.

(c) The Government should institute warehouse which would receive goods and grant a certificate of quantity and quality over the signature of a responsible marketing officer, such certificates being made available as instruments of credit.

(d) This Committee while viewing favourably the proposal to make railway receipts negotiable instruments of credit understand that the matter is now before the Central Banking Committee and will doubtless be duly considered by that Committee.

(e) The Committee considers that one method of combating the present depression is to reduce railway freights.

4. Cottage Industries—Weaving—

(a) In order to provide means to alleviate distress among weavers it is recommended that co-operative societies be formed at the following centres :—

Gudiyattam with Tiruvottiyur,	Pedana (Kistna district),
Madura,	Conjeeveram,
Kumbakonam with Mayavaram,	Coimbatore
Tinnevely,	

and such other places as the Director of Industries and the Registrar of Co-operative Societies may suggest and that Government supply marketing officers to assist in disposing of the produce.

(b) These co-operative societies should be organized on the lines of the Salem Society.

(c) In view of the success so far achieved by the Salem Society it is desirable that the Government grant financial help to that society and to such others of them as reasonably require such help.

(d) The efforts of the different centres in marketing should be co-related and harmonized by a central officer and the institution of a central depot in Madras.

(e) It is understood that ultimately the whole organization should be self-supporting.

APPENDIX II.

Graphs.

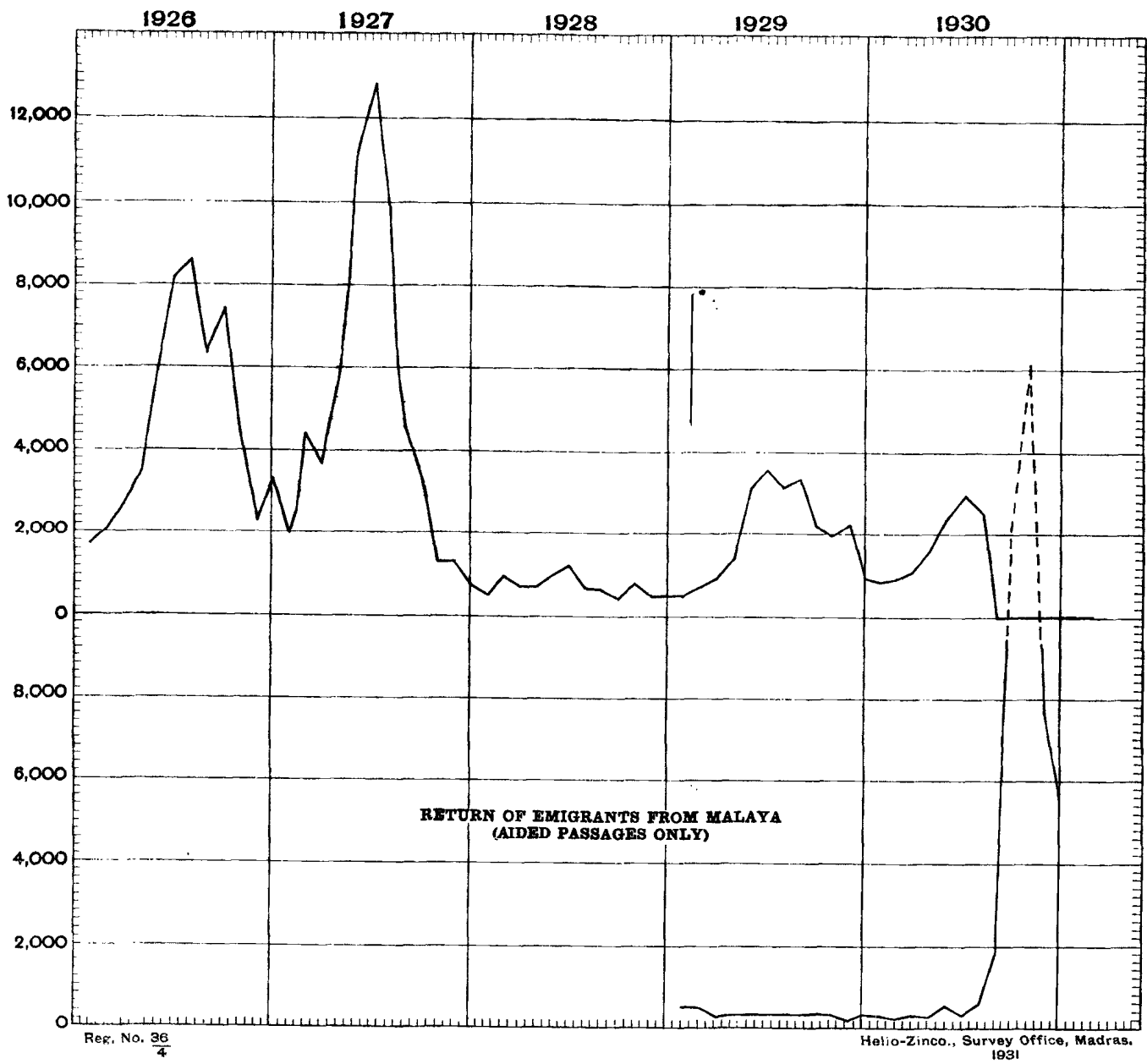
(a) Emigration.  
(b) Cotton.  
(c) Groundnut.  
(d) Coconut.

(e) Pepper.  
(f) Cholam.  
(g) Rice.

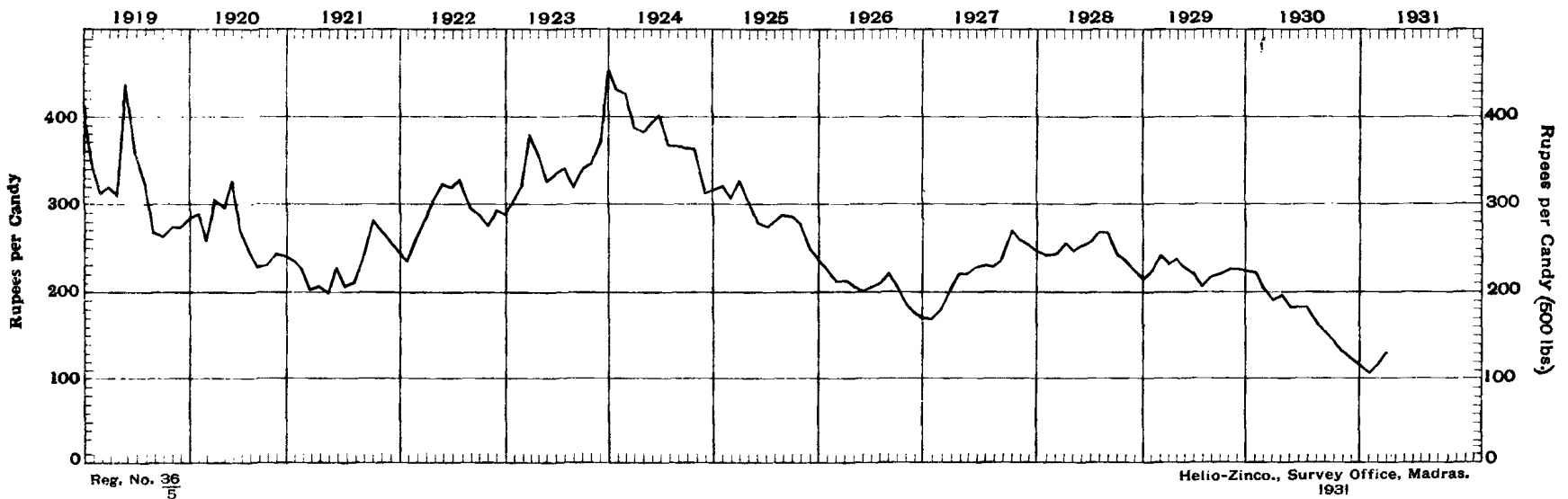
(h) Coffee.  
(j) Tea.  
(k) Relative prices.

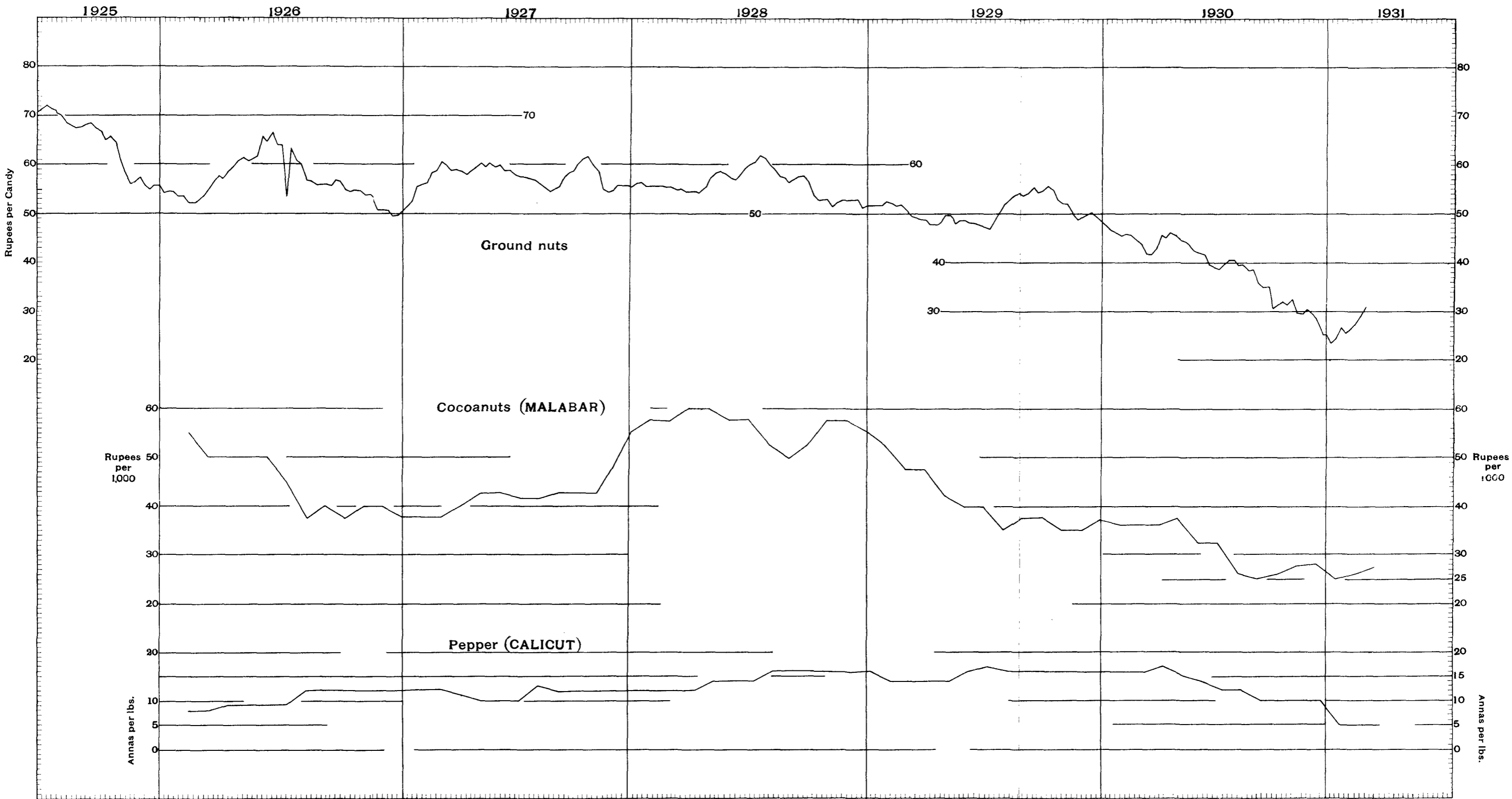


### EMIGRATION TO MALAYA FROM MADRAS



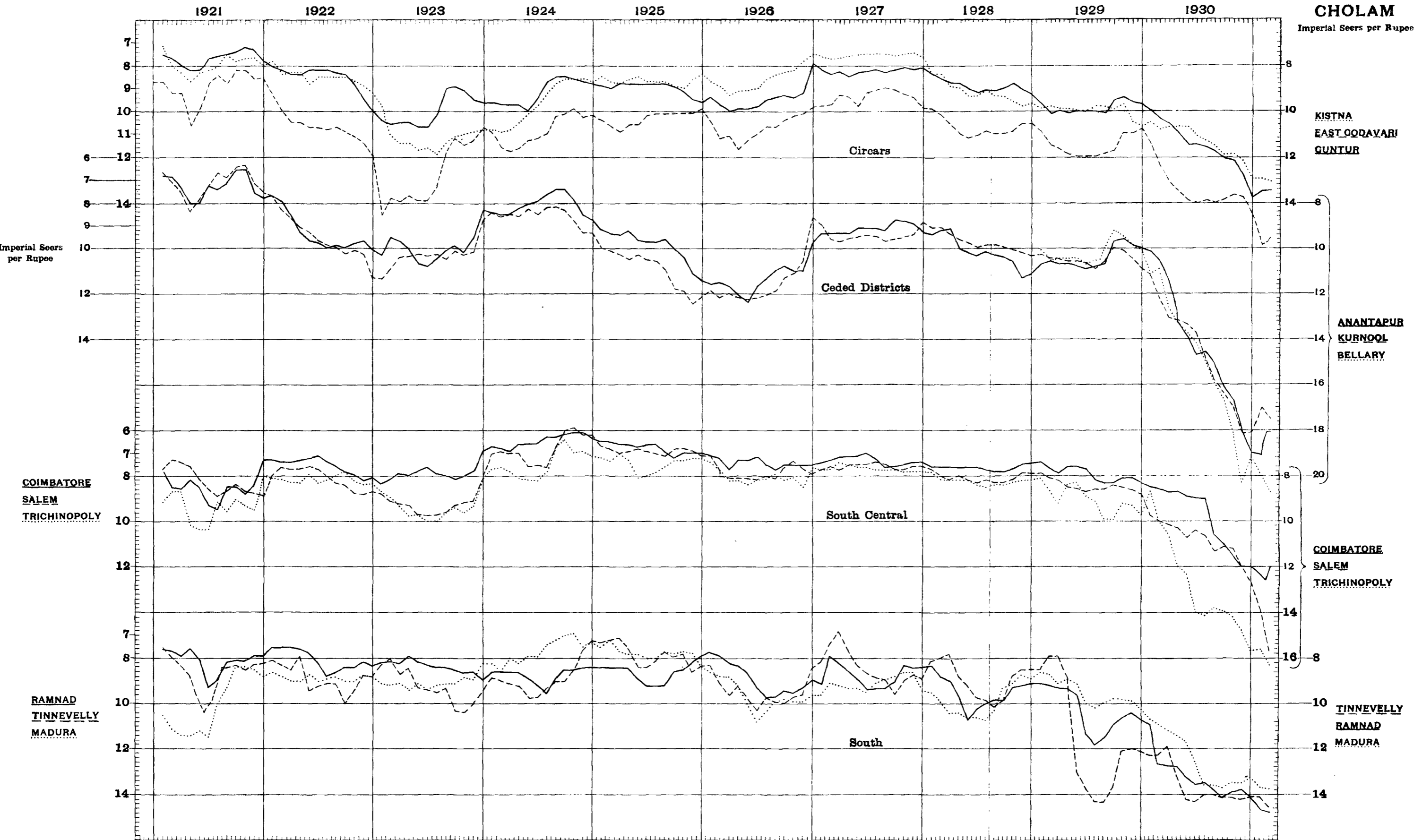
### COTTON (WESTERNS) PRICES f. o. b. MADRAS





**CHOLAM**

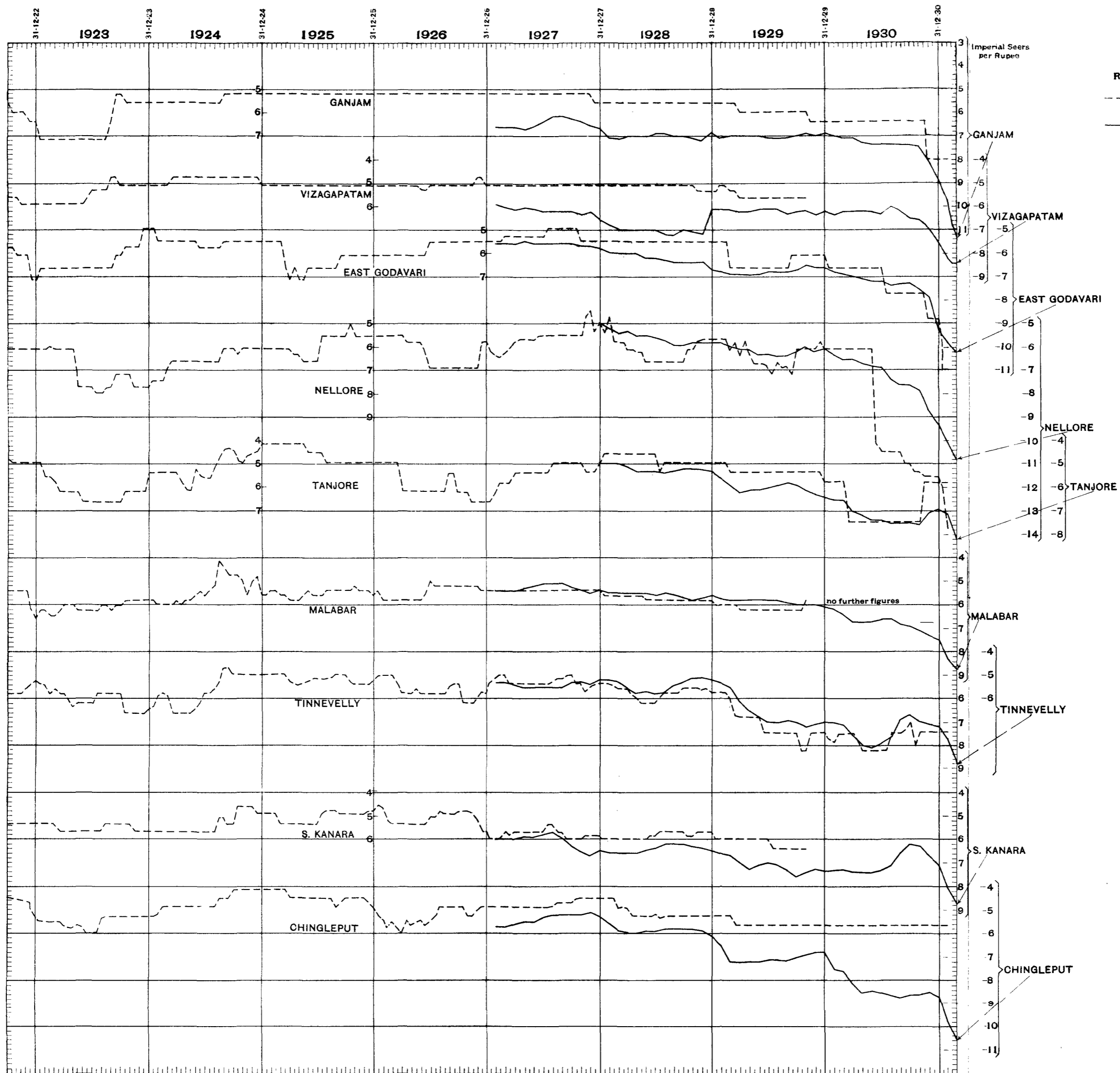
Imperial Seers per Rupee

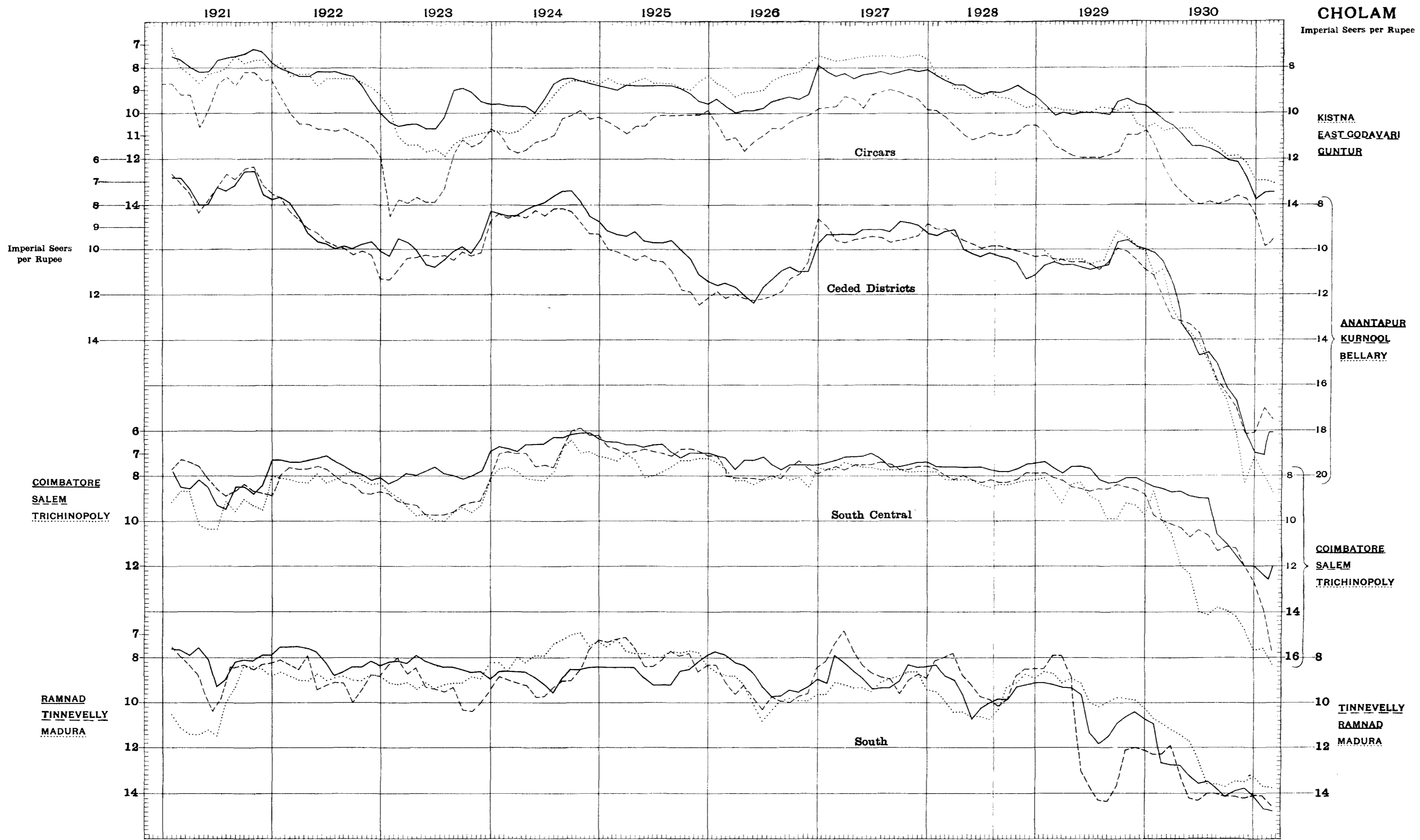


# RICE

## REFERENCE

- Agricultural Depts. Compilation of Figures
- Board of Revenue figures





Reg. No. 96  
2

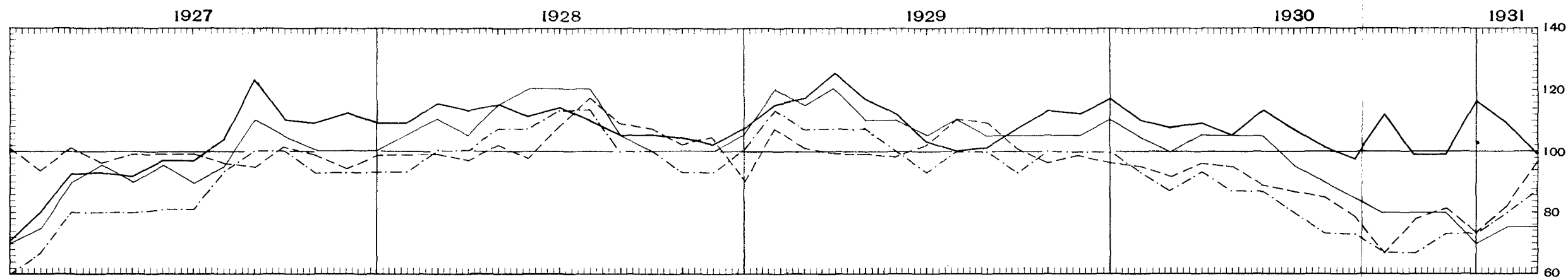
Helio-Zinco., Survey Office, Madras.  
1931

### RELATIVE PRICES

Cotton, Groundnut, Cholam & Rice.

REFERENCE

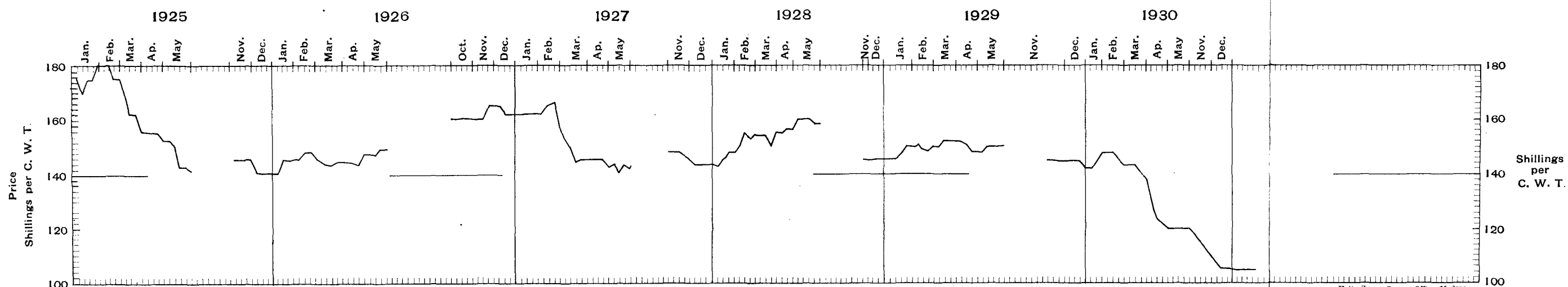
- Cotton + Groundnut
- - - Groundnut + Rice
- Cotton + Cholam
- - - Cotton + Rice



Reg No 59 1

Helio-Zinco, Survey Office, Madras  
1931

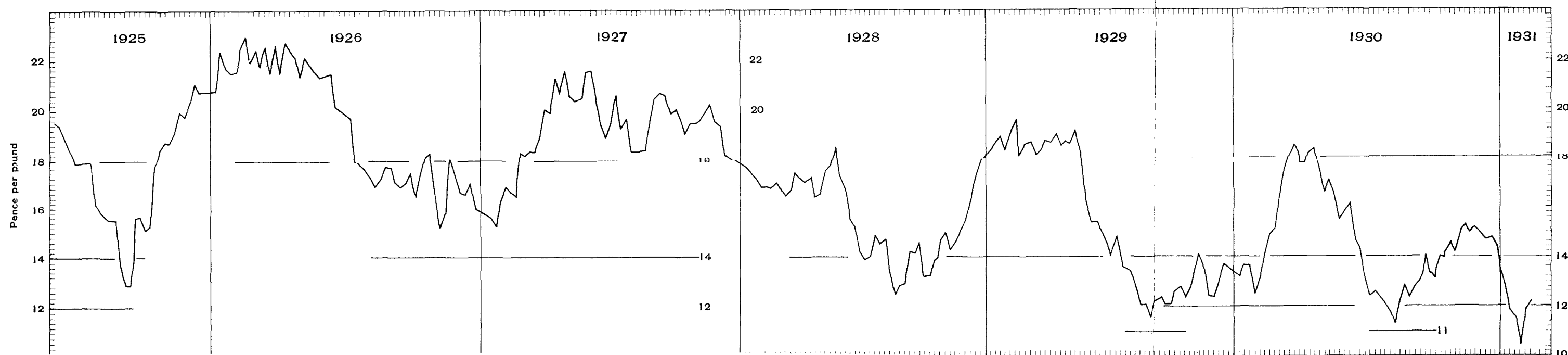
### COFFEE



Reg No 59 2

Helio-Zinco, Survey Office, Madras  
1931

### TEA



## SUPPLEMENTARY NOTES AND MINUTES OF DISSENT.

(1)

1. It is impossible to predict when the present slump will be over. The slump after the Napoleonic wars had lasted for nearly 30 years; but owing to better organization and better communications of modern days no such long period can be predicted for the present slump. Still eminent economists have expressed the opinion that it may extend to three or more years. Therefore one would be justified in making one's proposals on the assumption that the slump will not be over in the near future. No doubt by the beginning of last March the economic situation had shown a tendency to improve and there was also an upward movement of prices. But by about the middle of last March there was an appreciable fall in prices of all raw products. The prices of groundnut which had risen in Madras from Rs. 23 to Rs. 31 per candy by 13th March 1931 had fallen to Rs. 27 per candy on 16th March 1931. The prices of paddy and of most other products show a similar fluctuation. In the case of groundnut, it is stated that the rise is due to the fact that large quantities of last year's produce had been withheld in the country for want of adequate price as the well-to-do sellers were reluctant to part with their goods for very low prices. The slight rise may be due to the improvement in the political situation in the country. It may be also accounted for by the fact that as at the time of the harvest there would be a large number of people obliged to sell, the prices would be at their lowest and immediately those conditions change, the prices would naturally rise.

2. The present depression is really akin to the famines which this country had suffered from time to time. It is really an 'inverted famine'. It is more a famine of currency than of produce. All the producers of raw products and agricultural labourers whose wages are paid in kind are the people who are most hit by the present slump. The labourer who earns his wages in money did not suffer as yet but it is apprehended everywhere that if the present situation does not improve, the labourer will suffer more considerably in the near future. Ordinarily the most difficult period for the rural labourer is prior to the breaking of the monsoon. This year all private employers of labour in the rural tracts contrary to the usual practice will be compelled owing to the financial stringency to restrict the employment of labour for their irrigation works, for the improvement of their fields, etc., during the next three or four months. I therefore think that the rural labourer would have to face a very bad situation unless something is done by the Government in time to alleviate the distress. If there be any projects or schemes which can be worked out on a sufficiently remunerative basis, the Government will have to take them under consideration without undue delay. It should also help in starting new industries for the extracting of oil from oil seeds, for the manufacture of white sugar, etc. In this connexion I may mention that the depression did not affect the prices of manufactured products to the same extent as those of raw products.

3. I am perfectly aware that as in the previous famine years the Government itself is faced with a large deficit this year. But as money which otherwise would have been required for financing the world trade is now reported to be lying idle, it would be worth while for the Government to borrow from elsewhere, the required amount and spend the same within this Presidency on productive purposes.

4. The Agricultural department must do its very best to bring down the cost of production of the agricultural products. This can be done by mass propaganda and by further investigating into the suitability of the different varieties of seed in the different soils groundnut being a native of the country invariably deteriorates, if the same seed be used on the same soil consecutively for a number of years and is also liable to pests. But if the seed be reintroduced from a long distance as from Vizagapatam to Chingleput, it thrives and yields better. But the common cultivator is not able to procure the same. Similarly new varieties of paddy, sugarcane, cotton and groundnut can be made available within the easy reach of the cultivators.

5. Every civilized country in the world is considering it as its duty to see that the crops produced by the agriculturists are marketed properly and that a fair price is paid to him. Now that the prices of commercial products, viz., cotton, groundnut, jaggery had fallen down considerably, it should be made worth while for the producer to grow those articles by securing him as high a profit as possible under the circumstances. It will take some time for the co-operative marketing movement to spread so as to reach a large percentage of producers. Meanwhile steps should be taken to eliminate as much as possible the middle man's profits and exactions. To that end besides the proposals contained in the report, I would advise the immediate legislation for the establishment of regulated markets as recommended by the Royal Commission on Agriculture. In this connexion, I may mention that the recent abolition of the tolls will be a further inducement to the cultivator to bring his produce to such markets.

6. *Groundnut*.—This is admittedly a very important and valuable crop for this Presidency. Nearly 75 per cent of the groundnut that is exported from India is sent from this Presidency and a further large quantity is being sent to Bombay and Calcutta.

The existence of a ring or combine or its non-existence among the manufacturers of margarine on the continent of Europe is of vital importance to the cultivators of groundnut in this Presidency and therefore it will have to be thoroughly investigated. Admittedly there is a combine among the margarine manufacturers in Europe. But they assert that it is not a combine for dictating a low price to the groundnut, but for other purposes.

If the fall of the price of groundnut is more than that of similar oilseeds, it can be reasonably expected that the combine had the effect of further reducing the price of groundnut.

I think it is not quite accurate to say that the fall in the price of groundnut is identical with the fall in the price of other raw products. It has fallen to a greater extent than the food grains. While groundnut has fallen in price to the extent of 50 per cent other oil seeds has fallen only to the extent of about 20 per cent in price as would be apparent from the following figures :—

*Copra (from Cochin Chamber of Commerce Reports).*

1st January 1929 (Rs. 104 per candy—Godown delivery).  
1st January 1930 (Rs. 83 per candy—Godown delivery).  
1st January 1931 (Rs. 62 per candy—Godown delivery).

*Gingelly seeds.*

1928-29—Rs. 251 per ton.  
1929-30—Rs. 233 per ton.  
1930-31—Rs. 192 per ton.

*Figures as to export of castor seeds from Madras.*

	RS.
1927-28—18,539 tons	38,26,529
1928-29—40,992 tons	82,97,770
1929-30—33,115 tons	66,76,749
1930-31 (10 months)—37,020 tons	65,84,370

7. Though with the limited materials available in Madras it is not possible to ascertain whether there is any overproduction in the world output of groundnut yet it is a well known fact that in this Presidency owing to the timely rains and other favourable causes the groundnut crop of 1930-31 was perhaps best that we ever had. Therefore there is a reasonable ground for believing the statement made in the supplemental memorandum submitted by the deputation of the Oil Seeds Association which waited on His Excellency on January last, that the combine amongst that margarine producers in Europe has aggravated the crisis in the groundnut trade. But in a matter of this magnitude and importance I cannot recommend to the Government to launch themselves into any counter-action without first obtaining the required information from the Indian Trade Commissioner in London which may be done at an early date.

8. *Sugarcane.*—The figures given in the report clearly establish that the area under sugarcane is gradually going down, that the imports of sugar are increasing and exports of jaggery from this Presidency have been decreasing. I am personally aware that in the four northernmost districts of this Presidency the cane cultivators have to sell their jaggery at Rs. 20 per candy while the price of the white sugar in the same locality is about Rs. 60 per candy. Admittedly sugar can be manufactured out of jaggery and as such there must be a reasonable proportion of difference in their respective prices. At these ruinous prices of jaggery it would not be worth while for any one to cultivate sugarcane for the manufacture of jaggery. The mere raising of the import duty on white sugar will not help the sugarcane grower. I therefore recommend that the whole question as to the feasibility of growing the sugarcane on sufficiently compact area and the manufacture of white sugar therefrom by the installation of smaller mills now brought to the notice of Director of Industries may be independently investigated at an early date. The fact that a few factories had ended in failure when the margin between the prices of jaggery and sugar was small should not deter the setting up of factories under the changed condition.

9. The production of paddy in this Presidency has been almost stationary while the population, subsisting mainly on rice has increased by about 10 per cent during the last decade, and as paddy is the staple crop of this Presidency, it should be given every facility to maintain itself against competition from elsewhere. I fear that some of the less productive lands may go out of paddy cultivation owing to the very low prices now prevailing. To make it worth while for some lands being cultivated under paddy I would make the following recommendations :—

(i) No water-cess should be levied for a period of three years on dry land which had been newly converted into wet.

(ii) Discretion must be given to the District Collector to levy water-rate at a scale lower than the prevailing rate on lands which do not derive the fullest benefit of the water owing to their being situated at the tail end of channels or owing to their liabilities to submersion.

(iii) All possible new irrigation schemes to be thoroughly investigated and taken up if they are found to be reasonably remunerative.



I have signed the report subject to the following observations :—

*Loans to the smaller ryots.*—From the evidence before us it has not, in my opinion, been established that the ryots' position is as serious as has been represented in some quarters, or that the loans are necessary. I am not convinced that, if granted, they will be as advantageous as is contemplated.

If however such loans are made they should be restricted to the purpose mentioned in the report and should be given only after careful examination of individual needs and, if possible, with the assurance that they will be put to the use for which they are intended.

The advantages adduced in the discussions preceding the report are at the best problematical and unless produce can command next year higher prices than the lowest touched during the past year it is questionable if the borrowers will not be in a worse case than they are now. A point was made that even if prices did not rise the ryots' position would be improved through a fall in his cost of production, chiefly by reason of a drop in wages, while there is something in this the benefit is likely to be minimized :

(1) Owing to the fact that a large percentage of wages is paid in kind which has already fallen in value. Here a fall in the value of the commodity is a fall in the value of the medium of payment.

(2) That the ryot is to a certain extent his own labourer, or gives his labour in exchange for the labour of his fellows.

There is little doubt that many of the committee envisaged the likelihood of a rise in prices in the course of the next year and I am inclined to think that this more than the extent to which the costs of production might be reduced, influenced them in their recommendations under this head. Looking to the extremely low level of prices which has prevailed it does not seem beyond the range of probability that there may be an improvement, but we are not justified in basing our recommendations on this assumption. While some products have made a recovery in recent months others have fallen further. It is still a matter of speculation as to whether we can look for an improvement in the course of the year or not. In any case it is a trading risk and not one which Government should be called upon to take.

It is admitted in the case of the smaller ryot that the element of security for the loans is lacking. Government is therefore being asked to fill a gap into which prudent lenders are not prepared to step. There is no justification on economic grounds for assistance which seems likely ultimately to result in a form of poor relief.

It must be recognized that the proposed measures are only paliative. So long as they are restricted, both as regards time and amount, to the smallest extent compatible with the object contemplated they are likely to do little harm, while they will result in temporary relief. It is however to be feared that apart from the operation of economic laws there is no hope of a permanent solution and that the ryot, like any other producer, must work out his own salvation. Some assistance to this end is forthcoming from the other recommendations made.

It has been felt that we should not withhold our sympathies from the temporary alleviation of distress where it is found to exist and where such assistance is likely to enable the parties concerned to tide over their present difficulties. This is a point which calls for examination as a relief measure and with regard to its effects on the tax-payer and not, I believe, on the grounds intended in our terms of reference.

*Increased import duty on sugar.*—It is granted that if import duty is raised sufficiently high it will act as a deterrent to the import of sugar, with resultant effects on the locally manufactured product.

There is already a heavy duty but whether this should be increased is, I consider, outside the scope of this Committee, the question forming as it does a part of the highly controversial problem of tariffs. I am not therefore prepared to join in a recommendation on the subject which seems to be one for the Tariff Board.

H. E. CARTER.

(3)

While it is undeniable that the present economic depression is world wide the peculiar disadvantages under which India is labouring have not received their due recognition. Since the passing of the Imperial Bank of India Act and the consequent amalgamation of the three Presidency Banks, the control over the money market of the country has passed into the hands of the Imperial bank of India which now occupies the position of a central bank. But the policy of the central banks in other countries is to place the interests of the community first and to give only a second place to the interest of their shareholders. Economists have been teaching that a central bank should discharge its duty to the community by controlling the fluctuations in prices. In times of depression it is the duty of such a bank to ease the money market by liberal credits and thus stimulate the industrial activity of the country. The Imperial Bank of India has adopted a policy which is diametrically opposed to this and therefore it is not in a position to perform the duties that are expected from a real central bank. The only way out of this is the creation of a real central bank. I do not propose to deal with this question now as the Central Banking Inquiry Committee is considering this question.

*Rice and paddy.*—An examination of the last census figures and the statistics of production reveals the fact that the abnormal fall in the prices of paddy is certainly not due to overproduction in this presidency. The danger quarter is Burma. Burma has in recent years been ousted from her export markets by Siam and Indo-China. Those countries which were formally importing rice like Japan, Italy, Spain and America have largely increased their home production and the last named three countries have captured the limited European markets owing to their advantageous geographical position. Thus Burma is saddled with huge surplus stocks of paddy with the East Coast ports as the only outlet. Seventy per cent of the paddy lands in Madras are irrigated while in Burma the entire area is rainfed. Owing to navigable rivers the cost of transport to the ports is very low. Thus it is seen that the cost of production and of transport must necessarily be far higher than in Burma. So although the imports appear to be negligible, Madras prices are really governed by the prices at which Burma rice could be dumped into the East Coast ports. As long as Burma continues to be a part of India, interprovincial duties have to be ruled out.

Paddy is the most important crop in this presidency and any measures which the Government can adopt to reduce the danger from Burma would materially benefit the vast bulk of the agricultural population of this predominantly agricultural province. We have seen that as regards cost of production, Madras is at a hopeless disadvantage when compared with Burma. The only remedial measure that I can suggest is that the Government should provide cheap transport by rail and canal. The railway freight from Tanjore to the West Coast should be drastically reduced. The Buckingham Canal from Bezwada to Madras should be improved to make it fit for motor traffic either by the Government themselves undertaking the work or by leasing the canal to a private company for a long number of years. Then only would it be possible to ward off the danger from Burma. For Madras conditions there is no crop that can be substituted for paddy on a large scale.

*Sugar.*—It is surprising to note from the Tariff Board report on sugar that the Madras Government have not asked for an enquiry by the Tariff Board although all the other major provinces have done so. The reply from this Government, if any, to the questionnaire issued by the Board has not been supplied to the members of this committee. Apparently this Government do not attach much importance to the sugar cane industry as far as this province is concerned.

Sugarcane is essentially a tropical crop and South India is climatically better suited for its economical production than the rest of India. The figures given below strongly support the above point:—

Province.								Approximate yield of cane per acre in tons.
Madras	...	...	...	...	...	...	...	20
Bombay	...	...	...	...	...	...	...	
Bengal	...	...	...	...	...	...	...	15
Bihar and Orissa	...	...	...	...	...	...	...	10
United Provinces	...	...	...	...	...	...	...	
Punjab	...	...	...	...	...	...	...	

But what is the actual position of Madras when compared with the other provinces as regards the area under sugarcane? (The figures are for 1928-29.)

United Provinces	...	1,357,000	Bengal	...	196,000
Punjab	...	411,000	Bombay	...	85,000
Bihar and Orissa	...	287,000	Madras	...	89,000

*Madras.*—Since 1922-23 there has been a deplorable fall in area under sugarcane which was then 131,095 acres. Sugar is an industry of national importance and is the only crop that can be made to pay in these days of general fall in the prices of commodities to unremunerative levels. This is the only substitute crop that can profitably take the place of paddy in certain select areas. The Provincial Government should give every encouragement to the starting of white sugar factories and encourage the ryots to cultivate more and more cane by granting a substantial rebate in water-rates. Under the new irrigation schemes like the Mettur project, the Government should grant on patta sufficiently large areas to sugar companies for the cultivation of cane. Further, the Government should make attempts to introduce the 'Bel' or 'Khandhari' system of sugar manufacture which is so valuable an industry in Rohilkhand.

The activities of the cane breeding station at Coimbatore are almost entirely devoted to the improvement of sub-tropical varieties of cane which are not suitable for South India. The annual cost of this research station is about Rs. 1,00,000 but it is Northern India which is enjoying the main benefits of its research.

The above details are given to strengthen the case for a further increase in the import duty on sugar. The present duty of Rs. 7-4-0 per cwt. should be raised to at least Rs. 9 forthwith. Every civilized country in the world, considering this industry to be of national importance, has protected the same by a system of State bounties and protective duties.

It might be argued that increased duties on sugar would press heavily on the poor. But this is not the case. Except in the large industrial towns and ports, the vast bulk of the population uses more jaggery than sugar and in some of the remote villages there is a prejudice against sugar. The prices of jaggery have no connexion with sugar prices.

The cost of production in India is about Rs. 9-5-9 per maund, while Java has been able to land sugar in Calcutta at Rs. 3-5-7 per maund. A poorly organized country like India can never compete with Java where the industry has been built up by a system of State bounties. If things are allowed to take their own course, the sugar industry in India would entirely disappear and then the various sugar companies would put up their prices. In the present state of general low prices this is the only commercial crop which can help the ryot and the Government should lose no time in taking the necessary action. It should be noted that even with the addition of the increased duty now recommended, the price of white sugar would not exceed the average price for the same during the last sixteen years.

When the sugar industry is adequately protected, the gur industry may be liable to foreign competition. Till now the import of gur is not great, but when the doors are closed against sugar, foreign countries might try to export gur in great quantities to India. So steps should be taken that the gur industry is also adequately protected.

Lastly, the Agricultural department should, every month, distribute vernacular circulars to the agriculturists giving all information about the trend of future prices, possibilities of overproduction in the world and so on. If only the ryots knew of the recent increase of duty on sugar immediately, they could certainly have increased the area under sugarcane. Now that there is sure to be overproduction in oil-seeds, especially groundnut, substitute crops should be investigated and demonstrated to the ryots. Tobacco, in my opinion, will long continue to be a paying proposition. Can this be grown during the rainy season? Can this crop take the place of paddy in certain high-level lands? These matters require immediate investigation. More attention should, in future, be paid to the improvement of tropical canes at the Coimbatore Research station to benefit our province.

I am in full agreement with the recommendations made with regard to hand-loom weaving in this province. But at the same time, I am conscious of the fact that, in the present industrial-age, hand-loom weaving must ultimately give place to power mills even in a predominantly agricultural country like India. Weavers may hold their own in the case of gold lace cloths and other specialities but they can never compete with mills in general goods.

*Hides and skins.*—The Indian tanning industry which is mostly confined to this province is passing through difficult times. In addition to the world-wide depression in trade, the recent imposition by the Government of United States of America of a duty on tanned skins and hides of ten per cent while allowing raw hides free, has already begun to affect this important industry. Unless the Government of India impose countervailing duties on raw hides and skins forthwith, the industry will be hard hit.

As the committee were very anxious to recommend some practical measures which can immediately be adopted for the alleviation of the prevailing distress, they have not been able to investigate thoroughly those measures which take some time to be put into operation. The need for immediate help is so urgent that most of the intricate questions like co-operative marketing could be dealt only in outline. But a period of difficulty is the most suitable one for taking stock of the whole position. The time at our disposal is not sufficient for a thorough study of any of the major economic problems. I agree with the recommendations of the committee regarding the question of co-operative marketing, but I think that the subject needs a more thorough investigation. I therefore recommend that the Government should send an expert to study the working of this system in different countries.

RANGA RAO,  
Raja of Bobbili.

6th April 1931.

(4)

The unprecedented economic depression which affrights mankind at the present day is universal. In fact, no civilized country seems to have escaped without being entangled in it, excepting, perhaps, Soviet Russia, of which it is difficult for us to know the truth.

2. This unparalleled depression is believed to be due to the phenomenal and catastrophic fall of prices of all articles. Why the prices have fallen so low; why, if prices fell, should it prove a curse; why should all countries be similarly affected simultaneously; what is the effect of such a fall on each country; what should be done to mitigate the evils arising therefrom; are some of the questions, which confront the governments and the peoples the world over.

3. In so far as the causes which culminated in the fall of prices are universal and interacting between all countries, this committee need not, nor is it in a position to unravel them. But it is undeniable that this depression has made impressions of varying degrees on each of the countries. There are countries in which this depression meant only a difference between big profits and small profits, other countries in which it meant no profits and still a few other countries in which it meant no less than a struggle for bare living.

4. This variety in the effect is due to physical and financial stamina, productivity and commodities produced, occupations and professions of the peoples, standards of living and adventitious aids and subsidies obtained by the joint efforts of the peoples amongst themselves and with their governments. In every other country attempts have been and are being made to 'Cushioning the effect', so that the impact might be as little felt as possible.

5. But when we speak of our country, we are obliged to confess to heart-rending contrast that our Government far from helping the people to tide over the great crisis, have done all in their power to accentuate the severity and distress, whether intentionally or unintentionally. Therefore, India suffered during the present crisis, as no other country is reported to have suffered and if an impartial tribunal is set up to report on the comparative effect of this depression on several countries of the world, it would not be surprising to find that, while other countries have had to forego their meed of sugar for their milk diet, this country had to go without salt for her conjee water.

6. If, in spite of this desperate struggle for existence which has been envisaging the people of this country on account of continuous famines and high taxation, there have not followed, uprisings and revolutions which faithfully follow such distress in other countries: it is undoubtedly due to the innate love of peace of the people, to their pathetic contentment of their miserable lot which is ascribed to destiny and last but not least to the fact that they have become inured to continuous and systematic depression in previous years so that the present depression has not struck them as terrifying.

7. Of all the provinces of India, it seems to me, the province of Madras is most affected. Though I have not in my possession any figures to substantiate this statement, I am inclined to believe it to be so, not only because that one's own distress is the worst distress, but also because that even during normal periods, Madras is the most backward of all major provinces in wealth. Since the Madras Government were so far so good as to appoint a committee of enquiry they might lay the flattering unction to their souls that they have done their best to mitigate the evil, but the country, while thanking for the small mercy which the Government have shown, cannot but accuse the Government for their most callous negligence of the agricultural population and for their supreme indifference to foster industries and the trade in the province.

8. While the causes for the present depression might be world-wide, those which make it felt so sharply as it is felt in this province are partly All-Indian and partly provincial.

9. All-India causes are of the category of exchange ratio, huge remittances from out of the country, deflation of currency, maintaining an artificial high rate of interest throughout the country by borrowings on treasury bills, political unrest, tariff policy, rationale of railway rates and the like.

10. Though there is no use discussing the right or wrong of the methods which the Government of India have followed in regard to every one of the above questions, one would feel constrained to remark that practically all the measures which the Government of India have taken in regard to the above have proved not only not beneficial to this country, but positively harmful to its interests.

11. The whole of Indian mercantile community with one united voice protested during the years 1925, 1926 and 1927 against setting up a higher rate of exchange. In fact, in objecting to the higher rate of exchange the Indian financiers forecast in so many terms that it would prove ruinous to the agriculturists. Equally emphatic was their considered opinion of the positive harm that would ensue by huge remittances which would follow a higher rate of exchange.

12. While in other countries where the economic depression was felt, the respective Governments have been attempting to maintain the prices by placing at the disposal of traders vast sums of cash, our Government has been busy depleting the currency during the acutest periods of depression. Cash which is said to be the nexus between man and man has been so tightly held and drawn as to cause suffocation. The banks, which would supplement the resources of the commercial men, have in this country like a panicky private money-lender, called back their advances, thus accelerating the fall of prices. The unlendable money in the vaults of the banks increased from day to day. Still, they maintained a high rate of interest, thus making the position of borrowers on sufficient security also more difficult. How far this high rate of interest is due to the Government policy of raising loans in this country and in England at competitive rates of interest, and what effect such rates of interest have had upon the previous investments in Government securities, are matters which need not be considered in this connexion.

13. Suffice it to say that this policy has inflicted disastrous hardships on the money market. The local money-lenders who generally discount the hundies and bills of their borrowers with the Banks, had to withdraw their credit facilities from the markets, as those Banks would not freely discount their bills as previously. The pressure for repayment of loans aggravated the trouble with each stage in the fall of prices of commodities. Properties and jewels which had to be disposed of to meet dues having come in a rush into the market, which was already short on money, could not secure the purchasers even at a depreciated value of nearly 50 per cent. In

the result the extent of security which these investments offered for loans against them became considerably contracted. Thus, money which performs about the same function in the exchange of goods as rail road wagons perform in their transport has become very much under supplied.

14. Madras is industrially the most backward province. She is mainly dependent on agriculture for the sustenance of her population. For the last four or five years she has not been a favourite of weather-God. One part or another of the province was damaged by floods and storms. In several districts the lands were submerged in seas of land. Reclamation work was particularly severely costly. Some of the rice-producing districts were thus put out of production. Several schemes are no doubt undertaken for bringing larger tracts of land under agriculture and they are still in course of construction and in the meantime large sums of money are spent on them. Ceded districts are still in the chronic anaemic condition for want of irrigation facilities.

15. Of the total population of 42,319,000 as many as 30,000,000 are mainly dependent on land and agriculture in one form or another. Of the rest of the population which live in cities and urban areas, a considerable proportion draws on the village resources for a portion of their cost of living by way of importing grains and pulses from their villages or by way of monetary contribution towards the education of the youths of agriculturists. In short seven-eighths of the population depend on the income of the lands. For all practical purposes it may be taken that 35,000,000 of people are affected by the present depression. Of these 35 million people, nearly 75 per cent belong to the category of holders of pattas who pay an assessment of less than Rs. 10. The severity of the depression on this category is consequently one of a struggle for the very existence while in the case of the remaining 25 per cent, it might be one of no profits.

16. Although theoretically the farm labourers should be 'better off so far as they are on a fixed money wage' as the ryot had no money to pay with, he had very often to pay them in kind. But in many cases it is open to question if the ryot had any surplus of the commodities, after parting away with an adequate quantity of them for payment of kists and petty dues to pay the labourer and to meet his own family requirements. I am disposed of to think that these farm labourers who generally form the permanent and faithful establishment of the ryot have gone without food when their master, the ryot was even unable to dole out the rejections of his own kitchen.

17. Practically the whole population of the Presidency with the exception of salaried employees of Government and quasi-Government departments and industrial labourers is considerably impoverished. Several of the employees of commercial firms who have been discharged for want of business and as a measure of retrenchment add to the number.

18. It is well known that most of the agricultural population during the off-season has no secondary occupation. Any Government which professes to have the interest of the people should have fostered the spirit of self-reliance by means of encouraging cottage industries. That the Government have failed to do any such thing needs no proof. After considerable agitation the Government of Madras appointed a Special officer to make a survey of cottage industries in the presidency. Reports of survey of that officer are in the hands of the Government for the last more than a year and a half. Nothing has been done to encourage the cottage industries. In my opinion some of the industries which are out of existence can be revived with a minimum amount of effort and organization. Apart from doing any such thing, the Government have discouraged the spread of hand-spinning of yarn and hand-weaving of cloth by giving it a dispolitical turn. In places where, in spite of the Government's hostility, the Khadi movement took hold of the people, it did really alleviate the present distress to some extent. I should recommend to the Government to follow up the work of the Special officer on cottage industries by instructing their local officers to organize small industries with the co-operation of the people of the locality.

19. Food products do not call for any additional remarks to those already made in the main report. But it is enough to state that the ryot has no means to live for the next season and much less to invest in land for the next crop. It is a pity that no figures are available for the cost of production and the balance, if any, left to him for his livelihood and that of his family after the payment of kists only. My information is that in several districts of the Presidency, the cost of production has been much more than the realized amount of the crop at the rate prevalent for the last three or four years. If that be so then the sale amount of this year's crop should necessarily have been considerably less than the cost of production goes without saying.

20. Under the circumstances, the recommendation of the Committee to finance the small ryot for the purpose of purchasing of seed for the next crop has a grim humour about it.

In the book of Genesis in Chapter 47 the stages of distress in Egypt are narrated thus:—

"14. And Joseph gathered up all the money that was found in the land of Egypt, and in the land of Canaan, for the corn which they bought; and Joseph brought the money into Pharaoh's house."

"15. And when the money was all spent in the land of Egypt, and in the land of Canaan all the Egyptians came unto Joseph and said give us bread; for why should we die in thy presence? for our money faileth."

"16. And Joseph said, Give your cattle: and I will give you for your cattle, if money fail."

"17. And they brought their cattle unto Joseph and Joseph gave them bread in exchange for the horses and for the flocks and for the herds, and for the asses; and he fed them with bread in exchange for all their cattle for that year."

"18. And when that year was ended, they came unto him, they came unto him the second year, and said unto him, We will not hide from my Lord, now that our money is all spent; and the herds of cattle are my Lord's; there is nought left in the sight of my Lord, but our bodies, and our lands."

"19. Wherefore should we die before thine eyes both we and our land? Buy us and our land for bread, and we and our land will be servants unto Pharaoh; and give us seed, that we may live and not die, and that the land be not desolate."

"20. Then Joseph said unto the people, behold, I have bought you this day and your land for Pharaoh, Lo, here is seed for you, and ye shall sow the land."

21. The ryot is heavily involved in debt to money lenders, co-operative societies and takkavi loans and with each instalment of payment of kists gets into more and more debt. His lands are not his and the future crop is mortgaged. He is therefore enslaved and is dying of hunger and starvation. The Government have shut their eyes and closed their ears to this dire situation and are going on with their mechanised collections of revenue and resettlements.

22. Heavy taxation compels the assessee to evade payment and therefore the Government are obliged to collect the tax at a time when the ryot is in possession of money whatever may be other demands on his slender resources. In a market of glut owing to fresh crops the ryot is forced to sell his produce at very much below the cost of production to secure money for payment of kists. Therefore heavy taxation is doubly cruel. Taxation when it is heavy is itself cruel but when payment of the same spells further losses to him it hits him the hardest. It will be killing the goose that lays the golden egg. I should therefore think that the Government should be requested to temporise the severity of the land revenue in respect of smaller land holders of whom there are only too many.

23. Financing the ryot for purchase of seed for next year's crop is at best a means of doubtful utility and I doubt if many will take advantage of it. I say it is of doubtful utility because of the prices of commodities that are now current and the rates of cost of production, which do not conduce to the raising of crops with any margin of profits. On that score it would not be proper to allow the land to go fallow but it would be the duty of the Government to help the ryot to dispose of the commercial commodities at profitable rates in the international markets. One method of doing this would be to finance the local merchant in order that he might advance money on stored commodities. There is a lot of prejudice against the local merchants in the minds of several people. This, I venture to submit, is due to an erroneous conception of the functions of the merchant and mistaking him for money lenders.

The merchant plays an important part between producer and consumer and manufacturer and consumer. The export trade of this country was to a very great extent built up by the merchant. He renders a service to the producer by collecting small quantities of commodities and directing them to the exporter. He takes off from the exporter the arduous work of getting into touch with the petty producer and wasting his time in higgling to strike a bargain and complete a transaction on the one hand and saves the producer from having to wait for the intending exporter and protects him from the profiteering exporter who exploit the illiteracy of the cultivator and his ignorance of the demand of his wares in other countries.

The merchant is experienced in the preparation of commodities for various markets, possess warehouses in towns accessible either by rail or steamer to inland and foreign ports, advances monies on the goods received, permits the producer to look after his own work, while he himself is on the watch to find purchasers and to secure the best possible price. In fact the merchant provides the best selling agency to the small producer. As there is enough of competition among these merchants there is no fear that the credulity of the ryot would be exploited. The idea that in the conditions of strenuous competition which prevail generally in the export trade, a body of useless and 'parasitic' middlemen are permanently maintained by any trade strikes us as prima facie impossible says Lord Balfour's Report of the Committee on Industry and Trade. To substitute this human agency by a mechanical agency like the co-operative societies in respect of transactions involving lakhs of rupees is to make the system too wooden and too stiff for any progress in business.

I, therefore, recommend that in order to help the smaller ryot and to have a certain amount of security against advances made, assistance to the ryot should be extended through a merchant who should offer some security of his own assets and of the commodities he warehouses when larger sums are required. Should the prejudice against the merchant continue, the staff of co-operative societies must at least be recruited from intelligent class of traders and merchants who are peculiarly fitted to scent the market which demand these commodities.

24. The success of co-operative societies depends largely on the manageable size of the transactions, on far too close an identity of interest and on the business experience of the staff. To think of co-operative societies in the place of the merchant is to invite the sad experience of America in respect of Federal Farm Board and Canadian Wheat Pool. If the Directorate of a Co-operative Society should be the deciding factor as to when to sell and when to stock, the interest of the individual does not count and where there is no personal interest it is more than improbable that they would be profitable undertakings. The staffing is a very important factor in the success of these societies. We have had recently instances of marketing officers being appointed from the ranks of Sub-Registrars of Co-operative Societies or of Deputy Tahsildars. In other countries the staff is recruited from amongst great industries and trade whereas here they are rejected and indifferently educated youths fresh from school or college are taken, whose education consists in a sneering contempt of business life. So these societies break on the rock of Governmental machinery and the inertia of bureaucratic methods.

25. *Marketing.*—Any attempt to organize marketing without the aid of the merchant is bound to failure because as I said co-operative societies are too official ridden and bureaucratic to allow any personal interest being taken. But Joint-Stock Companies of limited or unlimited responsibility can certainly do very useful work in this direction. The Indian merchant suffers for lack of accurate information about the movement of world markets. Therefore the recommendation of the Committee to organize a Bureau of Statistics and Commercial Information is the one which has my whole-hearted support. As to the agency which should run it, I shall deal later on.

26. *Groundnut.*—The statement in paragraph 58 'An output of two candies per acre will at present prices of about Rs. 30 per candy gives a gross yield of Rs. 60 an acre and even at this price the land yields more profit than it did under other more precarious dry crop' requires more substantiation than the Committee have advanced. The Committee have not had before them the cost of production, decortication, packing and railing a candy of this commodity to make a statement to the above effect. Several ryots have told me that in several parts of the Presidency lot of crop was left on the fields as it was feared it would not pay the labour involved from packing to marketing. If the above statement only meant that comparatively more money was left with the ryot who cultivates groundnuts than with one who cultivates other dry crops whether that money was excess over outlay or not, I agree. But it is evident that the Indian producer of groundnut does not get the value for it in a just comparison with his compeer in West and South Africa or in relation to the value of the oil extracted therefrom in manufacturing countries. The figures furnished in the memorandum of the groundnut dealers submitted to His Excellency the Governor have not been controverted. This undervaluing of Indian groundnut is due to the ring of European customers. This is not a mere assertion but a statement of fact. One could easily see the effect of such a combine on the price of Indian groundnut (vide graph of prices from 1928 downwards).

27. One can have no complaint against the buyers forming themselves into a combine. But on the side of the sellers also there must be a sufficient amount of organized efforts to counteract the combine on the other side. The small ryot and even the Indian merchant individually is not in a position to combat against the organized ring of purchasers. His ability is further vulnerable on account of his ignorance of the prices of competing articles in other markets. The Government must be able to supply such information to the seller. The exporting shippers in this country act either on their own account or as the agents of purchasing firms on the Continent. They, therefore, are not interested to make the Indian purchaser or the merchant know of the actual conditions of the markets abroad. As all the purchases are regulated through bottle necks of a few exporting firms, they are in a position to impose conditions of an entirely one-sided character on the ryot and the merchant in this country. A perusal of the contract agreements which the sellers in this country are obliged to enter into with the exporting firms will reveal entirely the one-sided character of transaction. By means of these conditions the ryot and the Indian merchant are deprived of even the little profit which he expected at the time of sale. As an illustration I may cite the following instance, which is very common. On the delivery of goods to the Harbour an advance of nearly 90 per cent of the value is made; the goods are left in the godowns in charge of the buying firms. They take their own time to pass the delivery for weighment. Generally it takes not less than a week to arrive at that stage. Two per cent of refraction is allowable under the terms of the contract. This 2 per cent is to be taken on the whole quantity of goods. But the testing officers of the Exporting firms fix up a few bags and even in those bags take a basket full of the commodity from the very stomach of the bags, where generally the waste gathers. The refraction is picked out from this basketful of the article and that average is taken in respect of the whole quantity. In any variety of goods, the refraction taken under such circumstances is bound to be larger than when it is taken on an average of the whole quantity of goods.

By this method, the ryot is put to a very great losses and if the ryot is not willing to submit to such unfair dealing, he has either to resort to arbitration of the Madras Chamber of Commerce or as a last step go to a law court where the chances of success against an award of an arbitrator are practically nil.

At best the seller may take delivery of such goods. That would mean a considerable loss by way of packing and re-packing charges, cart hire, etc. Even then he has to seek the same kind of buyer even elsewhere.

28. I submit that the contract form must be examined by the Government and substituted for by another, the terms of which do not load the dice against the seller, but are put on equity and reason. There must also be an independent organization for arbitration in such matters set up by the Government.

29. In addition to such precautionary measures against powerful monopolies of combines, the Government must examine very speedily the possibilities of manufacturing margarine and vegetable oil from ground-nuts and other oil seeds. Considerable quantity of margarine and vegetable oil is being imported in this country. It would, therefore, be a very desirable step to be taken by the Government to organise that industry here.

30. There does not seem to be any fear that there will be less production of ground-nut in case an attempt is made to deter the export of ground-nut cake by a tariff having regard to the prices which the cultivator has to pay to other kinds of manure both imported and indigenous. Anyway this Committee have had no data to warrant their belief that such a tariff would diminish the value of the crop.

31. *Weavers.*—I do not think the Committee will be justified in thinking that any considerable number of weavers are turned out of work by the Congress activities. Importation of cheap foreign cloth and artificial silk and official prejudice against Khadi seem to have contributed more to this deplorable situation than the Congress activities could have done. In any case, it would be a futile attempt to try to create a demand for a variety of cloth which is suppressed by a very powerful competitor or which has gone out of fashion. Instead of making these weavers believe that by the efforts of Government they could secure the market for an out-of-date commodity, it would be better if the Government would assist in taking up to a line which is in vogue and which is likely to last for some time. But in cases where sections of weavers require only temporary relief by means of advances on their goods, I am certainly in favour of requesting the Government to give such assistance whether such cases occur either in Salem or elsewhere. I think there are several such cases even in other districts and it will be distribution of even justice if the Government could take up the cases elsewhere also.

32. With regard to the Bureau of Statistics and Commercial Information, it is desirable that it should be placed in the hands of experts and students of economics. It would be more appropriate to put this Bureau under University or Chambers of Commerce, so that conclusions drawn from the statistics and information available to them might not suffer from the suspicion of being one-sided.

33. In short, my recommendations are—

- (1) that the land revenue must be so regulated as to leave a small margin to cover the maintenance of ryot's family;
- (2) that during this year remissions of land revenue must be liberally given;
- (3) that reliable merchants should be provided with funds at comparatively cheap rates of interest and see that those amounts reach the agriculturist either against any produce he has or against the next crop;
- (4) that a Bureau of Statistics and Commercial Information must be organized and information diffused all over the country by means of bulletins in vernacular;
- (5) that co-operative societies should be staffed by men recruited from the business communities;
- (6) that cottage industries should be actively fostered;
- (7) that contract agreements between exporting firms and sellers be examined and an agreement suitable and just to both the parties be insisted upon;
- (8) that the Government should examine the practicability of organising the industry for manufacturing of margarine and vegetable oil;
- (9) that export of oil cake be discouraged; and
- (10) that financial help should be given to sections of communities which have suffered by a collapse of the demand for particular commodities they were dealing in.

10th April 1931.

S. VENKATACHELAM CHETTI.

(5)

*Sugar.*—It would be rather hard on consumers to impose tax on imported goods, when the country is not prepared to produce such goods equal in quality and quantity to meet the requirement of the consumers. The Government should help the sugar planters by granting them lands free of rent and other facilities through their departments concerned for a limited number of years, or until the planters and manufacturers were able to produce to meet the requirements of the consumers. When an Indian planter was placed to be able to make a living, his tendency had always been to produce cheap and adulterated goods and thus amass his wealth. He should be taught to healthy competition by improving his produce for his own benefit and enjoyment of consumers. Prohibitory duty on imported goods and unfair competition with sister provinces and Indian States would retard the industrial progress.

9th April 1931.

H. SRINIVASAN.



REGISTERED No. P. 390.

*Report of the Sambalpur Land  
Law Committee, Orissa, 1939*



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No. 2694-R.

GOVERNMENT OF ORISSA.

REVENUE DEPARTMENT.

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RESOLUTION.

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*Cuttack, the 15th May 1940.*

In Resolution no. 732-R., dated the 15th February 1938, Government appointed a committee to enquire into the existing land laws in the district of Sambalpur and to suggest improvements in the existing law and recommend the lines on which legislation should be undertaken to enact a self-contained Land Revenue and Tenancy Law for the district as now constituted. In Resolutions no. 3541-R., dated the 2nd September 1936 and no. 5160-R., dated the 22nd December 1938, the personnel of the committee was slightly modified. The report of the committee has been received and is now published for general information.

By order of the Governor,  
R. P. WARD,  
*Secretary to Government.*

## Report of the Sambalpur Land Laws Committee, Orissa, 1939

### PART I.

#### CHAPTER I.

##### PRELIMINARY.

##### SECTION I.—THE COMMITTEE—ITS CONSTITUTION AND WORK.

The Committee was originally appointed in Government resolution no. 732-R., dated the 15th February 1938, in which its terms of reference were defined as follows :—

Constitution of the Committee,

“The Government of Orissa have decided to appoint a Committee to enquire into the existing land laws in the district of Sambalpur, to suggest improvements in the existing law, and recommend the lines on which legislation should be undertaken to enact a self-contained Land Revenue and Tenancy Law for the district as now constituted.”

The personnel of the Committee as constituted in the above resolution was—

- (1) Mr. B. Das, M.L.A., Advocate, Cuttack (Chairman).
- (2) Rai Sahib Gokul Chandra Babu, M.A., B.L., Pleader, Sambalpur.
- (3) Mr. Prahladrailath, M.L.A., Sambalpur.
- (4) Babu Balunkeswar Misra, Pleader, Bargarh.
- (5) Babu Tribikram Fajari, Retired Deputy Collector, Sambalpur.

The following gentlemen were added to the personnel of the Committee by Government resolution no. 3541-R., dated the 2nd September 1938 :—

- (1) Sri Fakir Behera, M.L.A.
- (2) Sri Ghanashyam Panigrahi, village Manpur, police-station Bhedan, Sambalpur.
- (3) Sri Kapileswar Prasad Nand, Pleader, Bargarh.
- (4) Rai Sahib Sankarsan Gartia, Zamindar, Bijepur.

Sri Bisi Bibhar, M. L. A., of Bargarh was further added to the personnel of the Committee by Government Resolution no. 5160-R., dated the 22nd December 1938.

Three of the members, namely, Rai Sahib Gokul Chandra Babu, Sri Balunkeswar Misra and Sri Tribikram Pujari resigned their membership during December 1938 and January 1939. All of them attended the preliminary meeting which was held at Cuttack in September 1938, and also the sittings of the second meeting at Sambalpur, from the 22nd to the 24th of December 1938. Rai Sahib Gokul Chandra Babu attended the subsequent meetings at Jharsuguda and Bargarh on the 25th, 26th and 27th of December 1938. Sri Balunkeswar Misra attended the meeting at Jharsuguda on the 25th December 1938, but did not attend the meeting at Bargarh on the 26th idem.

The first meeting of the Committee which was called by Government, was held at Cuttack on the 10th to 15th of September 1938. The meeting was opened by the Hon'ble Minister Sri Bodhram Dube, who welcomed the members and then after briefly dwelling on the history of the administration of the district of Sambalpur, made a broad outline of the problems that the Committee had to face in the matter of the land revenue and tenancy legislation of the district. The speech of the Hon'ble Minister is appended to this report. While calling the first meeting of the Committee Government were pleased to forward to each member a list of subjects to be considered by the Committee together with detailed notes on each subject. The Committee used these notes for framing a set of questionnaire which was first drafted by a sub-committee appointed by the Committee and was approved by the Committee after consideration.

It was also decided to take oral evidence after written answers to the questionnaire had been received. A provisional programme was adopted for recording oral evidence at six important places of the district, namely, Sambalpur, Jharsuguda, Bargarh, Padampur (Borasambar), Khariar and Nawapara.

The questionnaire was printed in Oriya, Hindi and English and copies thereof were broadcast throughout the important villages of the district. This was done with the help of the Deputy Commissioner, Sambalpur, who kindly got the copies distributed through the Land Record staff under the supervision of the

Subdivisional Officers and the Tahsildars. Copies were also sent to the District Congress Committee of Sambalpur, the Bar and other recognized associations and selected public men and Government Officers including retired officers, having experience of the revenue administration of the district. In all 6,000 Oriya copies, 300 Hindi copies and 400 English copies of the questionnaire were printed and distributed. The distribution was made in October 1938 and written answers to the questionnaire were invited by the 20th November 1938; but on the representation of the Sambalpur District Congress Committee the time was extended up to the 10th December 1938.

The Committee assembled at Sambalpur and commenced taking oral evidence on the 22nd December 1938. The oral examination of witnesses at Sambalpur continued for three days. Thereafter from the 25th to 31st December the Committee visited and examined witnesses at the following places—Jharsuguda, Bargarh, Khariar, Nawapara and Padampur. At every place there was a large gathering of witnesses of all classes of landholders who selected their representatives according to their classes for examination by the Committee.

Written answers to the questionnaire were received from 1,382 persons comprising 1,130 tenants, 4 zamindars, 6 malguzars, 7 mafidars, 106 gaontias, 12 co-sharers, 28 shikmi gaontias, 67 thikadars, 2 patels and 20 others including officials. Written answers were also received from the District Congress Committee and the Krushak Samilani of Sambalpur. The Committee examined 221 witnesses orally at the six centres already mentioned above. They represented the following classes:—

Occupancy tenants	...	...	...	70
Bhogra or sir tenants and sub-tenants	...	...	...	10
Villages service tenants	...	...	...	37
Mafidars (Malguzars)	...	...	...	5
Gaontias	...	...	...	23
Shikmi gaontias	...	...	...	2
Co-sharers	...	...	...	5
Zamindars	...	...	...	2
Thikadars	...	...	...	24
Junior branch of thikadar's family	...	...	...	13
Patel	...	...	...	1
Sukhabasis (occupiers of homestead land)	...	...	...	10
Representatives of Congress Committee	...	...	...	8
Officials including Government Pleader	...	...	...	6
Others	...	...	...	15

During the Sambalpur tour and thereafter three of the members, namely, Sri Tribikram Pujari, Sri Chandra Babu resigned and this caused delay in holding meetings for discussion. In June 1939 it was decided by Government that the Committee should function without the members who had resigned. The Committee then met at Cuttack on the 26th June 1939 for its own discussion. Prior to this meeting all the written answers to the questionnaire and the oral evidence recorded had been examined and collated, and every member was supplied with a copy of the summary in which all shades of views on each question were noted. A copy of the summary of answers to the questionnaire is appended to this report. This summary was explained to the members in Oriya in the first meeting for discussion. Sri Kapileswar Prasad Nand could not attend this meeting owing to personal reasons and Sri Prahlaḍ Ray Lath fell ill and had to leave Cuttack after attending the Committee meetings for two days. Rai Sahib Sankarsan Gartia, zamindar of Bijepur also wanted to leave Cuttack soon for private reasons. It was, therefore, agreed to make only preliminary discussion and to defer final conclusion to a subsequent meeting to be held in August. Accordingly the meeting was adjourned after continuous discussion for five days.

The Committee met for the second time for discussion from the 28th August to the 3rd September 1939. Rai Sahib Shankarsan Gartia, zamindar of Bijepur could not join this meeting on account of his sudden and unfortunate illness. All other members attended the meetings in which the various points that emerged out of the evidence and documents collected were discussed and conclusions drawn and findings made. The Committee authorised the Chairman to decide the questions involving legal points and matters of procedure in consultation with Sri Kapileswar Prasad Nand.

A preliminary draft report was then prepared, and as desired by the Committee the draft was first considered by the Chairman and Sri Kapileswar Prasad Nand. The Committee finally met on the 12th and 13th November 1939 at Jharsuguda in the district of Sambalpur, considered the draft report and other papers received since the last meeting, made some alterations in the draft, and signed the final report on the 13th November 1939. Rai Sahib Sankarsan Gartia, zamindar of Bijepur, could not attend this meeting also on account of his illness. The report was, therefore, sent to him through the Secretary who placed the report before him at Bijepur. He signed the report subject to a dissenting minute which is annexed to the main report as a minute of dissent.

## SECTION II—HISTORY AND AREA.

For the purpose of our report it is not necessary to give a detailed history of the district. We would quote the summary of the history of Sambalpur as written by Mr. Fuller in his report on the 1885-89 Settlement.

Summary of history, "The earliest authentic records available show Sambalpur to have formed one of a cluster of States held by Chauhan Rajputs, who are supposed to have come from Mainpuri in the North-West Provinces. In 1797 the district was conquered and annexed by the Mahrattas, but owing to British influence the Raja was restored in 1817, and held under the political control of the Bengal Government. On the death of a successor without heirs in 1849, the district was annexed as an escheat, and was administered by the Bengal Government till 1862, when it was transferred to the Central Provinces. During the year of the mutiny and the five years which followed it the condition of the district was exceedingly unsatisfactory owing to disturbances led by Surendra Sai, a pretender to the Raj, who had been imprisoned in the Ranchi Jail for murder, but was set free by the mutineers. He returned to Sambalpur and instigated a revolt against the British Government which he prosecuted by harassing the people with dacoities. He was joined by many of the zamindars, and it is not too much to say that for five years the district was in a state of anarchy. In 1862 he was induced to come in, when he was assigned a very liberal maintenance allowance and was permitted to live at Sambalpur. Many of his lieutenants, however, preferred to remain in outlawry, and with bands of adherents infested the hills and defied all attempts at capture. In 1864 it was discovered that Surendra Sai had all along been in league with those men, while protesting fidelity to the British Government. He was at once deported from the district, when the rebels were soon hunted down and captured. The district rapidly quieted down, and since then such discontent as may have existed has manifested itself in nothing more substantial than petitions and appeals. The Surendra Sai disturbances had, however, a most important effect on the history of the district. It was owing to them that the re-settlement of the district was not rapidly carried to completion with those of other districts in these provinces, in which case under the policy of Sir R. Temple the village headmen would, as elsewhere, have certainly been made proprietors of their villages. Settlement operations were, however, allowed to drag till a time when the

expediency of conferring proprietary rights was laid open to doubt, and the result has been that Sambalpur was settled on an entirely different system to that followed in other districts."

The district of Sambalpur has passed through many administrative changes which are described in the following extract from the District Gazetter.

"Few districts have been affected by so many administrative changes as Sambalpur. After the cession by the Mahrattas in 1617, though the direct rule rested with the Raja, a general power of control was reserved for the British authorities, and soon after the accession of the last Raja (1833) the State was placed under the Agent of the Governor-General for the South West-Frontier. This Agency, it may be explained, was called into existence by Regulation XIII of 1833 after the suppression of the Kol rebellion of 1831-32, and at first comprised the greater part of what is now the Chota Nagpur Division, but subsequently Sambalpur, with other Tributary States, was added to it. In 1849 Sambalpur came under the direct rule of the British, and was administered by an officer styled the Principal Assistant of the Agent for the South-West Frontier, the latter having his headquarters at Ranchi. This arrangement continued till 1860, with a change in the titles of officers; for in 1854 the designation of the Agent of the South-West Frontier was changed to Commissioner of Chota Nagpur and that of the Principal Assistant to Senior Assistant Commissioner. In 1860 Sambalpur was transferred to the Orissa Division of Bengal, and by a notification of the 30th April 1862 it was made over to the newly constituted Central Provinces. In October 1905 the bulk of the district was retransferred to the province of Bengal, until the 1st April 1912, when the province of Bihar and Orissa was separately constituted."

From the above extract we find that the Sambalpur district was administered, when it came under the direct British rule, first as a part of Chota Nagpur, then as a part of Orissa, then as within the Central Provinces, and then it was transferred again to the Orissa Division in Bengal and finally was taken over by the Government of Bihar and Orissa as a part of the Orissa Division. On the formation of the new province of Orissa with effect from the 1st April 1936 the Khariar zamindari and some villages of the Padampur tract were transferred from the



Central Provinces and was added to the district -which now consists of three tahsils, viz., Sambalpur, Bargarh and Nawapara, each tahsil being a subdivision.

As regards the early land laws of the district we find that the Rent Act X of 1859 (Bengal) was in force in the Sambalpur district. This Act granted occupancy rights to raiyats of a certain status and imposed limitation on the enhancement of their rent. The Act was however, found to be unsuitable to the conditions prevailing in Sambalpur. It is the successive Land Revenue and Tenancy laws of the Central Provinces enacted subsequent to 1860 when Sambalpur came under the administration of the Central Provinces, which have governed the revenue and tenancy rights and procedure in the district. The present position is that the Central Provinces Land Revenue Act, XVIII of 1881 and the Central Provinces Tenancy Act, XI of 1898 are in force in the area of the old Sambalpur district. Both these Acts were repealed in the Central Provinces after the district was transferred to Bengal, and their places were taken respectively by the Central Provinces Land Revenue Act II of 1917 and the Central Provinces Tenancy Act I of 1920. These two Acts are in force in the area newly transferred from the Central Provinces and added to the district of Sambalpur. In the Central Provinces this area was known as the Sambalpur territory.

The total area of the district as now constituted is 5391.06 square miles, of which 419 square miles are covered by Government reserved forests, and 841.79 square miles by zamindari unsurveyed forests. The area of surveyed villages is 4063.27 square miles, and the remaining area of 67 square miles represents the bed of the Mahanadi.

For the purposes of land revenue administration the district is divided into two tracts, viz., the khalsa and the zamindaris. The term khalsa is used to indicate land which does not belong to a zamindari and is not included in a Government reserved forest. Briefly it means land held by village headmen direct from Government. There are 17 zamindaris with a total area of 3248.33 square miles including the unsurveyed zamindari forests. The total number of zamindari villages is 1,668. The area of the khalsa is 1656.73 square miles, which consists of 119 malguzari, 870 gaontiabi and 16 raiyatwari villages.

## CHAPTER II.

## PROPRIETARY RIGHTS.

From the earliest Government records and the settlement reports we find that there are six classes of proprietors with varying degrees of proprietorship or proprietary interests in the district of Sambalpur. These are—

Classification.

- (1) the zamindars,
- (2) the malguzars,
- (3) the Gaontias,
- (4) the bhogra-bhogis,
- (5) the malik-makbuzas, and
- (6) the brahmottars.

Excepting the zamindars the other proprietary tenures exist in the khalsa area. We shall deal with them in the order in which they are given above.

## SECTION I.—THE ZAMINDARS, AND THEIR MAFIDARS AND THIKADARS.

There are 17 zamindaris in the district with a total area of 3248.33 square miles including 2406.54 square miles of surveyed village lands and 841.79 square miles of unsurveyed forests. The zamindaris in Sambalpur are tracts held by intermediary proprietors having a feudal status entirely different from that of zamindars in the rest of the province. It appears that while the district was under the rule of the Rajas of Sambalpur, the zamindaris were service tenures held on payment of a small tribute called takoli, subject to the proviso that the zamindars were bound to render military service when called upon. When the district escheated to the British, those zamindars who held in perpetuity continued in the enjoyment of their tenures on payment of their existing takoli, and were directed to perform police duty instead of rendering military service.

At the settlement of 1876 police powers were nominally left to the zamindars, their takoli being fixed at an exceptionally low rate in consideration of services rendered. These rights were however resumed by Government at subsequent settlements as it was felt to be an anomaly that the zamindaris should be isolated from the ordinary police arrangement of the district.

The zamindar of Sambalpur stands half way between the Chief of a feudatory state, who pays a tribute to the British Government, and the ordinary proprietor of a khalsa village who pays a portion of his assets as land revenue.

With regard to the rights or "the legal and practical tenures" of a zamindar we reproduce below the description given in Mr. Dewar's Settlement Report:—

"Legal tenure—His tenure is not laid down in any Act but is expressed in the wajibularz or administration paper which is accepted by the zamindar at each settlement. This, where its terms are doubtful, is filled out by definite orders of Government. Briefly, the legal status of the feudal zamindars is that they are proprietors of estates which are impartible and non-transferable except to heirs, preferably the nearest legitimate male heirs, who are approved by Government. Each estate is held by the zamindar only on terms. He may be dispossessed in case of continued gross mismanagement. But no such dispossession has actually occurred in Sambalpur, even after many of the zamindars took arms against the British Government in 1857. On the other hand, the right of the Executive Government to determine succession has been enforced and the impartibility of estates has been insisted upon. No person other than the zamindar has been recognised as a proprietor of land within a zamindari or has successfully contested his claim to proprietorship. The one exception necessary to this rule is that of the sub-zamindar of Garh Loisingh, locally known as the zamindar of Jujumura. In this case a younger branch of the zamindar's family has established itself separately by clearing land and settling villages in formerly untouched tracts of the Loisingh hills. This branch was recognised at last settlement as having sub-proprietary rights. At last settlement, more especially in the Barpali estate, certain long established headmen of villages attempted in the Civil Courts to prove their right to that proprietorship of the home-farm area which had been granted in the khalsa tracts by Government to the headmen of villages. They failed to obtain this grant. Besides ordinary headmen or lessees there are in the zamindari estates many mafidars or assignees, relatives or former servants of the zamindar, who have enjoyed long uninterrupted possession, but neither these nor the so-called garhtias or 'sikmi-zamindars' of the Phuljhar estate have been recognised as proprietors or have proved their claims to be proprietors.

“ Practical tenure—In practice the zamindar is an ordinary proprietor who pays, instead of a kamil jama or full assessment, a feudal takoli or tribute, which ordinarily is much less than a full proprietary assessment. Until comparatively recent years the zamindars controlled their own police and managed their own excise system and cattle-pounds. In the interests of uniform and consistent administration these powers have been taken from them, and they have received compensation for the consequent loss of income. On the abolition of the Pandhri tax, a form of income-tax of which they formerly received a moiety, they were again compensated. They still manage their own public ferries and reserved forests.”

The rights and liabilities of the zamindars as against Government as expressed in the Wajibularz are stated below:—

*I.—Tenure.*

1. The tenure of the zamindari is impartible and non-transferable, save to the nearest heir, and each such transfer shall be subject to the approval of the local Government. The zamindari is held by one person, the zamindar or zamindarin for the time being and is held on condition of loyalty, proper management and the improvement and cultivation of the estate.

2. The privileges of the zamindar are personal and should at any time the estate be transferred otherwise than in accordance with this clause, the Government will be at liberty to impose a full land revenue and forest assessment, and to resume all special zamindari privileges.

*II.—Succession.*

1. On the death of the zamindar the estate devolves upon his eldest legitimate son. In default of a son either born to him or adopted, the estate devolves upon the nearest legitimate heir of the zamindar according to Hindu Law and the custom of the family. In the event of any dispute arising as to the legitimacy of any claimant to the succession, the case shall be decided according to the custom of the family by the local Government.

2. In the event of the first in order being in the opinion of the local Government unfit to carry out the conditions of clause I, the zamindari devolves upon the nearest heir who may be considered fit by the local Government.

### *III.—Removal of zamindar and forfeiture of privileges.*

The zamindar in the case either of gross misconduct or of mal-administration is liable to removal or forfeiture of privileges by the local Government.

### *IV.—Maintenance of relations.*

The members of the zamindar's family have the right to suitable maintenance from the zamindar, but in the event of any portion of the zamindari being assigned in lieu of maintenance to a member of the zamindar's family or any other person such assignments will only be valid with the permission of the Board of Revenue and on such terms as Board of Revenue may prescribe. No member of the zamindar's family or any other person is entitled to hold or enjoy any portion of the zamindari in proprietary right by reason of such portion of the zamindari having at any time been assigned to, or continued in the possession of, such person for his maintenance or any other purpose.

### *V.—Village management.*

The villages of the zamindari are managed according to the conditions of part II of this *Wajib-ul-arz* and in accordance with such provisions as may from time to time be laid down by law, or by order having the force of law.

### *VI.—Ferries.*

The zamindar shall continue as at present to manage the ferries in accordance with the laws and rules prevailing in the *khalsa* and shall take care that the interests of the *khalsa* do not suffer from the arrangements. If at any time it is considered expedient for Government to assume the management of this source of revenue, the zamindar shall receive reasonable compensation in respect of any losses of income, resulting from such transfer.

### *VII.—Forests.*

The forests or forest lands of the estate shall be managed in accordance with rules prescribed by the Board of Revenue. For the right to graze cattle in and take forest produce from the unsurveyed and *zabti* forest of the zamindari, the zamindar may realise such fees from the tenants of the zamindari as the Board of Revenue may sanction from time to time.

*VIII.—Due on traders.*

No transit dues are levied by the zamindar, but the zamindar, with the sanction of the Board of Revenue, may levy bazar-dues in selected towns at such rates and under such rules as may be approved, provided that the income from such dues be in every case spent on the improvement of the town in which they are levied.

*IX.—Miscellaneous dues.*

No dues not authorised by this Wajib-ul-arz shall be leviable by the zamindar without the sanction of the Board of Revenue.

*X.—Minerals.*

All minerals are the property of Government which has a right of free access and egress thereto and therefrom."

Thus we find that the rights and incidents of zamindars are not laid down by law, but are governed by customs recorded in the Wajibularz or administration paper and whenever there was any doubt with regard to the terms of the Wajibularz, it has been for Government to issue definite orders on the subject. The zamindars are satisfied with the present arrangement. Hence in our opinion no separate regulation is necessary to define the status of the zamindar or the rights and incidents of the zamindaris.

Although no attempt has been made to define the zamindar in the Central Provinces Land Revenue Act of 1917 as a collection of mahals held by the same proprietor which the Chief Commissioner may by notification declare to be an 'Estate'. There is no definition of an estate in the Central Provinces Land Revenue Act XVIII of 1881. The definition given in the Act of 1917 is not suitable to the Sambalpur district where each zamindari is an impartible unit and cannot be regarded as a collection of mahals. For the purpose of the Sambalpur Land Revenue and Tenancy Act the words 'Estate', 'Mahal' may be defined separately so as to make the term 'Estate' applicable to zamindaris and the term 'Mahal' to the village held by the malguzar.

In most of the zamindaris many villages are held free of revenue by persons who are either relations of the zamindar or former servants. They are called mafidars. Usually no occasion now exists for rendering

that kind of service in return for which enjoyment of the villages was originally granted, and the zamindars naturally desire to resume the grants, but the question has not been tested in the courts. They hold the villages free of revenue as against the zamindar, but pay proportionate share of the takoli paid by the zamindar to Government. This is an amicable arrangement made at Mr. Dewar's Settlement. In some of the zamindaris protected status under section 65-A of the Central Provinces Land Revenue Act of 1881 had been granted before Mr. Dewar's settlement to certain maintenance-holders, but this procedure was disapproved by the Civil Court which held that the declaration of certain maintenance holders as 'protected thikadars' was *ultra vires*. This decision was upheld in appeal by the High Court.

The mafidars would like to have absolute right in the villages held by them as co-proprietors with the zamindars. They are not creations of the Government, and it is laid down in the Wajibularz that no member of the zamindar's family or any other person is entitled to hold or enjoy any portion of the zamindari in proprietary right by reason of such portion of the zamindari having at any time been assigned to, or continued in the possession of, such person for his maintenance or any other purpose. They hold an intermediate status between the cultivators of the soil and the zamindars, the only peculiar feature in the incidents of their right being that they hold their villages as rent-free tenures under the zamindars. It should be noted that these rent-free tenures are not valid against Government. The best way of safe-guarding their interest seems to us to provide that the villages assigned to them are not resumable by the zamindars except when the tenures are alienated without the consent of the zamindars, and they should be given the right of protection from arbitrary encroachments by the zamindar.

There are two kinds of thikadars in zamindaris called ordinary thikadars and protected thikadars. It was the former custom of a zamindar to receive in annual payment only the rents of the tenants which were handed over in cash by the thikadars. The latter made large profits from his home-farm, but at each renewal of his Thika he had to pay a considerable sum as Nazarana as renewal fee. This system led to abuse and some of the zamindars enhanced the Nazarana very excessively which resulted in many aboriginal thikadars being ousted. In 1888 legislative action was taken to protect the thikadars, and protection was granted to all who could prove long possession and fair improvement of the land. The tenure of

Thikadars under zamindars.

a protected thikadar was made heritable but not transferable, and the annual payment was to be determinable by revenue officer. This action prevented the zamindars from ousting protected thikadars and from unduly increasing their payments. Recently the Patna High Court has held in A. I. R. 1939 Patna page 305 that thikadars are not liable to ejection for mere non-payment of thikajama.

The provision made in the Central Provinces Land Revenue Act, 1881 (Act XVIII of 1881) dealt with the protection of thikadars in rather a summary manner and left scope for considerable disputes between the thikadars and the zamindars. One of the defects was that the exact terms of the Thika under which a thikadar was to hold were not defined. The new Central Provinces Land Revenue Act of 1917 (Act II of 1917) provides that when a thikadar has been declared to be protected, the Deputy Commissioner has to draw up a written lease declaring the exact conditions on which the village is to be held, and the terms of such lease will be binding on the parties and cannot be called in question in the Civil Court so long as the protection remains. The course of succession in the case of protected thikadars has been clearly defined in the new Act, and the circumstances under which the protection granted may be forfeited have been set out, while in case of such forfeiture, relief may be given either by declaring the thikadar whose protection is withdrawn, to be an occupancy tenant of his home-farm or by declaring that a co-sharer in the right shall be given the protection instead.

The tenure of a protected thikadar is impartible. It devolves on one member only of the thikadar's family but in practice the home-farm land is divided between the members of the thikadar's family. As no separate assessment has been made of the *sir* lands held by the share-holders, it becomes very difficult for them to know what amount they should pay to the protected thikadar, and at the same time protected thikadar also finds it difficult to realise the amount from the share-holders. From time to time applications have been made by the protected thikadars and their share-holders to the Deputy Commissioner for apportionment of their assessment, but such applications have been invariably rejected on the ground that there is no provision for such apportionment in the Central Provinces Land Revenue Act of 1881, but this difficulty can be removed if sub-section 2 of section 107 of the Central Provinces Land Revenue Act of 1917 be extended to the whole of the district which empowers a co-sharer thikadar to acquire occupancy rights in the lands held by him.



If the thikadari system be retained the provision of the new Central Provinces Land Revenue Act of 1917 may be made applicable to the whole district of Sambalpur, with such modifications as may be necessary. But we are of opinion that the present system of conferring protection on thikadars should be abolished and the existing thikadars and members of their families holding *sir* lands for 20 years or more before the passing of the proposed Sambalpur Land Revenue and Tenancy Act, should be declared to be occupancy tenants of such land. If after passing of the Act any new thika be given by a zamindar, the thikadar shall acquire occupancy right over his *sir* land after continual occupation for 12 years. We adhere to the view that 12 years' continuous possession of *sir* or bhogra land should entitle the occupier to acquire occupancy right thereon, and this principle should apply to the thikadars as well.

Thikadar's acquisition of occupancy right in *sir* lands.

The thikadars pay thikajama which covers the entire raiyati assessment of the village and a malikana for the *sir* lands in their possession. We are proposing to introduce a system of appointing a collecting agent in every village on commission basis. This should also be enforced in thikadari villages, and while selecting collecting agents in thikadari villages preference should be given to those coming from the family of thikadars holding for a period of 20 years or more. In thikadari villages *sir* lands should be assessed on the basis of occupancy holdings and the collecting agent will collect from raiyats and *sir*-holders and receive from the zamindar his commission on actual collection on the scale recommended by us. The principal condition of a thika is the thikajama and if the principle of appointing collecting agents on commission basis be adopted there will be no need for granting thika in future.

Introduction of the system of collection of rent on commission basis in thikadari villages.

The mafidars also lease out villages to thikadars but such thikadars are not given protection on the ground that they do not hold from the zamindar. In this connection K h a n Bahadur Md. Hamid has commented as follows:—

Thikadars under mafidars.

“Where all the other requirements of the section are present, it seems to me immaterial for the purpose of granting protection whether the thikadar holds directly under proprietor or under a mafidar.”

But subsequently this policy was completely changed and by the time the first regular settlement was effected it was decided not to grant full proprietary rights to gaontias in Sambalpur but to make them proprietors only of their bhogra or home-farm lands.

Rights of gaontias.

Mr. Dewar describes the rights of gaontias as follows :—

“The rights of a gaontia in his village either than definitely granted or understood or since established by undisturbed exercises are—

- (1) Proprietorship and free right of alienation of the home-farm ;
- (2) The right of management over the whole village and of undisturbed possession of it so long as the Government revenue demand is fully and promptly paid ;
- (3) As a consequence of the above two rights the right of alienation of the whole village or of a share in the village, if accompanied by a transfer of home-farm land.”

It is thus found that although at one time it was under contemplation to give full proprietary right to the gaontias the wisdom of granting the same was held in doubt and practically the gaontias were made proprietors only of their home farms, and this status of the gaontias were defined at the first regular settlement of the district. Since then the gaontias have been clamouring for getting the right of full proprietorship but their representations made from time to time have been rejected. While rejecting their last memorial which they submitted in 1924 the Bihar and Orissa Government passed the following orders :—

“The first prayer in the memorial is that the status of malguzar should be conferred on the gaontias. The memorialists plead a declaration of policy to this effect given in 1862, and urge that the concession has already been granted in the Central Provinces, as also that considerations that led Government to modify their policy in 1862, no longer exist. The Governor in Council has given full consideration to these arguments and finds no sufficient reason to depart from the decision taken in 1871. Although the undertaking given in 1862 was not literally

fulfilled, the gaontias have received substantial concessions which have both improved their status and increased their income, and they have no further equitable claim upon Government or the public revenues. The analogy from conditions in the Central Provinces is not altogether apposite, for the tenancy system of Sambalpur finds its affinities in the village communities of Orissa and Chota Nagpur rather than in the agrarian conditions of the Central Provinces. Nor is it correct to say that the considerations which governed the policy of half a century ago have ceased to exist. It is true that successive settlements have established and secured the position of the raiyats to a very great extent; but the change in the status of the gaontias must inevitably lower that of the raiyats and result in encroachments upon their rights in forests and tanks, while their liability to *nazarana* for the occupation of waste land should be increased. The concession would thus confer upon a small privileged body benefits of considerable value at the expense partly of the public revenue and partly of the large body of raiyats, and His Excellency in Council does not consider that at this late stage in the history of the question it would be equitable to disturb existing conditions in this manner."

There are 870 gaontiahi vallages in the district but the status of gaontias is not defined by law. Legal position of the gaontias. It is simply laid down in sub-section 8-A of section 4 of the Central Provinces Land Revenue Act, 1881 (Act XVIII of 1881) that proprietor except in sections 61, 62 and 63 (which relate to malikana) and section 69 (which relates to *sir* land), includes a gaontia of a Government village in the Sambalpur district, and under explanation II of sub-section (10) of section 2 of the Central Provinces Tenancy Act of 1898 (Act XI of 1898) the gaontia is treated as landlord. The above two Acts are in force in the district except in the area transferred from the Central Provinces. Similar provisions have also been made in the new Central Provinces Land Revenue and Tenancy Acts which are in force in the area transferred from the Central Provinces, vide sub-section 13 of section 2 of the Central Provinces Land Revenue Act, 1917 (Act II of 1917) and explanation II to sub-section (11) of section 2 of the Central Provinces Tenancy Act, 1920 (Act I of 1920).

The gaontias always remained dissatisfied with their present status; and we have found that the peculiar tenure of the gaontias has created serious difficulties in the revenue Difficulties of the gaontiahi system.

administration of the district. These difficulties were enumerated in a note prepared by Mr. Moberly, Deputy Commissioner of Sambalpur in 1910. They were mentioned in the synopsis supplied by Government for our guidance and there is a printed correspondence on the subject. We need not therefore describe them in detail in this report. They are varied in nature and the rules applied by the Revenue authorities in the case of some of the important issues have been over-ruled by the Civil Courts.

Only one out of the body of gaontias in a village is appointed as lambardar under section 137 of the Central Provinces, Land Revenue Act, 1881 and he alone executes the settlement kabuliyat. The settlement wajibularz provides that the lambardar shall be responsible for the management of the village and will be the landlord within the meaning of section 2 (6) of the Central Provinces Tenancy Act of 1898. The Revenue Officers being guided by this provision of the wajibularz do not recognise the co-sharer gaontias other than the lambardar as landlords of the tenants. On the note of Mr. Moberly referred to above, orders were issued declaring that the lambardar gaontia is to be considered the sole landlord of the village for the purposes of section 2 (6) of the Tenancy Act, and that this rule be applied in all cases including those relating to the breaking up and settlement of waste lands. But the civil courts have taken the view that the co-sharer gaontias are also co-sharer landlords of the village tenants and that the lambardar has no statutory power to represent the proprietary body in their relations with the tenants, but that he has an implied authority to represent them in their relations with the tenants, which authority can be repudiated by any co-sharer at any time after giving due notice. (Vide III P. L. J. page 88.)

On this ruling Khan Babadur Md. Hamid remarks that "this legal position has been the source of much trouble to raiyats for it frequently happens that a raiyat reclaims a field from the waste after taking the lambardar's consent and then the co-sharer brings a suit to eject the raiyat from the new cultivation in respect of his (plaintiff's) own share". The Hon'ble Board of Revenue, Bihar and Orissa, also commented on the above ruling of the Patna High Court and described it as harmful.

The Revenue Officers would allow only the lambardar gaontia to accept surrenders of occupancy holdings and to resettle them with other tenants, but their orders denying this right to the co-sharer gaontias have been declared by the civil courts to be *ultra vires*.

The Revenue Officers also hold that the lambardar as representing the whole body of co-sharers in a gaontiahi village, cannot be his own tenant and if therefore he is in cultivating possession of raiyati or broken up waste land, he is not a tenant, and when he settles the land with another person, whether as a co-sharer on his own behalf or an outsider, that person becomes an occupancy tenant and not a sub-tenant. This view puts the lambardar in a disadvantageous position as compared with his co-sharer. Whereas one of the consequences of the Civil Court decision that co-sharer gaontias are also co-sharer landlords of the village tenants, may be that the tenant inducted by a co-sharer gaontia would also acquire occupancy right. But the gaontias, both lambardars and co-sharers, claim that tenants introduced into gaontiahi-raiyati lands would remain sub-tenants and should not acquire occupancy rights therein, and they further maintain that they themselves are occupancy tenants in respect of their gaontiahi-raiyati lands.

A khalsa gaontiahi village, with the exception of the bhogra lands, cannot be partitioned, but a co-sharer or hissadar gaontia can claim his share of the village profits. This causes perpetual dissension between the lambardar gaontia and his other co-sharers. In a malguzari village disputes between the co-sharers over village profits can be settled by an imperfect partition of the village, but this is not possible in a gaontiahi village which cannot be partitioned, and therefore disputes between co-sharers in a gaontiahi village must go on perpetually. Such disputes will necessarily affect the tenants seriously. In this connection Khan Bahadur Md. Hamid has remarked as follows :—

“ An active cause of strained relations between landlords and tenants is the gaontia's own dissensions with his hissadars (co-sharers) which invariably result in the creation of two factions also amongst the raiyats. No improvement in this aspect of village life can be looked for until the dissensions between the lambardar and his co-sharers cease. These dissensions are invariably the result of jealousy and rivalry between brothers and cousins in the matter of the division of lands or of the village profits and any great improvement in the relations between them would in the circumstances be perhaps too much to expect from human nature.”

We thus find that the gaontiahi system has created anomalous and dangerous situations because while it causes dissensions to grow amongst the body of co-sharer gaontias, it closes the door for their settlement at the same time.

The bhogra land can be freely transferred and the purchaser of bhogra land is treated as a co-sharer. There is absolutely no restriction for the sale of bhogra or home-farm land in a gaontiahi village although in a malguzari village the home-farm land which is called *sir* land, cannot be transferred without reservation of the right of occupancy except with the sanction of the Board of Revenue. This helps to add to the number of co-sharers and to increase dissensions among them in gaontiahi villages.

When the bhogra land is divided into very small units between co-sharers, the lambardar gaontia who is held responsible to realise and pay the Government revenue of the village feels that he is not properly remunerated for his labour. We shall deal with the question of lambardar separately but here we wish to point out that in a gaontiahi village the lambardari system is not working satisfactorily.

In consideration of the legal anomalies caused by the existing gaontiahi tenure and its other undesirable effects we are of opinion that the retention of the existing gaontiahi system is undesirable and should be abolished.

We are also proposing the abolition of the lambardari system and the introduction of a system by which one collecting agent should be appointed in every village to collect rent on commission basis, and the introduction of the system authorising the village panchayat to be responsible for the management of the village and to perform the duties now imposed on mukaddams. The gaontias will thus be relieved of their responsibility for Government revenue and the management of the village.

The gaontias have all along been recognised as proprietors of their bhogra lands with free right of alienation. They should continue to have this right which will make them practically bhogra-holders or plot proprietors. We consider that bhogra lands should be assessed at a privileged rate which may be 60 per cent of the village rate adopted for occupancy holdings. We also recommend that the collecting agent be recruited from amongst the bhogra-holders and he should be remunerated on commission basis. The village common lands should be managed by the village panchayat under the supervision of the revenue authorities.

The gaontia receives, in revenue-free home-farm or in cash, only 25 per cent of the rents paid by raiyats. When the rental value of the

Assessment of bhogra lands.  
In rapti villages.

home-farm or bhogra land exceeds this limit the gaontia pays zapti or excess valuation, and when the same is less than 25 per cent of the raiyati rental he receives puraskar or cash draw back from Government. By assessment of bhogra land at the privileged rate, the Government revenue will be reduced in the case of zapti villages, because in such villages the excess bhogra lands will be assessed at 60 per cent of the village rate unless the excess bhogra could be distinguished and assessed at full rate. We realise that it will be difficult to fix such excess bhogra land in possession of different co-sharers, as by partition years ago some co-sharer gaontias or hissadars have preferred to take larger quantity of raiyati land with lesser bhogra land, and some other co-sharers have taken larger quantity of bhogra lands to the exclusion of their proportion of raiyati lands. Although Government would be loser as regards excess Bhogra lands enjoyed by gaontias, yet owing to the difficulties indicated above to trace them up all bhogra lands in zapti villages may be assessed at the privileged rate.

As regards puraskar villages, the gaontia is entitled to puraskar because he is held liable to pay the revenue, but as by the abolition of the gaontiahi syetem this liability will cease to exist, he will not ordinarily be entitled to any puraskar; but it must not be lost sight of that the puraskar which the gaontia is enjoying, was given to him in lieu of the minimum bhogra land which could not be made up, and it is also to be considered that some of the co-sharers are not holding bhogra land according to their share of interest in a village but are getting cash payment which forms part of puraskar or cash draw-back which the body of gaontias receive from Government.

The puraskar is the money-value of the deficit bhogra lands and this commuted value of the deficit bhogra is due to the present body of the gaontias. We recommend that in future the same should be paid to them and the amount of puraskar payable should be recorded in their names.

Another peculiar feature of the gaontiahi system is the creation of a tenure of bhogra-bhogis, and we shall deal with this tenure separately along with the Malik-Makbuza tenure.

As an alternative for the abolition of the gaontiahi system it may be considered whether the gaontias should not be granted the status of malguzars, raising their share of the

The alternative of conferring malguzari status.

or Bhogra holders and for that rules are to be framed by Government. He shall pay the collection money minus his commission to the malguzar who shall remain responsible for the payment of Government revenue.

If gaontias in Khalsa villages be raised to the status of malguzars then it will have to be considered what should be the status of Sikmi gaontias under the malguzars. Upto now it is understood that the Sikmi gaontias have the same rights as those of gaontias in Khalsa gaontiahi villages and therefore if gaontias be made full proprietors of their villages, the Sikmi gaontias would also claim inferior proprietary right. They will have to be treated as inferior proprietors and it will be necessary to fix the percentage of the village assessment which they should pay to the superior proprietors who will be held responsible to pay the Government revenue.

Status of sikmi gaontias under malguzars if the gaontias are made full proprietors.

#### SECTION IV.—BHOGRA BHOGI AND MALIK-MAKBUZA TENURES.

Bhogra-Bhogis and Malik-Makbuzas are proprietors of parcels of land which are not villages. Bhogra-Bhogis belong to Khalsa gaontiahi villages and Malik-Makbuzas to malguzari villages. There are now very few Malik-Makbuza plots in the district but there are many Bhogra-Bhogis. The history of the Bhogra-Bhogi tenure is that at the private partition of Khalsa villages among various branches of a gaontiahi family the senior branches divided among themselves the principal part of the home-farm and took over all the management of the village. They allotted to junior or to illegitimate branches plots of home-farm land, the understanding being that these recipients relinquished all claim to share in village management, and that, on the other side, the gaontias relinquished all right to interfere in the disposal of the Bhogra-Bhogi plot. Bhogra-Bhogis have exercised their right of transfer frequently. They do not pay anything towards the village assessment except a share of the Zapti or excess assessment on the home-farm imposed in villages where the revenue value of the Bhogra area is more than 25 per cent of the raiyati rental of the village.

If the existing gaontiahi system be abolished, these Bhogra-Bhogis will retain their status as Bhogra-holders and should be made liable to pay revenue. We have recommended that Bhogra lands should be assessed at a privileged rate, and we think that the same principle may be applied to Bhogra-Bhogi



holdings which should be assessed at 60 per cent of the village rate. If the status of gaontias be raised to that of malguzars the status of Bhogra-Bhogis will be changed to that of Malik-makbuzas.

We do not propose to make any change in the Malik-makbuza tenure which closely resembles the Bhogra-Bhogi tenure. The Malik-makbuza has the same independent right of transfer as the Bhogra-Bhogi.

#### SECTION V.—BRAHMOTTARS.

Brahmottar lands consist of plots granted in perpetuity to Brahmins and others. It has been ruled that the tenure is a proprietary one, and that the holders are entitled, on the resumption of the revenue to have a proprietary sub-settlement made with them. These cannot be treated as Malik-makbuzas or Bhogra-Bhogis, because their land not being village home-farm, every tenant holding from them becomes by the payment of rent an occupancy tenant. It seems necessary to define plot proprietors in the Sambalpur Act.

The Central Provinces Government have proposed to introduce a definition of the term 'plot proprietor' in the Central Provinces Tenancy Act. The definition given in the Central Provinces and Berar Bill no. 50 of 1939 reads as follows:—

“Plot proprietor' means a person who owns one or more plots of land in proprietary right in a mahal, who is not entitled to a share in the proprietary profits of the remainder of such mahal and who has not been declared to be a Malik-makbuza of such land under section 67 of the Central Provinces Land Revenue Act, 1917.”

The above definition will apply to holders of Brahmottar lands.

#### SECTION VI.—OTHER INCIDENTS OF PROPRIETARY TENURES.

The home-farm lands of the gaontias are called Bhogra and those of proprietors, i. e., malguzars and zamindars are called sir. If the gaontias are made malguzars, the nature of Bhogra will change to that of sir. Bhogra lands are freely transferable with a share in the village, but sir lands cannot be transferred without reservation of the right of occupancy without the sanction of the Board of Revenue (now Revenue Commissioner). The Central Provinces Government have proposed to amend section 49

of the Central Provinces Land Revenue Act, 1917, in order to prohibit altogether the transfer of cultivating rights in sir land except by lease up to 5 years.

The intention of the present law is to give protection to the proprietors in their home-farm lands, but the proprietors of the district generally now wish to have the right of free transfer of their home-farm lands and we see no objection to grant this. The law was designed for their own protection, but if they find that it is working hard on them the law may be amended so that they may transfer their sir lands without reservation of their right of occupancy.

The zamindaris are inalienable and therefore no sir lands in zamindaris are transferred except by leases to Thikadars or as maintenance grants to zamindars' relations. Almost all the malguzari villages are Mafi villages, one of the conditions of the grant being that they cannot be alienated, and therefore practically sir lands in malguzari villages are also not saleable. Any restriction on the transfer of sir land will therefore apply only to the gaontiahi villages, if the gaontias are made malguzars, but as the gaontias have been exercising all along the right of free transfer of their Bhogra lands they would naturally resent any restriction on that right.

We therefore recommend that the provision under section 45 of the Central Provinces Tenancy Act of 1898 and section 49 of the Central Provinces Tenancy Act of 1920 restricting the transfer of sir lands may be deleted.

In the Sambalpur Manual of 1928, Vol. I, the legal aspects of sir land has been fully explained in the notes under section 4-A of the Central Provinces Land Revenue Act XVIII of 1881. Some changes and improvements have been made in the new Central Provinces Land Revenue Act of 1917. We recommend that the provisions of the new Central Provinces Land Revenue Act with regard to sir lands may be made applicable to the Sambalpur district, but the restriction imposed on the transfer of 'sir' lands by the Central Provinces Tenancy Acts should be removed.

It is already stated above that if the gaontias be granted the status of malguzars the nature of 'bhogra' will change to that of 'sir'. In the alternative if the gaontiahi system be abolished and the gaontias remain as Bhogra-holders or plot-proprietors, then the Bhogra holdings in the occupation of

gaontias in Khalsa gaontiahi villages may be described as gaontiahi holdings and those in the possession of Sikmi gaontias in Khalsa gaontiahi and malguzari villages may be described as sikmi gaontiahi holdings.

All lands held by Khasla gaontias other than their Bhogra whether acquired from raiyats or newly broken from waste, are recorded as gaontiahi raiyati. Similar lands other than home-farm lands of the malguzars and zamindars are called khudkast lands. At present there are certain anomalies in respect of the gaontiahi raiyati lands. If the gaontia is the sole gaontia of his village he cannot be his own tenant, and there it is held that he is not an occupancy tenant of his gaontiahi-raiyati land and cannot sublet. When he leases out to a tenant, the latter at once becomes occupancy tenant. But if he is one of the body of gaontias holding the village, and is not a lambardar, he is considered to be an occupancy tenant of his gaontiahi raiyati land and therefore can sublet. This view is held by Revenue officers. But recently the Patna High Court has accepted the view that gaontias are occupancy tenants in respect of their gaontiahi raiyati lands. Hence their tenants would be subtenants in the lands held under them. In proprietary villages when khudkast lands are let out for cultivation by a tenant, the latter at once acquires occupancy right.

If the gaontias be made malguzars, then gaontiahi raiyati lands will become khudkast lands, and the gaontias will lose the right to sublet such lands; and if the gaontiahi tenure be abolished, then the gaontias will hold such land as occupancy tenants. If the gaontiahi tenure be retained it will be necessary to make it clear in the law what should be the right of gaontias in their gaontiahi raiyati lands.

Opinion in the district is divided on the question whether the incidence of the gaontiahi raiyati land and the khudkast land should be the same. Some hold the view that in gaontiahi villages a gaontia, whether lambardar or not, should have the right to sublet his gaontiahi raiyati land, and others are of opinion that when a gaontia leases his gaontiahi raiyati land to a tenant, the latter should become an occupancy raiyat at once as in the case of khudkast land.

We think that if the gaontia be treated as a sort of proprietor as at present, he should not acquire any better right than a real proprietor. We are however recommending

Future of gaontiahi-  
raiyati holdings.

that the present gaontiahi tenure should cease to exist, and if this view be accepted, the term gaontiahi raiyati will cease to exist and all such lands would be occupancy holdings.

The proprietors would like to have the right of subletting their khudkast lands or in other words they would claim that their tenants should remain sub-tenants and should not acquire occupancy rights; but we cannot support this demand as that would mean that any occupancy holding or waste land on coming into the cultivating possession of a proprietor, will at once assume the nature of 'sir' or home-farm. Under the Land Revenue Act of 1881, 'sir' rights could be secured only after cultivating for 12 consecutive years land which had been previously occupied, or by breaking up land from waste and cultivating it continuously for six years; and under the Land Revenue Act of 1917, land, whether broken up from waste or not, which has been cultivated by a proprietor for a period of not less than six consecutive years, may be declared 'sir' land. Again the existing law provides that the total area of 'sir' land in a mahal shall not exceed one-quarter of the total occupied area of the mahal. The intention of the law is obvious and it will be inequitable to remove the restrictions.

We would however recommend that the provisions of the Central Provinces Land Revenue Act of 1917 may be made applicable to the entire district, so that a proprietor after continuous possession of khudkast land for 6 years can claim 'sir' right therein if the entire 'sir' area of a village will not thereby exceed one-quarter of the total occupied area of the village. When khudkast land is declared to be 'sir' the proprietor acquires the right to sublet.

### CHAPTER III.

#### TENANCIES.

##### SECTION I.—OCCUPANCY TENANTS.

In Sambalpur the raiyats have always enjoyed a secure right in their holdings. Even during the time of the Rajas, the cultivators were seldom ejected except for default of payment of revenue. In the British Administration they were also secured in the possession

of their holdings with some restrictions on their right of transfer, so long as they paid the Government revenue or rent assessed on their land.

Except for village service tenants and those servants of zamindars who hold tenancy land in return for service, all tenants, not being sub-tenants, of land which is not home-farm, have occupancy right. There is only one class of occupancy tenants found in Sambalpur, there being no absolute occupancy tenant there. Besides those who are recorded in settlement records as occupancy tenants, occupancy right does accrue in the following instances :—

- (1) In khudkast lands in zamindari and malguzari villages and in gaontiahi raiyati lands in khalsa gaontiahi villages, when held under the lambardar.

It is held that in a khalsa gaontiahi village a co-sharer gaontia who is not a lambardar, can sublet by year to year lease like a tenant as in respect of gaontiahi raiyati land he is a tenant to the lambardar to whom he pays rent for the land.

- (2) In waste lands when reclaimed with the consent of the landlord. In the newly transferred area from the Central Provinces a tenant, who reclaimed waste land contiguous to his holding without the consent of the landlord and held it continuously for a period of 3 years, can acquire occupancy right by paying 6 times the rent fixed for the land.

- (3) In sir lands when the proprietor transfers the same or loses his right to occupy the same as proprietor and has not obtained the sanction of the Board of Revenue for the transfer without reservation of the right of occupancy.

Occupancy rights are heritable and descend to heirs like any other property subject to the statutory restrictions against transfer, so long as the rent is paid, and the land is not diverted to non-agricultural purposes.

Incidents of the occupancy right.

The existing provision with regard to the right of succession to the interest of an occupancy tenant both in the old and new Central Provinces Tenancy Acts does not seem to be appropriate.

Right of succession.

Section 11 of Act I of 1920 seeks to introduce three important changes :—

- (1) The first proviso makes tenancy personal right of the tenant for time being,
- (2) as a corollary to the provisions of the first proviso, the succession is confined to inheritance and does not extend to survivorship, and
- (3) the proviso restricts the collateral succession in the male line to the seventh degree.

It has all along been held by the Judicial Commissioner, Central Provinces that the tenancy right is a personal right (4 C.P.L.R. 57, 8 C.P.L.R. 11, 5 N.L.R. 103). But the right of survivorship (a right incident to a joint family) was also held to exist, in the case of a joint son who was preferred to a separated son (7 N.L.R. 36 10, IC. 733).

The Hon'ble High Court of Patna has ruled that there is nothing in the Tenancy Act to prevent a tenancy right from being treated as a joint family property (4 P.L.J. 354).

The Hindu law applicable to the Sambalpur district is that of the Mitakshara as interpreted by the Banares school. The first proviso will be at conflict not only with the ruling of the High Court but also with the view in 7 N.L.R. 36 and we do not see any necessity of restricting collateral succession as stated in the second proviso.

The Central Provinces Government have proposed a change in the law in this connection as follows :—

“ The interest of an occupancy tenant in his holding shall on his death pass by inheritance or survivorship in accordance with his personal law.”

We approve of this amendment and recommend that the Sambalpur law should be framed accordingly. In future, in the case of a joint Hindu family, occupancy holding should be considered as property owned by the joint family.

Transfer of occupancy  
holdings—Present p-si-  
tion.

Occupancy right is transferable only  
in the following cases :—

- (a) A tenant may sublet for a period not exceeding one year ;
- (b) he may transfer his right of occupancy to any person, who, if he survived the tenant, would inherit the

right of occupancy or to any person in favour of whom as a co-sharer the right of occupancy originally arose or who has become by succession a co-sharer therein.

If any transfer is made in contravention of the above provisions, it is not void but voidable at the instance of any such person as would be entitled to inherit his right in the holding in the event of his death without nearer heirs, or the landlord from whom the tenant held the land, on application to a Revenue Officer made within two years from the date on which in pursuance of the transfer the tenant parted with possession of the land. The New Central Provinces Tenancy Act of 1920 limits the time for application to one year from the first day of the agricultural year next after the transfer of possession.

Although the Central Provinces, Tenancy Act of 1898 prohibited the transfer of occupancy land, except by way of annual sub-lease, to any person other than a sharer or a natural successor, transfers have been freely made by an indirect method of surrender to the landlord and resettlement by him with the transferee. By this the landlord is benefited at the cost of the tenants. Under the provisions of the Tenancy Act of 1898 such surrenders can be contested by near relatives of the surrendering tenants, but as the gaontias take a leading part in the transactions, it is not always possible for the poor relatives of the tenants to go against the landlords. In this connection Mr. Dewar wrote in his settlement report as follows:—

“It is comparatively simple to evade the prohibition by means of a present to the landlord, whose interest it is to prefer a well-to-do to an indebted raiyat. His help being enlisted it is seldom that the relatives of the transferor can profitably dispute the transfer.”

The new Central Provinces Tenancy Act of 1920 does not allow a relative of the surrendering tenant to contest a surrender. This change was explained in the Statement of Objects and Reasons as follows:—

“This provision giving the right to an heir of an occupancy tenant to apply to have the surrender of his holding by such tenant set aside, was included in the Tenancy Act of 1898 in order to make the provisions prohibiting the transfer of an

The practice of bogus transfers by surrender and resettlement.

Removal of certain restrictions by the Central Provinces Tenancy Act, 1920.

occupancy tenant's holding more secure. It was thought that without such a provision, a proprietor, who wished to sell his sir land without reservation of occupancy rights under section 45, would be able to execute a deed of sale of his village without sanction and then by surrendering the occupancy rights which accrued to him in his sir land, transfer such sir land to the purchaser. Experience has shown that the section has not worked well, and there is a large body of official and non-official opinion that it should be repealed. Cases of surrenders by expropriatory tenants in order to avoid the provisions of section 45 of the present Act are extremely rare, and the real security against such transfers is that under no circumstances whatever can a purchaser of a village in pursuance of such surrender obtain anything more than khudkast rights. In the case of occupancy tenants other than expropriatory tenants, it has been found that all or nearly all the applications which have come before the Revenue Officers to set aside surrenders have a large element of fraud in them. The following is a typical case which recently came before the Financial Commissioner in appeal:—

“A tenant surrendered his holding to the malguzar in consideration of the payment of Rs. 1,000. Shortly after the surrender, a minor son applied to have the surrender set aside, and this application was finally withdrawn, on the payment of a further sum of Rs. 500 by the malguzar. As soon as this application was withdrawn a fresh application was put in on behalf of the wife of the surrendering tenant to have the surrender set aside, and it was suggested that this application would be withdrawn if a further sum of Rs. 500 was ordered.

“Such cases are not uncommon, and though it may be said that the object of the section is to prevent transfers by occupancy tenants in the guise of such surrender, there is a strong body of opinion that surrender to the malguzar for a consideration should not be prohibited. It enables an occupancy tenant to secure a sum of money in return for land which he is unable to cultivate and is thus often as much to the advantage of the tenant as to that of the malguzar.”

The Central Provinces Tenancy Act, 1920, made it easier to make transfer of occupancy rights by way of surrender to and lease by the landlords. The Act has also reduced the time for application to set aside transfers from two years from the date of

Instances of abuse of restrictions.  
Changes made in the Central Provinces Tenancy Act, 1920.



transfer of possession to one year from the first day of the agricultural year next after the transfer of possession. As sub-lease for one year is legal it will be difficult to contest a transfer because the new tenant will have cultivated the land only for one year before the expiry of the limitation, if a transfer is effected a few days before the expiry of an agricultural year. Thus it is found that the new Central Provinces Tenancy Act has the effect of relaxing the prohibition on transfer.

Those who do not favour free transfer usually give the reason that by allowing free transfer, lands will pass into the hands of the money-lenders and rich people, the landless class will increase and outsiders and exploiters will take away the land of the agriculturists. It was no doubt the intention of the legislature to prevent the accumulation of rent paying land in the hands of non-agriculturist speculators. In this connection Mr. Dewar in his settlement report wrote as follows:—

“This danger did not threaten Sambalpur, and the Act has been in-operative to prevent the passing of land from the poor men into the hands of richer and more industrious agriculturists.”

We agree that the Act has failed to achieve its object. The existing restrictions instead of giving any real protection to the poor agriculturists, considerably reduce his power of borrowing and make it possible for the landlord to realise any amount he likes whenever the tenant is in difficulty and desires to part with his land in order to get some money to remove his wants.

Khan Bahadur Md. Hamid, Settlement Officer says—“I think the chief person who is benefited by this provision of the law as it stands is the landlord who generally manages to secure a heavy premium (anything from 25 per cent of the amount of the consideration upwards) on every transfer made by a tenant. This was the chief grievance urged before me by the tenants when I started announcement of the new assessment in the Bargarh Tahsil.” Mr. Dewar also admitted in his settlement report that the Act of 1898 had resulted in decreasing the borrowing power of the raiyat and increasing the power of the landlords.

It must be admitted that the value of the raiyati holding was considerably reduced by the Central Provinces Tenancy Act of 1898. If the transfer of such holding were altogether prohibited the raiyat would have lost all incentive to borrow on the security of his holding, but while that incentive still

remained, the restriction imposed by the Act resulted in increasing the power of the landlord and decreasing the borrowing power of the raiyats. This has also been a cause for the strained relation between landlords and tenants. In this connection Khan Bahadur Md. Hamid says : "The relations between landlords and tenants are on the whole not so good as they were 20 years ago. The raiyats' chief grievances are that the landlords are becoming more and more rapacious in demanding Nazaranas for consenting to the raiyats' transferring their lands or reclaiming new fields from the waste." During our tours in the district we found that the villagers were unanimous in their demand to take away all powers of management from the landlords and to vest them in the village panchayat of which the landlord could only be a member if he were elected by the villagers. It was also demanded that the panchayat should be free to elect its own president and other officers, and the landlord should not simply by virtue of his position receive any preferential treatment.

The evidence collected by us also goes to show that the restriction has caused moral degradation. Evil effects of the restriction resulting in moral degradation. Transfers are going on under a false method of surrender. Almost all persons whose transactions have had to be adjudicated under the provision of law, deviate from truth, and the tenant hardly, if ever, gets the full return for the land he parts with. The parting tenant sets up his son or other relations to get back the land for which he has received the agreed consideration. The transferee to get over this difficulty usually resorts to fabricating antedated documents to make out a case of expiry of the period of limitation or adduces manufactured oral evidence to that effect. Some tenants with borrowed money buy occupancy holdings and to evade the creditor take shelter under the Insolvency Act. These inequities lead to litigation causing constant flow of wealth from the sweating and labouring interior to the ease-loving towns and dragging the simple unsophisticated worker from his fields to the law courts, where he is made to tell or echo lies. The villager turns from his natural surroundings and far away from public opinion that weighs with him, feels little or no remorse in telling a few lies acting in a dramatic stage. Every legislation regarding land should aim at the preservation of the moral and material interests of the actual workers on the field, but it is seen that the restriction imposed by the Act of 1898 brought about their impoverishment and moral degradation.

Then coming to the law itself it would be found that there  
 are serious anomalies therein. Mr. Hamid  
 in his settlement report writes—  
 Anomalies in the law.

“In addition to creating a generally unsatisfactory position and failing largely to achieve their real object these two sections contain a grave anomaly. Under section 47, if an application is not made to a Revenue Officer within two years to set aside a transfer made by a tenant, the effect is that the transfer is no longer voidable and the transferee acquires a valid title in respect of the transferred land. But if the value of the property is more than Rs. 100 transfer can be effected only by a registered deed under section 54 of the Transfer of Property Act, while clause (5) of section 46 of the Tenancy Act forbids a registering officer to register a sale deed in respect of raiyati land. Recently certain occupancy tenants in Bargarh tahsil taking advantage of this anomaly in the law succeeded in recovering possession through the Civil Court (Title suit no. 142 of 1924) of certain lands transferred by their father seven years ago. I quote the following extract from the judgment of the Appellate Court to show the view taken by the Court of this anomalous position :—

“Now under section 46, clause (3) the transfer of an occupancy right is not void but voidable in the manner and to the extent provided by section 47, etc. Section 47 lays down that such a transfer is voidable at the option of the landlord or the next heir within two years from the date of transfer. The transfer took place in 1918 but the next heir never questioned it and the landlord also recognised the defendants. In these circumstances the defendant no doubt acquired a valid title but section 46, clause (2) forbids a court passing a decree for sale, and section 46, clause (5), forbids a registering officer from registering a sale deed of raiyati lands. It is no doubt true that these clauses will defeat the very provision of sections 46, clause (3), and 47, for by those sections the sale is voidable within two years from the date of sale and if it is not avoided by the persons entitled to do so, the transferee acquires a good title against all the world, so section 46, clause (3) and section 46, clause (5), are thus obviously anomalous. However irresponsible the provision of these clauses may be, we have got to administer the law as it is and in the face of section 46, clause (2) and clause (5), if the plaintiff brought a suit for specific performance of the contract of sale, he would be successfully met by the plea that such a sale deed is not enforceable under the Tenancy Law of the land and hence the contract will not be enforceable.”

While the above decision holds that an heir could claim possession in Civil Court even after two years of the transfer, in the Central Provinces it has been held that as a transfer can only be made legally by a registered deed, and as no deed purporting to make such a transfer can be registered, the so-called transferee, who has come into the possession of the holding is a trespasser and can be ejected as such by the landlord, but that the heir has no ground for applying to be put in possession.

Then again the registration of any document purporting to be a transfer of an occupancy holding is prohibited by the Act but Revenue Officers are recognising transfers made by unregistered deeds or even by oral agreement by allowing mutation in favour of the transferees in the village records. Thus while the law remains inoperative to prevent transfers, the spirit of the Registration Act, is also being frustrated. This question was recently raised by the Registration Department and both the Deputy Commissioner and the Revenue Commissioner considered the practice to be illogical.

The tenants generally now wish to have right of free transfer and many of the landlords also join with them although they would demand a mutation fee. It cannot be said that the Sambalpur tenant is so backward that he is unable to protect his own interest in the lands. Rather it has been his general complaint that as the law stands at present he feels insecure of his tenure and has no incentive to improve his land. He would not get full value of any money or hard labour which he would have put into it. Whenever he is in need of money and wants to sell his land, it is only the gaontia or the landlord who is really benefited, and he gets only an insignificant amount for which he has to execute a separate bond taking liability for the refund of the same, in case a relative can successfully dispossess the purchaser. He therefore claims full right in his holding which he thinks would improve his condition materially and help in the general uplift which is so essential to the people of the district.

We do not see any strong ground to retain the present restrictions on transfers. The Central Provinces Tenancy Act of 1898 has failed to achieve its object and the new Central Provinces Tenancy Act of 1920 has a tendency towards relaxing the restrictions. The Central Provinces Government are now taking steps for further relaxation of the restrictions and to

allow free transfer of occupancy holdings with right of pre-emption of the landlord who may either purchase the holding on payment of the amount of the consideration for which the tenant intends to sell his right or claim payment by the transferee by way of Nazarana a sum equal to seven and a half per cent of the consideration stated in the sale deed. In other parts of this province occupancy tenants exercise the right of free transfer. We do not think that the Sambalpur raiyat is less advanced than the raiyats of other parts of Orissa and cannot be trusted to make proper use of the right of free transfer if bestowed on him. The land rent in Sambalpur is very low, and we do not think that the tenant would part with his land unless he is unable to cultivate it or is put to extreme necessity for hard cash. One result of the inalienable character of occupancy holdings has been that their holders have gradually lost credit. This has hampered investment of capital in lands and come in the way of improvement of cultivation. We have no doubt that the right of free transfer will give a great impetus to the raiyat to improve his land. This will make the raiyat more industrious and will improve the prosperity of the district. We therefore recommend that the right of free transfer should be given to the occupancy raiyats of the district without the consent of the landlord and without any payment of Nazarana; but at the same time we feel that a restriction may be imposed upon the class of transferees as indicated below.

Right of free transfer be granted to occupancy tenants.

It is the consensus of opinion in the district that transfer of occupancy holdings to non-residents of the district should not be allowed as this will have the effects of rapidly increasing the landless class in the district.

Restrictions on the class of transferees.

Under the present law transfers to outsiders and non-agriculturists have been possible and such transfers have taken place in the past, because the gaontia or landlord who practically controls the transfer of occupancy holdings, would in his own interest prefer a moneyed man to a poor tenant so that he could realise more Nazarana. But as the law provides for interference by a relative such transfers have been only few. The right of free transfer will encourage outsiders to acquire land in the district for speculation and many poor tenants of the district will very soon be deprived of their lands. We therefore agree that transfer of occupancy holding should be limited to the genuine residents of the district. We would not recommend

Transfers restricted to genuine residents of the district.

any other restriction. It should be open to an occupancy tenant to transfer his right freely to a tenant or to a genuine resident of the district. A person who has already acquired agricultural land in the district, or who and whose predecessors have been residing in the district for thirty years or more, should be considered to be a genuine resident of the district. A transfer made in contravention of this provision will not be void, but should be voidable at the instance of any one who, if he survived the tenant without nearer heirs would inherit the holding.

It may be argued that if the right of free transfer be allowed tenants will sell away their lands for old irrecoverable debts. This can be prevented by providing that an occupancy holding shall not be liable to be attached in execution of money decrees for loans incurred prior to the enforcement of the new Sambalpur Act. Creditors of such loans knew at the time of giving the same that they were not recoverable by sale of the occupancy holdings of the debtors. They should not therefore acquire a right to realise old debts by sale of occupancy holdings. There is a strong opinion that the old law shall apply to loans of co-operative societies prior to the enforcement of the new Sambalpur Act. After the Act comes into force occupancy right should be liable for sale in execution of money decrees, rent decrees and decrees for recovery of co-operative dues. Only such portion of an occupancy holding shall be put to sale by Court, which would be sufficient to satisfy the decretal dues. The Court should come to a decision about this before a holding is put to sale in public auction.

Restrictions not to apply to certain cases. An occupancy holding should be saleable without any restriction in the following cases:—

- (1) By Government for the recovery of an advance made under the Land Improvement Loans Act, 1883, or the Agriculturists' Loans Act, 1884.
- (2) By Court in execution of a rent decree.

In the case of sale of any occupancy holding in execution of a money decree it should be distinctly stated in the sale notice that if the purchaser be not a tenant or a permanent resident of the district, he shall be liable to be dispossessed by a Revenue Court at the instance of any one who if he survived the judgment-debtor without nearer heirs, would inherit the holding. This should also be explained to the bidders at the time of sale.

It should be provided that all transfers of occupancy holdings shall be made by registered instruments only.

The tenants while demanding the right of free transfer also urge that realization of mutation fee by the landlord should be prohibited by the law. The gaontias would generally demand mutation fee on transfer of occupancy holdings. They propose rates varying from 6½ per cent to 25 per cent of the purchase money. The practice of realisation of Nazarana or consent fee on transfer of raiyati holding is no doubt a very old one. Before the district was opened up and while land was still cheap, it was usual for gaontias on a transfer between tenants to receive a small present. This has increased gradually. Mr. Dewar found the rate in 1905 to be 15 per cent of the purchase money. Khan Bahadur Md. Hamid found the same in 1925 to be anything from 25 per cent of the amount of the consideration upwards. The evidence before us is that some landlords now demand 50 per cent or even more. Of course as the law stands at present the landlord can dictate his own terms because transfers are generally made by an indirect method of surrender to and lease by the landlord. Unless the terms of the landlords are accepted by both the transferor and the transferee the transfer is not possible.

It may be said that the right of realising a small Nazarana will help the landlord to maintain his prestige in the village, but the gaontias or headmen no longer retain the same patriarchal relation towards their raiyats which they were said to maintain in good old days, and it has been found that the custom of realising Nazarana has been an active cause for the present strained relations between the landlords and tenants. Even though the intention of the law was to prohibit free transfer of raiyati holdings, the gaontias instead of acting up to the spirit of the law, have encouraged free transfer by means of surrender and lease in order to realise Nazarana, though without legal sanction.

The present law in Sambalpur does not allow realization of mutation fee on transfers of raiyati holdings, but on account of the restrictions on transfer provided in the law, landlords are being able to realise consent fee or Nazarana. In practice the landlords do very little in connection with the registration of mutations which is actually done in the district by the land records staff maintained by Government.

A law has already been passed by the Orissa Government prohibiting realization of mutation fee by the landlords in the coastal districts. We are of opinion that the Sambalpur tenant should be given the same privilege, and provision should be made in the Sambalpur Tenancy Act authorising transfer of occupancy holding without the landlord's consent and without payment of any fee to him.

The landlords consent to a transfer of occupancy holding should not be necessary, but both the transferor and the transferee should be made responsible to give notice of transfer to the landlord. We have already recommended that all private transfers of occupancy holdings should be made by registered instruments only. In the case of private transfers the notice of transfer should be given to the landlord through the registration office, and in the case of court sales the notice should be given through the court. The fee for the notice should be Re 1 only. Until the landlord receives notice of transfer, he can treat the land or holding as not transferred.

Exchange of lands between landlord and tenant and between tenant and tenant has become common in the district. Exchange need not be confined to the same class of lands or to the same village, provided the landlord is the same. The existing provision allowing tenants to exchange lands in accordance with the village custom and in other cases (as given in sections 53 and 54 of the Central Provinces Tenancy Act, 1898 and in sections 91 and 92 of the Central Provinces Tenancy Act, 1920) should be amended to facilitate voluntary consolidation of holdings by exchange. It should be provided that occupancy lands may be exchanged for Bhogra or sir lands or for Malik-makbuza lands or lands in the possession of village servants, and that each party to the exchange shall be deemed to have the same rights in the land accepted by him as he had in the former land. If the exchange is between occupancy tenants, each party shall be liable to pay the rent assessed on the land accepted by him, and if the exchange is between a tenant and the landlord, the tenant shall be liable to pay such rent for the land accepted by him as may be agreed to by him and the landlord.

We have already recommended that only such portion of a holding as will satisfy the decretal dues should be put to sale in execution of a money decree or rent decree. When family



members separate and divide their lands or when a portion of a holding is transferred there is a sub division of holding. As a matter of fact sub division of holdings has been recognised in some form or other in the district. Hence we recommend that subdivision of holdings should be freely allowed and the landlord should recognise the same without demanding any mutation fee.

At present transfers of occupancy holdings are usually made by means of surrender to and lease by the landlord. This should be prohibited. It is however necessary to retain a provision in the law for *bona fide* surrenders, so that when a tenant finds his land unprofitable or is unable to cultivate or to dispose of his land by private sale, he could surrender it to the landlord and be relieved of the payment of rent. Such cases will be rare. No surrender shall be valid unless effected with the sanction of the Deputy Commissioner.

The provision for abandonment of holding by an occupancy tenant should follow that of the Central Provinces tenancy Act, 1920, or rather the Orissa Tenancy Act, but the landlord should not be entitled to treat a holding as abandoned unless the tenant has allowed two years' rent to fall into arrears and has also ceased to cultivate his land for two years.

The Central Provinces Government have recently proposed a provision in the tenancy law to enable occupancy tenants to acquire Malik-makbuza right on payment of fair but fixed compensation to the landlord, on the ground that it has long been recognised that a body of strong peasant proprietors is the back-bone of an agricultural country like India. They have accordingly proposed the insertion of a new section in the Tenancy Act which runs as follows:—

“36-A (1) Subject to rules made under section 109, a Revenue Officer may, except in such areas as the Provincial Government may, by notification, exclude from the operation of this section, on an application made by an occupancy tenant and on his depositing twelve and a half times the rent of the holding for being paid to the landlord of whom he holds the holding, declare such tenant to be a Malik-makbuza of the land comprised in the holding, fix the amount of land revenue payable for such land and pay the landlord the amount deposited by the tenant :

Provided that no such application shall lie in respect of a part of a holding.

(2) Such declaration shall take effect from the commencement of the agricultural year next following the date of the declaration "

We think this is a venture in the right direction. The system of having one Malik in a village with a number of tenants under him has been tried and the result has not been at all encouraging. When the people were very backward, such a system had its advantages, but times have changed considerably and as the tenants are becoming more enlightened, they naturally do not wish to remain under the subjugation of one person. The relation between the landlords and tenants has deteriorated gradually. A law as contemplated by the Central Provinces Government will be greatly appreciated by the tenants who would prefer to have direct relation with the Government. The district had always been governed by the Central Provinces laws in respect of the revenue and tenancy rights and we consider that the law which is recently introduced in the Central Provinces to improve the status of occupancy tenants should be highly appreciated by the people. We therefore recommend that the proposed section 36-A of the Central Provinces Tenancy Act may be included in the Sambalpur Land Revenue and Tenancy Act, conferring Malik-nakbuza right upon the occupancy tenants.

#### SECTION II.—TENANTS OF RAIYATWARI VILLAGES.

There are 16 raiyatwari villages in the district, 13 in the Sadr subdivision and 3 in the Bargarh subdivision. The revenue of these villages is collected through the agency of the patels where they exist and directly by the Tahsildars in the other cases. The patels are paid a commission varying from 1 anna to 3 annas per rupee of rent collected by them from Government raiyats. They deduct their commission from the collections crediting the balance into the treasury. The patels have no proprietary right in the villages but are mere collecting agents, their appointment being as a rule hereditary. They will continue to be collecting agents in raiyatwari villages, and should get the same commission as will be prescribed for collecting agents of the district. We have commented on this while dealing with the question of collection of rent on commission basis.

The patels would like to have their status raised to that of Khalsa gaontias with Bhogra land. In support of this demand it is said that originally the villages were recorded as gaontiahi villages in the Russel and Nethersole Settlements, but records were changed in the Dewar Settlement. We have already condemned the existing gaontiahi system and cannot therefore recommend to introduce that system in raiyatwari villages. If the patels could not establish any proprietary right in the Dewar Settlement, they cannot now claim any such right. We do not think that the patels have really any ground to claim proprietary right in any land in their possession.

The raiyats of raiyatwari villages are called Government raiyats and holders of survey-numbers. They are not treated as occupancy tenants. In future they should acquire occupancy right to bring them into symmetry with the other tenants of the district and the term 'survey-number' should be deleted from the Act. The survey holdings of the patels should also be converted into their occupancy holdings.

SECTION III.—OTHER CLASSES OF TENANTS.

Classification. Apart from occupancy tenants the other classes of tenants in the district are—

- (1) Tenants of Bhogra or sir lands, (2) sub-tenants, and (3) village service tenants.

Tenants of Bhogra and sir lands come under the definition of ordinary tenants as given in the old Central Provinces Tenancy Act of 1898, but they are practically tenants-at-will and are recorded in the settlement records as sub-tenants. The new Central Provinces Tenancy Act, of 1920 defines all tenants of sir lands as sub-tenants. These tenants demand occupancy right but the landlords generally are not in favour of improving their status. The opinion of the people of the district in this respect is divided. Even the Congress Committees are not unanimous. While the Khariar Congress Committee would recommend that the tenants of sir lands should be given occupancy right after 5 years' continuous possession, the representatives of the Borasambar Padampur Congress Committee were of opinion that the rights of sir tenants should be governed by contract. Some of the officials are of opinion that 12 years' continuous possession should entitle a person to acquire occupancy right. There are Bhogra tenants who are holding for generations and whose forefathers cleared jungles and prepared

fields. Many of them also have secured permanent leases from their landlords, but these lands are not removed from the Bhogra khata. When the landlords allow their home-farm lands to be cultivated by tenants for considerably long period, they should be prepared to lose their right of cultivation in favour of the actual cultivators. After giving our most careful consideration to this important question we think we should recommend that tenants who have been inducted into 'sir' lands or 'bhogra' lands more than 12 years ago, and have been in continuous possession for 12 years or more should acquire

Acquisition of occupancy right by the tenants in Bhogra and sir lands, by 12 years' possession.

occupancy right therein and should not be liable to eviction. The rights of other tenants of Bhogra or 'sir' lands should be governed by the conditions of their leases, but continuous possession for 12 years should entitle a tenant to claim occupancy right while declaring tenants of 'Bhogra' or 'sir' lands as occupancy tenants, the Revenue Officer or Settlement Officer should also fix the rent to be paid by the tenant. The above recommendations also apply to tenants holding land from a Bhogra-Bhogi or Malik-makbuza. We understand Malik-makbuza holdings in Sambalpur are very few, but if our recommendations be accepted the number of Malik-makbuzas and plot-proprietors will be increased. Bhogra-Bhogis will be plot-proprietors and also occupancy tenants can acquire the right of malik-Makbuza by paying twelve and a half times the rent of their holdings to the landlord.

The Central Provinces Government recently brought an amendment to section 41 of the Central Provinces Tenancy Act of 1920 as follows:—

"41(1) Subject to rules made under section 109, a Revenue Officer, on an application made by a sub-tenant holding land from a Malik-makbuza or a plot-proprietor or holding sir land from the proprietor, declare such sub-tenant to be an occupancy tenant of such land, on the ground that the land is habitually sublet or managed solely with a view to obtaining rent, and fix the rent payable for the land.

"(2) If a sub-tenant has been so declared under sub-section (1), he shall, with effect from the commencement of the next agricultural year following the date of the declaration, be deemed to be an occupancy tenant of the land in respect of which the declaration has been made, and shall hold the land from, and pay the rent fixed to, the Malik-makbuza, the plot-proprietor or the proprietor, as the case may be.

“(3) If such occupancy tenant is declared a Malik-makbuza, of the land in his possession under the provisions of section 36-A, the right of the original Malik-makbuza, or the plot-proprietor or the sir right of the proprietor, as the case may be, in the land shall be extinguished.”

The Central Provinces rules as given in the Central Provinces Revenue Manual require the Revenue Officer to decide such cases after ascertaining the circumstances under which the holding has been sublet since the Malik-makbuza obtained possession of it or for 10 years whichever is shorter. We do not think a tenant can claim occupancy right unless he has been in continuous possession for 12 years. We are not in favour of the view of the Central Provinces Amendment and feel strongly that only 12 years continuous possession should entitle a sub-tenant or ordinary tenant to claim occupancy right.

We do not propose to make any change in the status of sub-tenants. sub-tenants who hold on year to year lease, nor do we consider it desirable that a sub-tenant should acquire occupancy right under an occupancy tenant as contemplated in section 40 of the Central Provinces Tenancy Act of 1920.

The Central Provinces Government recently brought an amendment to this section as follows:—

“40. (1) Subject to rules made under section 109, a Revenue Officer may, either of his own motion or on an application made by a sub-tenant holding land from a tenant, declare such sub-tenant to be an occupancy tenant of such land on the ground that the land is habitually sublet or managed solely with a view to obtaining rent, and fix the rent payable by him for the land to the landlord of the village, mahal or patti in which the land is situate, and thereupon the right of the original tenant in the land shall be extinguished:

Provided that no such declaration shall be made in the case of a sub-tenant holding under a lease registered before the twenty-first day of October 1898.

(2) Such declaration shall take effect from the commencement of the agricultural year next following the date of the declaration.”

We do not consider it equitable to declare a sub-tenant to be occupancy tenant of a land even when it is found that the land is habitually sublet or managed solely with a view to obtaining rent and to extinguish the right of the recorded occupancy tenant without payment of any compensation to the recorded occupancy tenant. The latter or his forefathers must have spent considerably for the reclamation and improvement of the land or must have paid a large sum to acquire the same. We can only recommend that if a sub-tenant holds land under an occupancy tenant continuously for 12 year or more, he may claim to be declared as occupancy tenant by paying a fair compensation to the recorded occupancy tenant to be decided by a Revenue Officer, the decision of the Deputy Commissioner being final.

Sub-tenant after 12 year's occupation can acquire occupancy right on payment of compensation.

Village service tenants.

There are the following classes of village service tenants in the district, viz:—

- (1) Jhankar, (2) Ganda, (3) Nariha (herd or water-carrier), (4) Negi (clerk), (5) Kumbhar (potter), (6) Lohar (smith), (7) Bhandari (barber), (8) Dhoba (washer-man.)

With regard to these village service tenants Khan Bahadur Md. Hamid writes: "They are merely village service holders and it is dignifying their position unduly to call them village service tenants." They are classed as village service tenants under the provisions of the old Central Provinces Tenancy Act of 1898, but under the new Central Provinces Tenancy Act of 1920 they are called village servants.

The Jhankar and Ganda are village watchmen. Jhankar also acts as village priest. Village watchmen are appointed by the Deputy Commissioner

in accordance with the rules made under section 147 A of the Central Provinces Land Revenue Act, 1881. In the area newly transferred from the Central Provinces the village watchmen are called Kotwars and they are appointed under section 196 of the Central Provinces Land Revenue Act of 1917. We do not feel it necessary to deal in detail with the question of village watchmen of the district as there was a separate Committee—'the Choukidari Enquiry Committee'—which dealt with this subject and has already submitted its report. We however feel that Jhankars and Gandas should be retained and the present system of remunerating them by service land to be held rent free or on favourable terms should continue. The Gandas however complain that they are not adequately remunerated by

their service holdings which are small. They would therefore prefer to accept salary and to convert their service lands into occupancy holdings, but the Chaukidari Enquiry Committee have considered this question and have recommended the continuance of the existing system. We think that wherever possible, Gandas should be remunerated for the deficit Chakran lands by grant of suitable waste lands. In the ex-Central Provinces area the system is different. There the Katwar gets salary along with service land. How far that system will continue depends upon the action that will be taken by Government on the recommendation of the Chaukidari Enquiry Committee, but we are strongly of opinion that the village watchmen—Chaukidars or Katwars as they may be called—must be subjects to the control of the village panchayat and should primarily be responsible for the watch and ward of the villages for which they are appointed. Their appointment should be based on the recommendation of the village panchayat.

As regards the other classes of village servants the general opinion in the district is that with the exception of the Nariha all other classes may be abolished. Most of the village service tenants of all classes who appeared before us wanted that their service holdings are assessed to rent, and that they would render service to the villagers on payment of cash wages.

It seems necessary to retain Narihas as their services are required for village public service, such as to clear the deraghar and to supply water to the guests who arrive at the deraghar and to remain in attendance upon them. They enjoy chakran lands for rendering this service. We therefore recommend that Narihas should be retained as village servants wherever they exist and their appointment and dismissal should be made by Revenue Officers on the recommendation of the village panchayat. There are some villages where there are no Narihas at present. In such villages no new Nariha service tenure should be created. The duties of the Nariha should be defined.

All other village service tenants, viz., Negis, Kumbhars, Lohars, Bhandaris and Dhobis should be abolished. The place of the Negi in village life was taken up by the Patwari since the Land Record Staff was organised. There are now few Negi holdings. Others are also practically rendering little or no free public service. Their lands should be settled with them as occupancy holdings and assessed at the village rate.

The term 'village servant' should be substituted for the term 'village service tenant.'

## CHAPTER IV.

### PROVISIONS AS TO RENT.

#### SECTION I.—COLLECTING AGENT TO BE SUBSTITUTED FOR LAMBARDAR.

At present a lambardar is appointed for each mahal or patti to perform the duties imposed on the lambardar under the Land Revenue Act. One of the bodies of gaontias in a gaontiahi village or one of the bodies of malguzars in a malguzari village or the zamindar in a zamindari is appointed as lambardar. In a gaontiahi or malguzari village which is held by a sikmi-gaontia the shikmi gaontia is appointed sub-lambardar (also called sikmi lambardar) and in a malguzari village which is divided into pattis betwten the co-sharers, every pattidar is appointed as sub-lambardar (also called patti-lambardar) with one of them as Sadr lambardar. Lambardars are appointed by the Deputy Commissioner in accordance with the rules made by Government. It is the duty of every lambardar and sub-lambardar—

Appointment and duties of lambardar.

- (a) to collect and pay into the Government treasury so much of the land revenue as may be payable through him either solely or jointly with other lambardars or sub-lambardars;
- (b) to collect and pay to the mukaddam or into the Government treasury, as the Deputy Commissioner may direct, all sums of money payable through him either solely or jointly with other lambardars or sub-lambardars, by the proprietors whom he represents, on account of the remuneration of the mukaddam or village-watchmen, or on account of any expenses, which the mukaddam is authorised to recover from the lambardars or sub-lambardars of his village; and
- (c) to assist the mukaddam in obtaining all particulars which he is bound to enter in the annual village papers, or to report under the Land Revenue Act.

The lambardar also exercises the following powers either under the provisions of the wajibularz or under the provisions of the Central Provinces Land Revenue Act of 1917:—

- (1) He is deemed to be the landlord within the meaning of the Tenancy Act.



- (2) He exercises the powers of the proprietors in matters relating to village abadi (house sites) with the help of the panches and the enjoyment of their rights and privileges by tenants and others over the waste land of the village, including the grazing of cattle thereon.
- (3) He collects the village profits and renders an account of the same to the proprietors.

He is entitled to receive in a malguzari village an allowance fixed at 5 per cent on the land revenue of which is assessed on the mahal or part of the mahal for which he has been appointed or which, if the mahal or part of the mahal is free from revenue, would, in the judgment of the Deputy Commissioner, be assessed on the mahal or part of the mahal if it were subject to assessment. In a gaontiahi village the lambardar gaontia is entitled to receive remuneration as lambardar from the sharers and all holders of bhogra at the rate of  $3\frac{1}{2}$  annas per rupee on the revenue value of the whole of the bhogra, exclusive of that portion of it, which is held by him in severality as a sharer; provided that (i) the amount of any assessment made payable to Government on bhogra shall be deducted from the Revenue value of the whole of the bhogra before the remuneration is calculated; (ii) if the lambardar holds, as such, any bhogra land which he would not be entitled to hold merely as a sharer, the revenue value of such land shall be deducted from the amount payable to him as remuneration.

The evidence collected by us shows that the present lambardari system is not working satisfactorily for the reasons stated below:—

- (a) In a gaontiahi or malguzari village which is held by sikmi gaontia, the latter as sikmi-lambardar actually collects rent from tenants as landlord and pays the same to the superior gaontia or the malguzar who is the sadr lambardar. The sadr lambardar who does not collect rent is held responsible for the Government revenue and if the sikmi-lambardar does not pay in time he is to undergo much hardship. His only remedy is to apply to the Deputy Commissioner to collect the revenue from the sikmi lambardars under section 116 of the Central Provinces Land Revenue Act, 1881, or under section 157 of the Central Provinces Land Revenue Act, 1917.

The present lambardari system of course facilitates the realisation of Government revenue but it affects adversely both the proprietors and the raiyats.

After giving our very careful consideration to the working of the existing lambardari system, we have come to the conclusion that the system is not working well and should be abolished.

At the same time we feel very strongly that there should be one collecting agent in every village to collect rent from tenants. This is absolutely necessary in the interests of the tenants as well as the landlords. We are proposing a measure for speedier collection of arrear rent by revenue court; and the system of appointing a collecting agent in every village will help the landlords to file reliable arrear lists in time. We accordingly recommend that the law should provide for the appointment of one collecting agent in every village by the Deputy Commissioner. It should be the duty of the collecting agent to collect rent from tenants and to pay the same into the Government treasury in the case of raiyatwari and gaontiahi villages and to the proprietors in the case of malguzari and zamindari villages. The collecting agent should be remunerated on a commission basis.

In a gaontiahi village the collecting agent may be recruited from amongst the bhogra holders, with the approval of the Deputy Commissioner. In a malguzari village the appointment should be made by the Deputy Commissioner from amongst the proprietary body, one of whom may be appointed as collecting agent. In a malguzari village held by a sikmi gaontia, the sikmi-gaontia or one of the body of sikmi-gaontias may be appointed collecting agent by the Deputy Commissioner after hearing the malguzar. In zamindar village a nominee of the zamindar, if approved by the Deputy Commissioner, may be recruited as the collecting agent of the village. He may either be the thikadar or the mafidar or the zamindar's khamari.

In a malguzari village under the present lambardari system the lambardar receives 5 per cent of the assessment of the mahal or patti as his remuneration. In future one of the body of the malguzars in a malguzari village should be appointed as collecting agent with due regard to the wishes of other co-shares, if he would agree to act as such on a commission of 5 per cent of the assessment of the mahal or patti. Otherwise the collecting agent should be appointed by the Deputy

Commissioner and will receive commission at the prescribed rate. If the collecting agent be the sole malguzar, the question of paying remuneration will not arise, but the malguzar will be bound to follow the rules and instructions issued to regulate the functions of a collecting agent and in case of repeated failure to follow the rules and instructions on the part of the malguzar, the Deputy Commissioner shall have power to appoint another collecting agent in which case the malguzar shall be liable to pay the collecting agent remuneration or commission at the prescribed rate.

Every collecting agent shall be entitled to get remuneration on a commission basis. Such a system is now in vogue in raiyatwari villages where the patels work as collecting agents on commission basis. The rate of commission prescribed for patels in raiyatwari villages varies from one anna to three annas in the rupee of revenue collected by them.

We consider it desirable to adopt a sliding scale in order to encourage high percentage of collection by the collecting agent, and recommend that the rate of commission may vary from 10 per cent to 15 per cent on actual collection as shown below—

- (1) For collection up to 75 per cent of the whole rental assessment—10 per cent of the actual collection.
- (2) For collection from 76 per cent to 90 per cent of the whole rental assessment—12½ per cent of the actual collection.
- (3) For collections above 90 per cent of the whole assessment—15 per cent of the actual collection.

The collecting agent should be entitled to receive his commission from the collection made by him. He shall pay the amount collected by him minus the commission to the malguzar or zamindar in the case of a malguzari or zamindari village, and into the Government Treasury in the case of a Government khas village.

We are proposing to introduce a summary procedure for the collection of arrear rent by a Revenue Officer, and until the collecting agent submits his final account and arrear list to the proprietor or to the Revenue Officer, he can only take his commission at the minimum rate of 10 per cent and the balance payable to him on the whole collection at the admissible rate, can be drawn by him at the time of the final payment made by

him. We are also proposing that the collecting agent will be an ex-officio member of the village panchayat which will give him a position in the village administration and will facilitate his collections.

SECTION II.—KIST DATES AND COLLECTION OF ARREAR RENT.

In the zamindari of Khariar rent is payable in one instalment of the 15th January. The tenants of that zamindari urged before us that the date should be changed to May as they find it difficult to pay rent in January. In the old Sambalpur district rent is payable in two instalments, on the 15th of January and the 1st of April, i. e., one month before the date on which the corresponding instalment of land revenue is payable. The practice of collection of rent should be uniform throughout the district. We would recommended that the kist days for payment of rent be changed to 1st of March and 1st May. This will enable the tenants to obtain better price of their produce to pay their rent and will necessitate the change of the kist dates for payment of revenue to 1st of April and 1st of June.

Under the existing law an occupancy tenant can be ejected in execution of rent decree. Many of the landlords wish that this provision of law should continue, but the tenants strongly urge that they should not be liable to ejection for arrears of rent, but that their holdings should be sold for the arrears and only such portion of the holdings should be attached and sold, the price of which can cover the decretal amount.

The provision for ejection for arrears of rent was necessary when the law exempted occupancy rights from court sales, but as we propose to make an occupancy holding saleable by a court without any restriction in execution of rent-decree, we do not see any reason to make the tenant liable to ejection for arrears of rent. We therefore recommend that an occupancy tenant should not be liable to ejection in execution of decree for arrears of rent, but the rent of the holding of an occupancy tenant should be a first charge thereon, and such holding should be liable to sale for the satisfaction of such charge. The present provision of law for eviction of occupancy raiyat for default in payment of rent (vide section 85 of the Central Province Tenancy Act, 1898 and section 23 and 24 of the Central Province Tenancy Act, 1920) should be deleted. As already recommended only such portion of the holding as would be sufficient to satisfy the decretal amount and the cost should be put to sale in execution of a decree or certificate.

The landlords wish that they should either be given summary powers to apply distress, or a certificate procedure should be introduced by which the lambardar may, after the kist date, file the list of defaulters in the court of tahsildar who should realise the arrear rent on his behalf as arrears of land revenue. At present occupancy rights are exempt from court sale and this causes delay and difficulty in the realisation of arrear rent. We have recommended that an occupancy holding shall be liable to sale in execution of decree for the rent thereof. This will facilitate the realisation of rent and the landlords will not be required to follow the present delatory procedure for the ejection of tenants for arrears of rent. We however realise the difficulties in collection of rent and are of opinion that the procedure for recovery of rent should be very simple and speedy.

Collection of rent by  
summary or certificate  
procedure.

In Sambalpur the patwari who is a Government servant fills up the demand list in the tenant's receipt book, which forms the basis of collection, and in the appointment of the lambardar, a representative body of the gaontias or malguzars, the Government have some control over and always remain in greater touch with the matter of collection than in other parts of Orissa. We are proposing to substitute collecting agents for lambardars, but this will not relax in any way the present control of Government, because according to our recommendation the collecting agents will be appointed by the Deputy Commissioner.

Although the certificate procedure for realisation of rent has been disclaimed by the people and discouraged by the officers in North Orissa, yet it is considered that in the Sambalpur district, the certificate procedure will be cheaper and more convenient form of procedure for realisation of rent. Some of the Revenue Officers of the district also feel that for speedy realisation of rent a procedure on the line of section 116 of the Central Provinces Land Revenue Act of 1881 or section 157 of the Central Provinces Land Revenue Act of 1917 which makes provision for recovery of revenue through Deputy Commissioner instead of by suit may be introduced.

We accordingly recommend that as an alternative to obtaining a decree in a Civil Court provision should be made in the law for the recovery of arrear rent by Revenue Court by a summary procedure akin to the certificate procedure under the Public Demands Recovery Act which is in force in North Orissa, with this reservation that no proceeding shall be instituted for recovery of rent by certificate procedure unless the

landlord has paid the land revenue payable by him in respect of the village, mahal or patti in which the holding of the tenant is situate for the year for which the arrear of rent is due, and that no application for a summary proceeding shall be entertained after the expiry of a period of six months from the date when such rent falls due. In a certificate proceeding at least a month's time should be given to the tenant to file objection before a certificate decree is passed, and also a month's time should be given to the tenant to pay the amount of the certificate decree before process is issued for its realisation by distress. The list of arrears of rent prepared by the collecting agent should be the basis for the certificate proceeding. In the case of malguzari and zamindari villages the collecting agent should submit the arrear list to the malguzar or zamindar who should apply for certificate before a Revenue Court.

We hope that the certificate procedure enumerated above will be a more convenient form of procedure for realisation of rent and will be more equitable both to the landlords and to the tenants. The Central Provinces Government have also proposed to introduce such a summary procedure for recovery of rent and the law for Sambalpur in this respect may follow the law which may be passed by the Central Provinces Legislature.

#### SECTION III.—TENANT'S RENT RECEIPT BOOK.

Every tenant in Sambalpur maintains a rent receipt book in a prescribed form which consists of two parts, the first part to show particulars of demand and the second part to show particulars of collection. The entries in the book are made by the circle patwari who is a Government servant and the tenant can produce the book for check before any Revenue Officer during his inspection of the village. This system helps the tenant to know the correct demand and to obtain reliable receipts for all payments made by him every year. It also helps the landlord who is saved of maintaining separate receipt books and issuing receipts to tenants. Whenever there is any dispute between the raiyat and his landlord over rent payment, the fact is at once noted by the patwari in the book. Both the tenant and the landlord are benefited by this system which is greatly appreciated in the district.

We have recommended the appointment of a collecting agent for each village, but we do not think that on this ground the present system of maintenance of rent receipt books should be discontinued. The collecting agent will take the place of the present lambardar and will ordinarily be a nominee of the proprietor or bhogra holders. The Sambalpur raiyats have enjoyed for many years the privilege of being assisted by a

Government agency in respect of their rent payments, which saves them a good deal of trouble for obtaining rent receipts from their landlords. We do not think that they should be deprived of this privilege.

If the gaontiahi system be abolished the tenants of all gaontiahi village will hold directly under Government, and it will be necessary to keep proper check over the work of the collecting agents and the existing system will help to do this. If the gaontias be given full proprietary right and be made mal-guzars, then the abolition of the present system of the maintenance of rent receipt books will place the tenants at the mercy of the landlords and their collecting agents, and rent suits will increase very considerably as has been the case in the coastal districts.

We are therefore of opinion that the existing system of maintenance of rent receipt books should continue, and the rent receipt book should be prescribed by law as in section 76 of the new Central Provinces Tenancy Act, 1920. The present system of check of rent receipt books by revenue inspectors and other revenue officers should also continue.

SECTION IV.—ENHANCEMENT OF RENT DURING THE CURRENCY OF A SETTLEMENT.

The provision made in the new Central Provinces Tenancy Act of 1920 (sections 16 to 19 of Act I of 1920) for enhancement of rent payable by an occupancy tenant during the currency of a settlement by agreement between the landlord and tenant is not applicable to the district of Sambalpur which is governed by the provisions made in section 50 of the old Central Provinces Tenancy Act, 1898 (Act XI of 1898). We do not recommend that the rent of an occupancy tenant should be enhanced during the currency of settlement by agreement with the landlord. The law for Sambalpur regarding alteration of rent during the currency of a settlement should follow the provision of section 50 of the old Central Provinces Tenancy Act of 1898, and not the provisions made in sections 16 to 19 of the new Central Provinces Tenancy Act of 1920.

CHAPTER V.

OTHER RIGHTS OF LANDLORD AND TENANT.

SECTION I.—RECLAMATION OF WASTE LAND.

A portion of the waste land in a village is reserved for grazing and for enabling villagers to exercise their other nistar

rights, such as getting fire-wood, leaves, fencing thorns, thatching grass, timber for house and agricultural implements for their own use. No one can occupy such reserved waste land without special permission of the Deputy Commissioner.

All other waste lands in gaontiahi villages are at the disposal of the lambardars and his co-sharers, for cultivation or granting to raiyats for cultivation or for the location of new tenants, but no nazarana in cash or kind may be levied for occupation of waste land. In malguzari and zamindari villages they are the property of the malguzar or the zamindar. When a tenant reclaims waste land with the consent of the landlord, he acquires occupancy right at once. When the reclamation is made without the permission of the landlord the tenant is liable to be ejected.

Under section 87 of the Central Provinces Tenancy Act of 1920 in specially notified areas a tenant may be declared to be an occupancy tenant in respect of waste land contiguous to his holding which he cultivates for three years without obtaining previous permission of the landlord, on payment of a sum not exceeding six times the rent fixed for the land as compensation.

We recommend that the above provision should be extended to the whole of the district of Sambalpur. In raiyatwari and khalsa gaontiahi villages, waste land should only be reclaimed with the sanction of the Deputy Commissioner on the recommendation of the village panchayat, but if a tenant be found to be in possession of waste land contiguous to his holding for more than three years after reclamation, he should be presumed to have acquired occupancy right therein and should be recognised as such. In malguzari and zamindari villages the consent of the malguzar or the zamindar should be necessary for the reclamation of waste land, but in the case of reclamation by a tenant of waste land contiguous to his holding he should, after cultivation for three years or more acquire occupancy right therein on payment of a compensation to the landlord amounting to six times the annual rent of the land to be assessed by a revenue officer. All cases of unauthorised cultivation of waste lands should be enquired into by a revenue officer not below the rank of Tahsildar.

The waste lands available for the extension of cultivation, or for location of new tenants should be called 'anabadi' as in the coastal districts of Orissa, and the waste land reserved for grazing and other nistar purposes should be called 'gochar.'

Nomenclature.



## SECTION II.—HOUSE SITES.

Under the provisions of the settlement wajibularz in force in the old Sambalpur district each cultivator is entitled to a site for his house free of rent. But if he abandons his holding and remains absent from the village he loses his rights to any house site he may have held. He is entitled to dispose as he pleases of any structures he may have erected on the site or of their materials provided he does so within one month of the site being allotted to another person. The allocation of house sites is done by the lambardar and the panches. No fees may be realized for settling house sites with cultivators. The rights of non-agriculturists or sukhabasis to sites occupied by them and buildings constructed by them, are regulated by agreement with the lambardar and the village panches.

The rights in house sites in the ex-Central Provinces area are governed by section 203 of the Central Provinces Land Revenue Act, 1917, which runs as follows:—

- Incidence as per wajibularz.
- Provision in the new Central Provinces Act.
- “(1) Every person holding land in a mahal for agricultural purposes, otherwise than as a sub-tenant, or ordinarily working therein as an agricultural artisan or labourer and the village-watchman are entitled to a house-site of reasonable dimensions in the abadi free of rent.
  - (2) Such person, on ceasing to hold such land, or to work as an agricultural artisan or labourer or to be the village watchman, shall forfeit his right under sub-section (1).
  - (3) A person holding a site under sub-section (1) shall be incompetent to transfer it except to his next heir or to a person entitled to and not already in possession of such site :

Provided that the materials of any house erected thereon shall be transferable.

- (4) The proprietor of the mahal shall be entitled to allot sites in the abadi, but any dispute regarding such allotment shall be decided by a Revenue Officer not below the rank of Tahsildar.

- (5) The Financial Commissioner may, after such inquiry as he thinks fit, declare that in any village the rights of persons other than those specified in sub-section (1) in house-site or houses in the abadi shall, notwithstanding any entry in the village administration paper, be heritable and transferable.
- (6) In issuing any notification under sub-section (5) the Financial Commissioner may declare that it shall apply to suits pending at the date of issue, and to appeals from decrees for ejection either so pending or instituted in accordance with law within three months from such date.
- (7) If a site, with or without the house on it, in an abadi to which sub-section (5) applies, is transferred otherwise than by lease for a term not exceeding seven years, or is sold or foreclosed by the order of a civil court, the proprietor of the mahal shall be entitled to recover from the transferee a sum as nazarana equal to five per cent on the value of the property transferred, sold or foreclosed:
- Provided that if the Financial Commissioner, by notification, declares that in such abadi the consent of the proprietor has not ordinarily been obtained to transfers, no nazarana shall be recoverable.
- (8) Nothing in this section shall affect the terms of any contract between the proprietor and the holder of a site in the abadi.
- (9) In a mahal in which there are both superior and inferior proprietors, the inferior proprietor shall exercise the powers and have the rights conferred on a proprietor under this section.

*Explanation.*—In this section, "proprietor includes a transferee of proprietary rights in possession and a thikadar with protected status".

From the evidence collected by us it appears that the landlords generally wish no change in the existing system, but the tenants wish to have the right to occupancy and the right of transfer over their house sites. The official opinion is in favour of giving the right of occupancy with right of transfer

Occupancy right in house sites.

over house-sites both to raiyats and sukhabasis and also for assessment of rent over house-sites. We see no reason why the occupiers of house-sites should not acquire occupancy right. We accordingly recommend that all occupiers of house-sites whether raiyats or sukhabasis should acquire occupancy right and the house-sites should be assessed.

In the current settlement the baris adjoining house sites have been assessed to rent and the basti portion of the village has been surveyed into one block and there is no detailed survey of houses of raiyats and sukhabasis. It will be necessary to make a survey of the house sites in order to assess the same.

#### SECTION III.—RIGHT OVER TREES.

The rights of the tenants and the landlords over trees have been defined in the wajibularz or village administration paper. At present an occupancy tenant has the right to enjoy fruits and timber of trees whether planted by him or self-grown in his holding, but the wazibularz does not mention distinctly whether he could cut green trees on his holding. An occupancy tenant should be given absolute right over trees standing on his holding.

The wazibularz entitles a tenant to plant trees on another tenant's land and to claim fruit and timber thereof. No body is now prepared to support this practice which creates disputes between tenants. No one should have any right to plant trees on another's land and such right should now be extinguished by law. Trees take the fertility of the soil, and there is no reason why a tenant should be made to suffer for another man's benefit. With regard to trees on waste land the question of rights of the villagers and the landlord may be left to be settled at the time of each settlement as has been done in the past.

In connection with the question of right over trees we have considered particularly the question of right  
Kendu leaves. over kendu leaves as this question has grown into importance in the district on account of disputes arising amongst the different classes of land-owners regarding their respective rights over kendu leaves. Owing to the expansion of the bidi trade, the commercial value of these leaves have increased in recent years, and every one wanted to assert his right. This has led to bitter disputes and litigations. We accordingly framed a separate question on this subject and collected evidence.

The zamindars would treat kendu leaves as forest produce wherever they grow; and on the ground that they are required to pay takoli on the entire income of the zamindari including forest income, they claim the sole proprietorship over kendu leaves in zamindaris, and also right of disposing them in any way they like. The gaontias, thikadars and mafidars claim the right of disposal of kendu leaves within the village area except those on raiyati holdings, which are claimed by the raiyats.

Kendu trees are self-grown trees (shrubs) and the village wajibularz provides that the fruits and timber of self-grown trees are to be enjoyed by the persons on whose lands they stand, and in the case of those standing on waste land (1) by gaontias in khalsa gaontiahi villages (2) by malguzars in malguzari villages (3) by sikmi gaontias in malguzari villages held by sikmi gaontias (4) by thikadars in zamindari villages held by thikadars (5) by mafidars in zamindari villages held by mafidars and (6) by zamindars in khas zamindari villages.

We do not think that by mentioning fruits and timber the intention was to exclude the leaves. It seems that the two words fruits and timber were used to mean the entire produce. Therefore in a mafidari or thikadari village the mafidar or thikadar has at present the right to enjoy kendu leaves on waste lands, and similarly the gaontias in khalsa gaontiahi villages and the sikmi gaontias in malguzari villages have also the right to enjoy kendu leaves on waste lands.

We should like to base our decision on the well-known principle which we are re-affirming that the Kendu leaves to belong to the owner of the soil. owners of the soil should be entitled to trees and usufructs thereof. We are accordingly of opinion that kendu leaves on occupancy holdings should belong to the occupancy tenants, those on bhogra lands should belong to the bhogra-holders and those on sir lands should belong to sir-holders, i.e., zamindars, malguzars, mafidars or thikadars in whose possession the sir lands may be for the time being.

In the case of kendu trees standing on the village common lands, the village panchayat should be authorised to sell their leaves and to use the proceeds for the improvement of the village, for village sanitation and for other village welfare. In raiyatwari and khalsa gaontiahi villages the right of disposal of kendu leaves on anabadi or waste land may also vest in the

village panchayat. In the waste lands of malguzari or zamindari villages other than village common lands, the kendu leaves would of course belong to the zamindar or malguzar.

Our enquiry has however shown that in practice difficulty arises not so much from ownership of lands, but from the fact that the zamindar or malguzar is unwilling to tolerate two separate rival dealers in the same area. He would demand that the tenants should sell the leaves to his lessee and not to a rival dealer. There is such a provision in the wazibularz in force in the Khariar zamindari, but there is no such provision in the wazibularaz in force in the old Sambalpur district. The Central Provinces Government have already prepared a Tenancy Amendment Bill in which they propose to provide distinctly that a tenant other than a sub-tenant shall be entitled to pluck and appropriate the leaves of Kendu trees in his holding. We have recommended above that an occupancy tenant should be the absolute owner of all trees standing on his holding. If for any reason this recommendation cannot be accepted, then a clear provision should be made entitling tenants other than sub-tenants to pluck and appropriate the leaves of Kendu trees in their holdings so that the tenants may not be involved in disputes with the landlords.

The tree is commonly known in the district as kendu tree, and the term 'kendu' should be used in the Act and the rules made thereunder instead of the term 'Tendu'.

#### SECTION IV.—FORESTS.

Under the provisions of the settlement wazibularz certain plots are reserved in every village as grazing and forest lands in which the villagers may graze their cattle and may take reasonable quantity of fire-wood, leaves, fencing thorns, thatching grass and timber for houses and agricultural implements for their own use. This reserve waste land is called gramya jungle. The total area of gramya jungle recorded at the last settlement in the whole of the old Sambalpur district is 161,579 acres. This nistar right of using forest produce is exercised by the villagers only in villages where there are forests within the area of the gramya jungle. Although the term gramya jungle is used in respect of all waste land reserved for grazing, in many villages there are no forests within the area of the gramya jungle. The existing rights of the villagers to take fuel and wood besides grazing their cattle within the area recorded as

gramya jungle should be maintained. We would also recommend that there should be no fee for grazing cattle in any jungle or waste area within the boundaries of a village excluding the present zapti forest, which should in future be excluded from the village surveyed area, so that there should be no zapit or reserved forest within village boundary.

The Government reserved forests covering an area of about 419 square miles are outside the village areas. The unsurveyed zamindari forests outside the villages are 841.79 square miles. These are managed by the zamindars as their reserved forests. There are also zapti forests in the zamindaris which are included within the village boundary but are managed practically like the zamindari unsurveyed forests and the tenants are not allowed to exercise any right of user in them free of charge. Such forests are found in five zamindaris, namely, Kolabira, Rajpur and Rampur in the Sadr Tahsil and Barasambar and Bheran in the Bargarh Tahsil. The area of such forest is reported to be 5,468.22 acres excluding the ex-Central Provinces area. We have already expressed our opinion that these zapti forests should be excluded from the village surveyed area. At present the fee for grazing in the zamindari reserve forests vary in different zamindaris and the rates are enhanced from time to time. There have been complaints of hardship in respect of forest fees charged, and in the last settlement a special enquiry was made in respect of commutation of forest fees levied in the Borasambar zamindari, and recommendations were made to make modifications in the system. We would recommend that there should be a uniform rate of fee for grazing in Government reserved forests and in the zamindari reserved forests including the zapti forests inside village boundaries, and that rules should also be framed by Government to regulate the rates payable by villagers for taking forest produce for their own requirements from Government and private reserved forests and for their realisation.

Under the provisions of the wajibularz the raiyats are required to maintain the Government and zamindari reserved forest boundaries adjoining their villages. The raiyats do not now wish to perform this duty unless they are given some concession in the rates of forest fees. We are however of opinion that the maintenance of village boundaries and clearance of forest growth on the same should remain in the hands of the village panchayat.

Maintenance of village boundaries adjoining reserved forests.

Under the existing provision of law Government have powers to make rules to regulate the control and management of the forest growth on the lands of any estate or mahal. We consider that this power of Government to regulate the control and management of forests in malguzari and zamindari areas is desirable and should be retained. We strongly feel that the deforestation of jungle area should be stopped and that greater pressure should be borne upon the zamindars and malguzars for the protection of their forests in the interest of the people. Section 202 of the Central Provinces Land Revenue Act of 1917 which is an improvement on section 124-A of the old Act of 1881 may be adopted for the whole district. It appears that in actual practice the real difficulty to control the management of private forests would be to make the proprietor pay the cost of management. It seems that in order to make the law really effective working plans for private forests should be prepared by the officers of the Forest Department and if a zamindar or malguzar fails to give effect to the working plan, the management should be taken over by Government and the cost of management should be the first charge on the income. This may necessitate the retention of management in the hands of Government for a considerably long time, but there can be no ground for complaint by the zamindars or malguzars who will be benefited by the resulting improvements.

**SECTION V.—BHET-BEGAR AND OTHER VILLAGE CERESSES.**

Bhet-begar is the custom by which each cultivator has to provide free labour with plough and bullocks to cultivate the home-farm lands of gaontias and other proprietors in the district or to make money payment in lieu thereof. This custom is continuing from before the district came under the British Administration. In 1872 the Central Provinces Government took orders of Government of India on the subject. The orders passed by the Government of India were as follows (vide letter no. 425, dated the 1st May 1872, from the Secretary to the Government of India, Department of Agriculture, Revenue and Commerce to the Chief Commissioner of the Central Provinces):—

“As to the custom of Bhet-begar mentioned in para. 11 by which each cultivator has to provide labour to the gaontia or to make a money payment in lieu thereof, the Governor-General in Council agrees with you that the custom should be gradually abolished. In the present social state of the district

your proposal for fixing a rate of compensation for the gaontia in lieu of the labour withheld, seems reasonable. I am, however, to suggest that the commutation rate should be entered in the village papers, and that these latter should distinctly set forth that the continuance of this usage is only guaranteed for the term of the present settlement."

Although it was agreed in 1872 that the custom should be gradually abolished, still it has been continuing till to-day. The following extract from the last settlement report gives the latest orders of Government of Bihar and Orissa on the subject of rendering of bhet-begar :—

" Bhet-begar is the free labour supplied by tenants according to old custom for the ploughing and harvesting of the bhogra or sir lands of the village, or if there be no such lands in the village, for the ploughing and harvesting of the bhogra or sir lands of another village of the same landlord lying within a radius of three miles. The rate of bhet-begar generally recorded at last settlement was ploughing for one *bel* (half day) and harvesting for two *bels* (i.e., one whole day) during the year per raiyat having one plough. Raiyats having more than one plough were generally liable to render double this amount of bhet-begar. This free labour can be employed by custom only on bhogra or sir lands. The area of bhogra land is fixed for ever, and there has not been much increase in the area of sir lands. There has therefore been a general tendency with the extension of cultivation and the increase in the number of raiyats to do away with the increased liability for bhet-begar of raiyats having more than one plough. This was recognized and in the new *wajibularz* it has been laid down that " every raiyat, except those who have no plough, is to render one plough for one *bel* and one sickle for a day of two *bels* ".

" The bhet-begar is commutable at the option of the raiyat into a cash payment of six annas for ploughing for one *bel* and three annas for harvesting for two *bels*.

" This does not at all press heavily upon the raiyats and very few cases of abuse of this institution or of oppression in connection with it were brought to light. As a rule the raiyat prefers to render the service instead of paying the commuted value."

The tenants are unanimous in their demand for the abolition of this custom, although the landlords would like to have it continued. The District Congress Committee strongly urges



that the bhet-begar system should be abolished. In the ex-Central Provinces area of the district no bhet-begar is now rendered by the tenants. Even the landlords who wish the custom to be continued, are of opinion that the right of receiving bhet-begar may be limited so that each co-sharer should not have a right individually to demand service. They would also agree to the abolition of the system if the raiyats be made to make cash payment annually to the landlords at the rates as provided in the wajibularz. Some of the landlords are prepared to pay for the bhet-begar at 1 anna per raiyat. This shows that even the landlords realise that the custom requiring raiyats to render free labour cannot be justified.

It was said in support of the continued existence of the institution of free labour that profitable rice cultivation on a large scale was impossible unless the grower could at the critical seasons of seed time and harvest command a large supply of labour. If this was the real state of affairs in the district, then what justification was there for the commutation system which was introduced even at the first regular settlement after the district came under the British Administration? It was also said that this was a friendly custom and the raiyats willingly rendered the free labour, but there is now a keen sense of rancour among the raiyats against the system.

Even when the matter was first referred by the Chief Commissioner of the Central Provinces to the Government of India, it was realised that the custom cannot be continued on a permanent basis and will have to be discontinued gradually. It has also always been the official opinion to consider this custom objectionable. The custom has already been discontinued in the areas transferred from the Central Provinces and we see no justification to continue it in the remaining area of the district. The time has changed and this antiquated custom which now wounds the feeling of the raiyats should disappear. We accordingly recommend that the bhet-begar system should be abolished.

Apart from the bhet-begar in zamindaris certain village cases called Dasahara offerings, Push Purnima and Raskhi are levied by the zamindars and this is provided in the wajibularz applicable to the old district area. These offers are remnants of the old customs of worshipping village deity through the headmen and has now been made a source of income to the zamindars. It is said by the zamindars that these are rendered

by the thikadars and raiyats out of respect to the zamindars but the thikadars and tenants strongly urge for their abolition. We do not think that the prestige of zamindars can in any way be affected by the discontinuance of this practice. We also see no justification for the continuance of these offerings. Such custom has already been extinct in the ex-Central Provinces area and the official opinion is in favour of their abolition. We accordingly recommend that Dasahara and other offerings should also be discontinued and provisions should be made in the Act declaring imposition upon tenants of bheth-begar, Dasahara, Push Purnima and Rakshi offerings to be illegal, and all stipulations and reservations for their payment to be void.

## CHAPTER VI.

### VILLAGE ADMINISTRATION.

#### SECTION I.—VILLAGE PANCHAYAT.

Under the provisions of the Central Provinces Land Revenue Acts the lambardar is also appointed mukaddam and as such, he has to perform multifarious duties in connection with the village management. These duties are enumerated in section 141 of the Central Provinces Land Revenue Act of 1881 and the rules made thereunder, and under section 193 of the Central Provinces Land Revenue Act of 1917 and the rules made thereunder. The following are the main duties assigned to a mukaddam :—

*Mukaddams—their appointments and duties.*

- (a) to control and to superintend the village-watchman; to report his death or absence from duty; to maintain him in the possession of any lands appertaining to his office; to recover and pay to him any remuneration to which he may be entitled and to take such steps as may be necessary to compel him to perform his duties;
- (b) to furnish reports regarding state of his village at such places and times as the Deputy Commissioner may fix in this behalf;
- (c) to report and, if possible, to prevent encroachments on the public paths and roadways in his village;
- (d) to preserve such stations and marks erected in his village by the Government surveyors as may be made over to his care;

- (e) subject to rules made by Government, to keep his village in good sanitary condition ;
- (f) to report the contravention of, or failure to observe any rule, custom or condition entered in the village administration paper or any rule made under the Act ;
- (g) to secure to persons entitled to cut wood and enjoy other privileges in the waste-land of the village the rights to which they are entitled ;
- (h) to collect, or aid in the collection of, all payments due to Government in his village ;
- (i) to report, at such places and times as the Deputy Commissioner may fix in this behalf, all births and deaths taking place in the village ;
- (j) to perform such other duties as may be prescribed by rules made under the Act.

Apart from these main duties he has also to perform various other additional duties concerning—

- (i) patwaris, (ii) epidemics, (iii) unauthorised grazing and cutting of wood in any Government forest, (iv) survey and settlement of the village and the preparation of annual papers, (v) supply of information about suspects, escaped convicts and notorious receivers and vendors of stolen properties, (vi) commission of non-bailable offences, (vii) unnatural deaths, (viii) famine and gratuitous relief, (ix) vaccination, (x) recruiting, (xi) irrigation, (xii) repairs of village roads and village guest house, (xiii) preservation of survey marks and (xiv) arrangement for tours of officers.

The people of the district do not appreciate the existing mukaddam system. There is a very strong opinion that instead of making one of the proprietors responsible for the management of the village, the village administration should be entrusted to a village panchayat to be constituted by election.

In the Sambalpur district a panchayat consisting of four raiyats of the village elected by the raiyats is appointed in every village for three years to assist the lambardar in the village management. This is provided in the settlement wajibularz which

The present village panchayat and their duties.

governs the old Sambalpur district. The responsibilities which the panches are at present supposed to share with the lambardar as mentioned in the wajibularz are as follows :—

- (1) All village servants besides the watchmen may be dismissed and deprived of their service lands by the lambardar and the panches for failure to render due service.
- (2) The allocation of house sites is to be made by the lambardar and the panches. No fees may be realised for settling house sites with cultivators. The rights of non-agriculturists to house sites occupied by them and buildings constructed by them are regulated by agreement with the lambardar and the panches.
- (3) The distribution of water for irrigation from tanks in which the villagers have the right to take water for irrigation, is controlled by the lambardar with the assistance of the panches in accordance with the village custom.
- (4) The village community enjoy the fish of Government tanks free. Fish will not be caught without the permission of the lambardar and the panches and will be divided among the gaontias and the raiyats according to local custom.

The above provisions of the wajibularz do not give the panches any real responsibility. In practice they do very little and actually the lambardar who is also appointed to be the mukaddam, exercises all powers in connection with the village administration. The tenants do not appreciate this system and would like to take full share in the village administration. There is a strong opinion among the tenants generally and a certain section of landlords that the village administration should rest with the village panchayat, and all the duties now assigned to the mukaddam should be performed by the village panchayat except the collection of rent. The village panchayat system is not in vogue in the ex-Central Province area, but the tenants and Congress representatives of that area also strongly advocate the introduction of a responsible village panchayat system in that area. This is the most vital problem of the district and we fully agree that in every village there should be an elected panchayat who should look after the village administration. There is already a system in force in the greater part

Proposed village panchayat.

of the district, by which 4 representatives of the tenants in every village are elected as panchayat. There will therefore not be any serious difficulty in introducing a system of village management by a panchayat in every village with full powers over the village administration.

After careful consideration of the question we make the following recommendations :—

Constitution of the village panchayat.

- (1) The present system of appointing a mukaddam in every village should be abolished.
- (2) There should be in every village a village panchayat consisting of 5 members to perform ordinarily the duties of mukaddam with necessary modifications, as the case may be, and to administer the village common lands and properties.
- (3) Four members of the village panchayat should be appointed by election by the villagers every three years.
- (4) The collecting agent should be an ex-officio member of the panchayat. He should not be entitled to be the president by virtue of his office as collecting agent, but will be eligible for election as president.
- (5) The panchayat should be authorised to elect its own president from amongst the members, and the president should be the executive head of the panchayat.
- (6) The panchayat should remain under the control and supervision of the Revenue Officers.
- (7) Some provision of penalty should be made for breach of duty on the part of the president and members of the panchayat.
- (8) For gross mismanagement by a village panchayat the Deputy Commissioner should be given power to suspend the panchayat and to make temporary arrangement for the village administration.

The panchayat should have a fund to enable them to discharge their duties and this fund may be called the village fund. It should be provided by the following means :—

The village fund.

- (i) by the assessment of the house-sites and the payment of the whole assessment on house-sites to the village fund,

- (ii) if necessary, by assessment of a yearly rate at  $\frac{1}{4}$  anna in the rupee on the rental valuation or rental of land held by proprietors and tenants,
- (iii) by making available to the panchayat all income derived from village common lands and also waste lands in Government khas villages,
- (iv) by paying to the village fund a sum not exceeding 5 per cent on the revenue which is assessed upon the village, or if such revenue is wholly or partly assigned, on the kamil-jama. At present the mukaddam gets a similar remuneration, and when the duties of the mukaddam be assigned to the village panchayat, the same amount may be paid towards the village fund. If this is done, then it may not be necessary to make a separate assessment on the villagers as proposed in item no. (ii). It will however not be hard on the tenants to pay the proposed separate assessment because they will be relieved of their liability to repair the deraghar and village roads which shall be made by the village panchayat from the village fund. We are also proposing to relieve the raiyats of their liability to render bhet-begar:

The village fund should be utilised for the repairs of the deraghar and village roads, and for village sanitation and other village improvements. Rules may be framed by Government for the constitution and duties of the village panchayat and for the utilisation of the village fund.

#### SECTION II.—VILLAGE COMMON LANDS.

The following classes of lands are used in the district as village common lands, viz., (1) reserve pasture land, called gramya jungle, (2) village roads, called dharsa, (3) cremation ground or smasan, (4) chatnas, (5) gotha, (6) padau, (7) cartstands, (8) hats, (9) public or sarbasadharan tanks and wells, (10) sarbasadharan bagicha or public groves, (11) devalaya and devamula, (12) deraghar or guest-house and (14) ancient village school sites.

Restriction on reclamation. These lands and sites should be declared as village common lands and should not be let out or reclaimed on any account.

At present under the terms of the wajibularz the Deputy Commissioner can allow reclamation of the reserve pasture land

called gramya jungle and also cultivation of beds of public tank. Such permission has been given from time to time. We are unable to support the continuance of this practice, and would recommend that in future cultivation of beds of tanks should be prohibited altogether and in the case of pasture land or gramya jungle the Deputy Commissioner may be empowered to give permission for reclamation only when an equal quantity of other suitable land can be given in exchange to preserve the integrity of the pasture land.

The minimum pasture land to be reserved in each village should be at least 15 per cent of the village area where sufficient waste land is available and such land may be called 'gochar' and not 'gramya jungle' as at present.

The management of village common lands should remain in charge of the village panchayat subject to the control of the revenue authorities of the district, and in all cases of disputes the decision of the Deputy Commissioner shall be final.

The Deputy Commissioner should be given special powers to deal with encroachments on village common lands. In the old Sambalpur district such encroachments are dealt with as public nuisance and much reliance is placed on the reports of patwaris who report cases of encroachments and also give certificates of their removal. For a low paid patwari there is a great inducement to harass the villagers and also to condone encroachment for small considerations. We recommend that provision should be made in the law to penalise encroachments on village common lands and to eject the encroachers summarily on the lines of section 219 of the Central Provinces Land Revenue Act of 1917.

We do not think that punishment should be imposed relying entirely on the reports of the patwaris. Patwaris may be required to report cases of encroachments but such reports should pass through the village panchayat and penal action should be taken only after the tahsildar has personally verified and found that the tenant has not removed the encroachment even after notice.

In future lands in common use should be called the 'village common lands' and not 'communal lands'.

Nomenclature.

We consider it necessary to make provision in law for acquisition of lands for public purposes of the village in the line of section 98 of the Central Provinces Tenancy Act of 1920 and section 94 of the Orissa Tenancy Act. The Deputy Commissioner should be authorised to acquire land for public purposes of the village on the recommendation of the village panchayat, and the land so acquired should be classed as village common land and placed in the charge of the village panchayat.

## CHAPTER VII.

### REVENUE ADMINISTRATION.

#### SECTION I.—REVENUE OFFICERS, THEIR CLASSES AND POWERS.

The old Central Provinces Land Revenue Act of 1881 prescribes the following classes of revenue officers, namely, Commissioners, Deputy Commissioner, Assistant Commissioners, Tahsildars and Naib Tahsildars. The new Act of 1917 makes further additions by declaring Settlement Officer, Assistant Settlement Officers, Superintendents and Assistant Superintendents of land records as revenue officers. These additions were made in order to give them greater facilities for the disposal of their duties. Under the old Act only two classes of revenue officers employed on district work were given powers by the Act, namely, the Deputy Commissioner and the Tahsildars; and in practice the Subdivisional Officers who are Deputy Collectors are appointed extra Assistant Commissioners and are delegated with certain powers of the Deputy Commissioner. Under the new Act there are three classes of Revenue Officers on whom powers are conferred by the law. These are (1) the Deputy Commissioner, (2) The Subdivisional Officers, (3) the Tahsildars. These three classes of Revenue Officers are appointed in the district. These terms should therefore be retained.

The present system of treating a tahsil as a subdivision and dividing the same into circles should be changed, and provision should be made to divide the district into tahsils and subdivisions; a Tahsildar to be appointed for each tahsil and a Subdivisional Officer for each subdivision. The powers of Subdivisional Officers and Tahsildars should be clearly defined by the Act. The Subdivisional Officers will exercise their revenue powers within their respective subdivisions and the tahsildars will exercise their revenue powers within their respective tahsils.



It is necessary to retain the term 'Tahsildar' as the people have been used to this term for a very long time, ordinarily Sub-Deputy Collectors and occasionally Deputy Collectors are appointed as tahsildars. The present practice of appointing a Deputy Collector or a Sub-Deputy Collector as Tahsildar may be continued.

The terms Chief Commissioner, Financial Commissioner, Commissioner, Settlement Commissioner, Assistant Commissioner, Naib Tahsildar and Assistant Superintendent of Land Records should be deleted, and the terms 'Revenue Commissioner' and 'Subdivisional Officer' should be used. The Revenue Commissioner will combine the functions of the Financial Commissioner, Commissioner and Settlement Commissioner and will also exercise certain powers of the Chief Commissioner.

#### SECTION II.—APPEAL, REVISION AND REVIEW.

The idea underlying the old Land Revenue Act of 1881 seems to have been to allow two appeals against every decision or order and further to encourage the parties to contest the decision of the Revenue Courts in the Civil Courts. The new Act has effected much improvement but it does not draw a distinct enough line between the jurisdiction of Revenue and Civil Courts. All questions of right and title should be decided by the Civil Courts and the Revenue Courts should not interfere with them. On the other hand, all questions relating to revenue matters other than those concerning right and title should be decided by the Revenue Courts and should not be open to question in a civil suit.

An appeal should lie to the Deputy Commissioner from every decision or order passed by a Revenue Officer subordinate to the Deputy Commissioner; and for this purpose a Subdivisional Officer, Deputy Collector or Sub-Deputy Collector vested with the powers of the Deputy Commissioner should be held to be subordinate to the Deputy Commissioner. A second appeal should lie to the Revenue Commissioner only in the following cases:—

- (1) If the original order has in appeal been varied or reversed otherwise than in a matter of costs,
- (2) On the ground that the order is contrary to law or has failed to determine some material issue of law or usage having the force of law, or

- (3) On the ground that there has been a substantial error or defect in the procedure as prescribed by the Act which may have produced error or defect in the decision of the case upon the merits.

If on account of pressure of work it will be necessary for the Subdivisional Officers to hear appeals from the decision of other subordinate revenue officers, they may be delegated with powers to hear appeals. In such cases it should be provided that a second appeal shall lie to the Deputy Commissioner and that no third appeal should lie to the Revenue Commissioner except on question of law. Superior revenue officers, namely, the Revenue Commissioner and the Deputy Commissioner should be given wide powers of revision.

Both the old and new Central Provinces Acts permit a Revenue Officer to review an order passed by himself or by any of his predecessors. This system was condemned by the Commissioner Mr. Grunning who observed as follows:—

“Section 40 (of the new Central Provinces Land Revenue Act) which permits a Revenue Officer to review an order passed by himself or by any of his predecessors is, I am convinced, most objectionable. If parties are dissatisfied with an order, they should appeal, or petition for revision, as the case may be. As matters stand, cases may be heard twice over by successive Deputy Commissioners who may come to different conclusions. If a Deputy Commissioner holds that an order passed by his predecessor is wrong, he should refer it for the Commissioner's decision, but he should have no authority to alter it himself. The position is even worse under the old Act. Not only can a petition for review be put in at any time, but an appeal to the Commissioner lies against the order passed upon it. There is in fact no finality and I find that parties frequently do not trouble to appeal, or petition for revision, within the time prescribed. They wait as long as they think fit, then file a petition for review, and appeal against the new order passed thereupon. No Revenue Court should be permitted to modify its decisions, or those of its predecessor, except to correct clerical errors.”

In this connection Khan Bahadur Md. Hamid also made the following comment in his settlement report:—

“On an application for review it was argued before me that I could review the order even though an appeal against the order had been preferred to the Commissioner and had been

dismissed, because the prohibition is against the review of the order while the appeal is pending and not after its disposal. The contention was against commonsense, and I disallowed it, but it seems to me that the words "while such appeal is pending" may very well be omitted."

It seems to us that the Central Provinces law intended to give cheap and speedy relief to the parties in the case of a glaring mistake or irregularity committed by a Revenue Officer in passing an order. No court would certainly reverse his own order or the order passed by his predecessor unless he finds that there is error apparent on the face of the record. Moreover the headquarters of the Revenue Commissioner being at a great distance from Sambalpur, for obvious mistakes or irregularity in an order of the Deputy Commissioner, the parties will be put to much trouble and expense to have the order corrected by appeal. We think that there should be provision in the Sambalpur Act for review of orders, but on no account this should extend the period of limitation for appeal against the original order, nor should there be any provision for review in cases where appeal or revision is already pending or has been decided.

### SECTION III.—PARTITION.

The present law does not allow in the district perfect partition which means the division of a mahal into two or more mahals. Imperfect partition which is allowed in the district means the division of a mahal into two or more pattis jointly responsible for the revenue assessed on the whole mahal.

How the partition law applies to the district.

The zamindari tenure is impartible. So the law for partition of proprietary interests does not apply to zamindaris which cover more than half of the district. In khalsa gaontiahi villages only the bhogra land can be divided among the several members of the gaontiahi body. The raiyati and waste lands being the property of Government cannot form the subject of partition. If the gaontiahi tenure be abolished the question of partition of bhogra lands in Revenue Courts will not arise. If gaontias be given full proprietary right and be made malguzars, they can then enjoy the benefit of imperfect partition of their villages, which will help to minimise disputes among co-sharer gaontias in the matter of division of lands and of the village profits, over which their dissensions now continue almost perpetually.

The malguzari villages are of two kinds, viz., (a) those which are held by the malguzar direct and (b) those which are held by sikmi gaontias under the malguzars. The first can form the subject of partition into parties as the malguzar is the proprietor of the entire village, but the second cannot form the subject of partition because, the malguzar, though the proprietor of the village, is not in actual possession of it, but gets only the malikana while the sikmi gaontia in actual possession is not the proprietor.

Thus it will be seen that if the gaontias are not given full proprietary right in their villages, the law of partition by Revenue Courts, whatever it may be, will apply only to a limited number of malguzari villages, most of which are revenue-free villages.

We do not see any reason to introduce perfect partition in the district, and we think that a downward limit should be placed on the area and the land revenue of a patti to be formed by imperfect partition as in section 166 of the Central Provinces Land Revenue Act of 1917 which provides that "If an application for imperfect partition involves the formation of a patti of which the area will be less than one hundred acres or the land-revenue less than one hundred rupees, the Deputy Commissioner may order the partition only of *stir* land and khudkast."

As regards the method of deciding questions of title, a Revenue Officer has only two courses open to him under the Act of 1881; he might refer the applicant to a Civil Court and strike off the case; or he might exercise the powers of the Civil Court himself and decide the question, an appeal lying from his decision to the Civil Appellate Courts. The Act of 1917 keeps the first course open to him, but instead of the second course he is given two alternatives; he may require any party in the case, whether he be the applicant or not, to institute within six months a suit in the Civil Court for the determination of the question and if such party fails to comply with the requisition, the question is decided against him; or instead of trying the case as a Civil Court, the course permitted by the Act of 1881, he may inquire summarily into the merits of the question and decide it himself, in which case no appeal or revision from such order is allowed, but any party may within six months institute a suit in the Civil Court to have the order set aside. We think that all

Limitation placed on imperfect partition.

Decision of question of title in partition proceeding.

questions of title should be left to be decided by the Civil Courts. Whenever the Deputy Commissioner may choose to decide a contested question of title summarily, it is almost certain that the party against whom the question is decided by the Deputy Commissioner will go to the Civil Court. We think the provision in the Act of 1917 will simply delay matters and will put the parties into more trouble and expenditure. We are therefore of opinion that the objector who raises the question of title may be asked to institute within six months a suit in the Civil Court for the determination of the question, and if he fails to do so or to have the question settled within six months by a lawful compromise or awards, the question should be decided against him by the Deputy Commissioner.

Objector to Institute suits in the Civil Court.

We consider that except as stated above the provision of the Central Provinces Land Revenue Act of 1917 regarding imperfect partition should be made applicable to the district of Sambalpur.

In connection with the partition proceeding a question has been raised whether in the case of partition of bhogra lands the petitioner should not be required to pay costs in the shape of court-fee stamps in the same manner as in the civil suits. It is argued that petitions for partition of bhogra lands are practically civil petitions which have to be dealt with by the Revenue Court, and that if the parties possess raiyati lands they have to go to the Civil Court for partition if there is a contest, while partition of bhogra lands is dealt with by the Revenue Court, the difference being that whereas court-fee has to be paid for a partition suit in the Civil Court, there is no such charge in the Revenue Court. We have already stated above that if the existing gaontihai tenure be abolished, the question of partition of bhogra lands in Revenue Courts will not arise and ordinary suits for partition by the Civil Court of the family property will be governed by the Court-fee Act. But if the gaontias are given full proprietary right and treated as malguzars, the partition of their villages should remain under the control of Revenue Officers for the safety of the revenue and there should be no charge of additional court-fee as in the Civil Court. We are of opinion that unless Government decide that the jurisdiction of the partition of malguzari villages be taken away from Revenue Courts, no charge in court-fee is admissible.

Cost and court fee in partition proceedings.

We are also asked to consider the desirability of abolishing the practice of levying costs in partition cases which are paid to the revenue inspectors and patwaris. The Deputy Commissioner of Sambalpur reports that the parties have to pay a small sum, said to represent the cost of partition which is not credited to Government, but is divided between the revenue inspector and patwari. We do not find any rule under which the cost of partition realised from parties is to be divided between the revenue inspector and the patwari. Under the existing rules the costs of partition shall include—

- (a) the cost of any establishment entertained for partition purposes,
- (b) all contingent expenses incurred on account of parties,
- (c) process fees, and
- (d) fair share of the cost of any establishment maintained in the Deputy Commissioner's or Commissioner's office for partition work.

The rules also provide for the payment of a reward to a patwari who has performed his duties in a partition case satisfactorily and without any detriment to his duties under the patwari rules. We agree with the Deputy Commissioner that the practice of paying a cash sum to the revenue inspector and patwari is out of keeping with the principle of public service, whereby officials are expected to work for a salary and not on commission basis. Revenue inspectors and patwaris are whole-time salaried servants of Government. Any duties which a revenue inspector or a patwari has to perform in connection with partition proceedings may be included in the rules which prescribe their duties and they should not get any reward or extra allowance in addition to their pay for such duties. A fair share of the cost of the land records staff engaged in the partition work should be realised as cost of partition, and credited to the Government treasury.

**SECTION IV.—LEVY OF COURT-FEE FOR CASES FOR RECOVERY OF REVENUE THROUGH DEPUTY COMMISSIONER INSTEAD OF BY SUIT.**

We have also been asked to consider the desirability of levying court-fee on the valuation of claims in cases under section 116, Central Provinces Land Revenue Act, 1881 at the same rate at which court-fee is payable for similar suits in the Civil Court. Cases under section 116 of the Central Provinces Land Revenue Act, 1881 or section 157, Central Provinces Land Revenue Act, 1917 are summary proceedings for recovery

of arrear malguzari through Revenue Court instead of by suit. A case under this section is started on a petition with a court fee stamp of twelve annas only. This section provides that a lambardar or a sub-lambardar entitled to recover an arrear, or a malguzar to whom such an arrear is due under a sub-settlement may, before instituting a suit for the recovery thereof, apply to the Deputy Commissioner to recover such arrear on his behalf as if it were an arrear of revenue payable directly to Government. This relief is given to lambardars who are compelled to pay the whole of the Government revenue even if their co-sharers do not pay their share in time. Even with this relief the lambardari system has at present little attraction, because when a co-sharer defaults payment of his share of revenue the lambardar is compelled to borrow money to pay the Government revenue and whenever the lambardar fails to pay the same in time, his properties are attached. The relief is given in the interest of Government revenue and we do not consider that the lambardars should be made to pay court-fee on the valuation of their claims in Revenue Courts. It is only discretionary for Revenue Courts to comply with such applications. We therefore do not recommend any change in the present procedure of section 116 of the Central Provinces Land Revenue Act, 1881 in the matter of court-fee. If our proposal for the abolition of the lambardari, gaontiahi and thikadari systems and the introduction of the system of appointing collecting agents be accepted, the need for this section will be considerably reduced.

## CHAPTER VIII.

### MAINTENANCE OF LAND RECORDS AND SETTLEMENT.

#### SECTION I.—MAINTENANCE OF LAND RECORDS.

There is a custom of land record maintenance in the district of Sambalpur. This is a Central Provinces custom and the people are used to it for a considerably long time. The system of continuous land record maintenance was held to be unnecessarily elaborate and unduly expensive and on the conclusion of the revisional settlement operation in 1925, Government decided to simplify the system and introduced as an experimental measure a system of triennial maintenance. The revised system rested on the preparation of a fihrist tabdilal, or record of changes in which all changes or mutations which had occurred in the village were entered triennially. The purpose of this process was to maintain an up-to-date record which would be acceptable evidence in the law courts and which would reduce the labour and cost of subsequent revision settlements, but it was

found that the record maintained by this process would not fulfil either of the two purposes, and Government therefore decided in 1930 to give up the attempt to maintain the record completely. The fihrist tabdilal was abandoned and the process of land record maintenance was limited by Government orders to (a) the registration of changes on the application of parties who desire such registration and (b) the examination of encroachments on public or communal lands.

The duties of the land records staff are now limited to dealing with encroachments, registration of mutations upon application and the supply of accurate information of the general condition of crops in the district. In addition to these duties the patwaris also perform a most important duty in connection with the tenants' receipt books. We have already noted while dealing with the question of collection of rent that the system of rent receipt books in force in the district has been most helpful both to the tenants and to the landlords and should be continued. It is necessary to have a Government agency to detect and take action for encroachments on public or village common lands. We have also dealt with this question in connection with village administration and have recommended that the Deputy Commissioner should be given special powers to deal with encroachments on village common lands. In order to make these powers really effective it is necessary to entertain a staff. If the present land record staff be abolished this most important public duty will be neglected and it will not be possible to keep village common lands, e.g., village roads, pasture grounds, etc., in tact.

Apart from the above duties the land records staff are also rendering other useful service to the landlords and tenants who can inspect village records maintained by the patwari and obtain copies thereof only by providing paper to the patwari. They can have their holdings measured and demarcated by the circle patwari on application to the Tahsildar or to the Deputy Commissioner, and on payment of a small sum get raiyati mutations registered. The villagers have been enjoying these privileges for a long time and it will be unfortunate if the present land record maintenance system be abolished. The system has already been revised and we would recommend that the existing system should continue and be provided for in the Sambalpur Land Revenue and Tenancy Act.

#### SECTION II.—SETTLEMENT.

The Central Provinces Land Revenue Act of 1881 refers to Chief Settlement Officers and Settlement Officers,—a



nomenclature which never came into practical use. The new Central Provinces Act of 1917 recognises the system that has grown up by which the Chief Settlement Officer is known as the Settlement Officer and the Settlement Officers as Assistant Settlement Officers. Settlement Officers and Assistant Settlement Officers have been declared Revenue Officers by the new Act. These two terms are suitable for the province and should be used in the Sambalpur Act.

The new Central Provinces Land Revenue Act of 1917 makes certain important changes and gives some additional powers to the Settlement Officer and also to the Deputy Commissioner during the currency of a settlement. Apart from the provisions made in the Central Provinces Land Revenue Act of 1917 (Act II of 1917), the Central Provinces Government also enacted a separate Act called the Central Provinces Settlement Act, 1929. This Act defines the main principles on which land revenue is assessed. It applies to the areas transferred from the Central Provinces to Orissa, and contains provisions on subjects, e.g., fixation of term of settlement, limitations on enhancement of rent and limitations on assessment of land revenue, etc.

In Sambalpur there are no permanently settled estates and all settlements must therefore be made for the settlements of land revenue. We consider that the term of settlement should be prescribed by law and it should be 30 years.

We have been asked to consider if it will not be more convenient to adopt the provisions of the Orissa Tenancy Act regarding settlement with necessary modifications to suit local conditions in Sambalpur. This will bring the procedure in line with that in the coastal districts. We think that for uniformity of settlement procedure it would be desirable to adopt the provisions of the Orissa Tenancy Act in Sambalpur with modifications to suit the peculiar land laws of the district.

BICHITRANANDA DAS—*Chairman*,  
 KAPILSWAR PRASAD NAND—*Member*,  
 PRAHLADRAI LATH,  
 ଭବନୀନ ପାଣିଗ୍ରାହୀ,  
 ପଦ୍ମ କେନ୍ଦ୍ର,  
 BISI BIBHAR,  
 \* SANKERSAN GARTIA,  
 PRAFULLA KUMAR DAS—*Secretary*.

*The 13th November 1939.*

\* Subject to my dissenting note.

## CHAPTER IX.

### CONCLUSION.

#### A BRIEF SURVEY OF THE MAIN RECOMMENDATIONS OF THE COMMITTEE.

It may seem a paradox, but as a matter of fact, we have not introduced any drastic change in the revenue administration of Sambalpur. In Sambalpur as well as in the other districts of the Central Provinces, the village headman was found to be responsible for the payment of the assessment on the village which he recovered from the cultivators, but was remunerated by holding a part of the village lands, for which he had to contribute nothing. At first he was holding at the pleasure of the Government but gradually his position became hereditary. He was known as gaontia. In 1862 Sir Richard Temple recommended that the gaontias in the Sambalpur district were to be constituted as proprietors of their villages, the raiyats were to be given occupancy rights. The gaontias' home-farms (called his 'bhogra') were to be assessed to revenue and settlement to be made on the system followed in other districts of the Central Provinces under which Government took proportion of the annual assets leaving the rest to the malguzar. But this recommendation was not given effect to, and the gaontias remained the village headmen and revenue collectors and the proprietary rights conferred on them in 1862 were limited to their bhogra lands or home-farms.

Again it was found at the commencement of the British Rule that the payments made by raiyats merely amounted to the revenue assessed on the village. Hence in Sambalpur what the raiyats pay is revenue and not rent and they are in fact Government raiyats and not tenants-at-will of the gaontia.

In khalsa villages the home-farms enjoyed by the gaontias represented 25 per cent assessable value on lands, as their remuneration. The gaontias' representations to obtain the status of the malguzar failed to attract response from the Government. Although the gaontia remained the proprietor of the home-farms, and his efforts to attain the full proprietary rights failed yet he practically secured to himself the amenities of a proprietor, by being a privy to bogus transfers of occupancy holdings in the shape of surrenders by the tenants and leases by the landlords thus securing two Nazaranas or mutation fees, by the enjoyment of village profits in the shapes of bhets and begars, of premiums in leases of waste lands, and by exercising control over the villagers in various other ways. The first

inroads to his powers came from his co-sharers, who demanded a share and often became partisans of tenants' causes. As time went on, the exactions of the gaontia became more and more keenly felt and there was a volume of opinion demanding the right of transfer of occupancy holding and that without consent of the landlords and without payment of any Nazarana or mutation fee. The tenants resented the realisation of bheth-begar and other illegal cesses and taxes.

The body of tenantry often got partisans in the interested hissadars holding greater stake in raiyati lands. The old order had to change and there was an insistent demand for the same. The tenants also demanded the right to enjoy the trees on their holdings and in some places they secured the right. Even the *sukhbasis* began to claim a right of permanence in their house sites.

Again with the growth of proprietary consciousness, the mere headmanship gave place to 'property rights' and in process of time, the junior members demanded a share thereof and resented any restraint thereon. They not only wanted a share of the home farm lands but demanded share of the village profits and the idea culminated in the demand for the right to lease out waste lands and to enjoy profits thereof. But during the process of this development of partial proprietorship and separate ownership with its characteristic of divisibility, the original principle of one person to remain responsible for the payment of 'Government Revenue' remained unaffected and became more and more accentuated in the creation of the lambardarship. The only alternative that seems feasible to us to the abolition of the lambardari gaontiahi system, with its cumbrous machinery of lambardars, sub-lambardars, Sadr lambardars, etc., is to introduce the system of collecting agents on commission basis. The gaontia will be amply recompensed by the enjoyment of proprietary right over home-farms at a privileged rate, which will again enable the Government to make up the commission to be paid to the collecting agent.

It is advisable to extend the same principle to the malguzars and the thikadars to have not only uniformity in revenue administration but to relieve the present lambardars and thikadars of their many sufferings, the gravest of which is that the co-sharers of a lambardar malguzar enjoy the collections and sir lands without paying their dues to the lambardar whose property is sold away for their defaults. The same remarks apply to the case of thikadars as the co-sharers enjoy the sir

lands without any share of responsibility of payment of revenue. We are adhering to the principle as the cardinal and fundamental basis of our recommendations, viz., that one man should be collecting agent of the village, be it a malguzari village or a gaontiahi village or a thikadari village. The principle is manifest when we take into consideration the case of zamindaris which are semi-feudal estates in Sambalpur or the cases of mafidars or the thikadars, the lowest order of development of property right in the headman.

Again the gaontiahi system as it is, has become unworkable, with its hissadars or co-sharer gaontias enjoying the home-farms without the responsibility to pay the Government revenue and with the constant feuds breeding between them and the lambardar over proprietary rights. The situation becomes more intolerable when the gaontia is going to be deprived of the Nazarana and Bhet-begar and the premiums of leases of waste lands, a source of considerable part of his income. The question if the gaontia is to be elevated to the status of malguzar in khalsa villages is fraught with considerable financial difficulties. From what source would his allowance of 40 per cent be met? Would the Government be prepared to confer a new right and to bear additional liability for the same? Would it be worthwhile for the gaontia or the lambardar to take the responsibility of the payment of revenue when the fruitful sources of income disappear by the grant of free transfer of occupancy holdings? Again the divisibility of malguzari tenures would break the tenures into infinitesimal parts, making the payment of Government revenue unsafe.

Hence we are reaffirming the time honoured practice that one man should be responsible for the collection of the rent of the village and payment of the revenue to the Government. Hence the collection of the gaontiahi, malguzari or thikadari village has to be entrusted to a collecting agent who should be remunerated on commission basis. The bhogra lands in possession of the gaontia are to be assessed at 60 per cent of the village rate. But this privilege shall be reserved to them that the collecting agent shall be recruited from amongst their own class. The system is well-known in raiyatwari villages where the patels get a commission on the collections.

Occupancy tenants have long since got property rights in their holdings. They have been enjoying a right of transfer, though in a circumventive way. They are going to be given the right of free transfer without the consent of the landlord and

without any payment of Nazurana. They should be the owners of trees on their lands and freely enjoy the fruits and timber thereof. As a necessary consequence of separation of families and purchases of portions of a holding subdivision of holdings should be freely granted to tenantry. The *Sukhabasis* who are at present tenants-at-will should be conferred the right of occupancy in their holdings.

The peculiar feature of the Sambalpur district is its village administration. From time immemorial the system of the village panchayat is in vogue there. It is a healthy institution. In the past it has worked for the common good of the village and has preserved the public places and public rights from individual encroachment. We have been impressed with the demand of the people to vest the village administration in the panchayat. If Sambalpur has its village roads well preserved, its village boundaries well kept, it is due to the instincts of the preservation of communal interest by the village administration. The fine irrigation tanks, the clean village roads and the preservation of the gothans or pens for the cattle and other public places intact, shew that Sambalpur is more ahead of the other districts of North Orissa in the matter of village sanitation and village roads and water-works. In future the maintenance of the village roads, village tanks, the preservation of other public places should remain in charge of the village punch, which would be an elective body. As the feeling of the tenantry is against the continuance of the system of beth-begar or any other compulsory labour, the costs of the maintenance be met, if required, by the imposition of a cess of 6 pies per rupee of rent or revenue. The village panchayat should remain subject to the control of the Revenue Head of the district.

The management of village common lands and the waste lands should be entrusted to the village panchayat.

The kendu trees raised a thorny problem in the district and often embittered the relation between the landlord and tenants. This is more due to the insistence of the landlord to have the monopoly of sale. We have decided that the owner of the soil should enjoy the proceeds of kendu leaves and the right to them will vest with the ownership of land.

We are of opinion that it is possible to have one consolidated Act of Sambalpur Land Revenue Law and Tenancy Law. By the introduction of the system of a collecting agent on commission basis, the needs for the cumbrous process of appointment or

dismissal of lambardars and mukaddams will disappear and the village panchayat will take up some of the works of the mukaddams.

The conferring of the right of free transfer on occupancy tenants will simplify the procedure of recovery of rent and much of the existing cumbrous provisions to set aside alienations of occupancy holdings will disappear.

In future the Orissa Government will have the same set of officers to man the revenue administration in different districts. We commend therefore that the procedure of the Orissa Tenancy Act so far as practicable with necessary modifications be followed in the new land laws of Sambalpur.

#### *Acknowledgments.*

Before we close we cannot but record our sense of appreciation of the valuable services rendered by our Secretary, Mr. P. K. Das. His previous experience of the subjects, and his indefatigable industry and research and his intelligent and impersonal handling of the subjects have mainly contributed to the successful completion of this report.

We record our appreciation of the help we received from the Deputy Commissioner, Sambalpur and the three Subdivisional Officers of the district. Our work was materially facilitated by the excellent arrangements made by them to distribute the questionnaire in every village and to secure the attendance of witnesses. We are indebted to them for the arrangement they kindly made to provide accommodation for us and our office staff at different centres in the district where we had to take evidence. The official witnesses, namely the Subdivisional Officers of Sambalpur, Bargarh and Nawapara, gave their impersonal views and we received great assistance from their opinions and from the opinion of Mr. A. Purohit, the Government Pleader of Sambalpur, whose evidence was very valuable, and free from bias. Our thanks are also due to all non-official witnesses who have rendered us great help by their written and oral evidence. The written evidence of Rai Sahib Daityari Misra and Raja Sahib of Khariar gave us valuable assistance.

We are very thankful to Dewan Bahadur C. G. Nair, C.I.E., Law Secretary to Government for his valuable assistance and advice at all stages of our enquiry till the completion of the report.

The staff consisting of an assisiant, Sri Bishmadev Bishwal and a steno-typist, Sri Madhusudan Acharya had to work at times with great inconvenience and at times were overworked and we record our appreciation of their services and particularly of the services of Sri Bishmadev Biswal lent to us by the Deputy Commissioner's Office, Sambalpur, whose experience and industry were of great help to us.

We regret very much for the resignations of membership of Sri Tribikram Pujari, Rai Sahib Gokul Chandra Babu and Sri Balunkeswar Misra who worked with us in the sittings at Cuttack and Sambalpur but who did not join us subsequently. We thank them for the assistance during the period of co-operation.

We would fail in our duty if we do not record the cordial reception and hearty co-operation received from all classes of people during our tour and stay in the district of Sambalpur.

BICHITRANANDA DAS,

*Chairman.*

10-2-1940.

**Minute of dissent submitted by Rai Sahib Sankersan Gartia,  
Zamindar of Bijepur.**

With many of the conclusions of the majority report, I gladly agree. But with respect to some matters herein referred to, I am setting forth my recommendations which are differed from those embodied in the majority report.

**KENDU LEAVES.**

*(a) In zamindari area.*

The zamindars of Sambalpur have feudal status entirely different from the zamindaries in the rest of the province. They are the sole proprietors of their estates, which are impartible and non-transferable. They are the sole proprietors of all major and minor forest produce including leaves in zamindari and have the right of disposing them in any way they like, although the raiyats and *sukbasis* of the villages have been accorded certain rights by custom in view of their house-hold needs in the village itself. They are assessed to substantial Takoli at the Settlements in consideration of the profit they are held likely to make out of their jungle lands. So in all fairness the zamindar should be held entitled to arrange for disposal of their own major and minor forest produce according to as they desire, subject to only rules for their guidance framed from time to time by the Board of Revenue. The tenants may be given the concession of plucking Kendu leaves from their own holdings and they should sell them inside the estate if they so desire to the contractor appointed by the zamindars. No contractor should be allowed to remove Kendu leaves from the zamindari area without the permission of the zamindar.

*(b) And in Gauntiahi villages.*

The tenants will have the right over Kendu leaves on their holdings. The gountias should have such right over leaves on their own holdings and also on waste lands not forming part of communal lands, on Bad Jungle and Panches should have right over leaves on communal lands and Bad Jungle.

As a matter of practice, no body as tenant or gountia or panch, pluck leaves. The labouring class of the villages pluck leaves and sell to the contractors. Instances are not rare where there is much rivalry between different contractors, causing dissension in village community, some contractor taking lease from some gountias, others from some clever people of the village. Even though full rights be accorded to the raiyats, no individual raiyat or gountia will exercise that right, so far as collection and disposal of leaves are concerned. So, for t



better management and for real benefit of the villages, the villagers should lease out to one contractor and in case of dissension it should be subject to the approval of the Deputy Commissioner.

#### SUB-TENANT AND ORDINARY TENANT.

Ordinarily persons holding bhogra or sir lands from the proprietors are designated as ordinary tenant, and persons holding lands from tenants are called sub-tenants. They hold on Chiroi or on contract and are recorded in the same column of Khatian Jamabandi as "Sikmi".

These tenants will be guided by the contract between the landlords and the tenants in some case and between tenant and sub-tenant in another case. It has generally been found that such ordinary tenants and sub-tenants do not make any improvement of the lands which are let out to them, on the contrary the productive capacity of the lands is much deteriorated. Under the circumstances, I am not in favour of improving the status of such tenants.

In case, such tenants make improvement on the lands let out to them, they should get compensation, commensurate with the improvement effected by them, if the landlord or tenant wants to eject them.

*House site.*—The present system regarding house site as provided in Wazibularz should continue.

*Mutation fee.*—This depends on the proposition whether the gaunti system should be abolished or retained. The abolition of a gaunti system will create chaos and it will be inequitable because the gaontias have acquired the rights at enormous costs and have improved the villages. They will demand the value of their rights which they have acquired by prescription. Nobody will be forthcoming to compensate them. So the system can by no means be abolished.

To further the relationship of landlord and tenant, I am of opinion that there should be mutation fee at least at 12 per cent of the consideration amount.

*Retenue appeal.*—It will always be the object in view that justice is properly administered. If the right of second appeal to the Revenue Commissioner be taken away, I am afraid, the public will be much dissatisfied. So the provision of second appeal to Revenue Commissioner (whether exercising the function of a Revenue Commissioner or of Board of Revenue" should be retained.

SANKERSAN GARTIA,  
*Zamindar, Bijipur.*

## SUMMARY OF RECOMMENDATIONS.

### CHAPTER II.

#### PROPRIETARY RIGHTS.

##### SECTION I.—ZAMINDARS, THEIR MAFIDARS AND THIKADARS.

1. A separate regulation to define the status of zamindars is not necessary.
2. The terms 'estate' and 'mahal' should be defined separately, the term, "Estate"; to apply to a zamindari and the term 'mahal' to apply to a village held by a malguzar.
3. Mafidars should be given protection from eviction and their villages should not be resumable by the zamindars except for alienations without the consent of the zamindars.
4. The present system of conferring protection on thikadars should be abolished.
5. The existing thikadars and members of their families holding under zamindars or mafidars for 20 years or more should acquire occupancy right in the sir lands held by them.
6. The proposed system of collection of rent by a collecting agent on commission basis should be enforced in thikadari villages.

##### SECTION II.—MALGUZARS.

7. There should be no change in the status of malguzars who are recognised as full proprietors of villages held by them.

##### SECTION III.—GAONTIAHI TENURE.

8. The existing gaontiahi system should be abolished.
9. The gaontias should remain as plot proprietors of their bhogra lands with right of alienation, and their bhogra lands should be assessed at a privilege "rate of 60 per cent of the village rate adopted for occupancy holdings.  
In the alternative it should be considered whether the gaontias should not be granted the status of malguzars, raising their share of the village assessment to 40 per cent.
10. The bhogra land in possession of sikmi gaontias in khalsa gaontiahi villages or in malguzari villages should be assessed at 75 per cent of the village rate.

In the alternative if the gaontias be raised to the status of malguzars, then the sikmi gaontias both in khalsa gaontiahi and malguzari villages should be treated as inferior proprietors and the percentage of the village assessment which they should be liable to pay to the malguzars should be fixed.

SECTION IV.—BHOGRA BHOGI AND MALIK-MAKBUZA TENURES.

11. Bhogra lands held by bhogra-bhogis should be assessed at 60 per cent of the village rate as in the case of bhogra lands held by gaontias. In the alternative if the status of gaontias be raised to that of malguzars the status of bhogra-bhogis will be changed to that of malik-makbuzas.

SECTION V.—BRAHMOTTARS.

12. The holders of Brahmottar lands should remain as plot-proprietors.

13. The term 'plot-proprietor' should be defined in the Sambalpur Act.

SECTION VI.—OTHER INCIDENTS OF PROPRIETARY TENURES.

14. The restriction imposed on the transfer of sir lands by section 45 of the Central Provinces Tenancy Act, 1898 and section 49 of the Central Province Tenancy Act, 1920, should be removed.

15. The gaontias should be treated as occupancy tenants in respect of their gaontiahi raiyati land.

In the alternative if the gaontias be made malguzars the nature of their gaontiahi raiyati lands will be changed to that of khudkast lands.

16. A proprietor should not be given the right to sublet his khudkast land, but after continuous possession of khudkast land in a village for six years he may claim the same to be declared 'sir' if the entire sir area of the village will not thereby exceed one quarter of the total occupied area of the village.

CHAPTER III.

TENANCIES.

SECTION I.—OCCUPANCY TENANTS.

17. The law regarding the right of succession of occupancy tenants should be amended and it should be provided that the

interest of an occupancy tenant in his holding shall on his death pass by inheritance or survivorship in accordance with his personal law.

18. The existing restriction on transfer of occupancy holdings should be removed.

19. Occupancy tenants should be given the right of free transfer to a genuine resident of the district.

20. A person who has already acquired agricultural land in the district or who and whose predecessors have been residing in the district for 30 years or more should be considered to be a genuine resident of the district.

21. A transfer to a person other than a genuine resident of the district should be voidable at the instance of any one who, if he survived the tenant without nearer heirs, would inherit the holding.

22. An occupancy holding should be saleable without any restriction only in the following two cases:—

(1) By Government for the recovery of an advance made under the Land Improvement Loans Act, 1883, or the Agriculturists' Loans Act, 1884.

(2) By Court in execution of a rent decree.

23. Occupancy right should be liable to sale in execution of money decree including decrees for recovery of Co-operative dues, but an occupancy holding should not be liable to be attached or put to sale for loans incurred prior to the enforcement of the new Sambalpur Act.

24. In Court sales only such portion of an occupancy holding should be put to sale as would be sufficient to satisfy the decretal dues.

25. Private transfers of occupancy holdings should be made by registered instruments only.

26. The landlord's consent to a transfer of an occupancy holding should not be necessary and no mutation fee should be payable.

27. The notice of transfer should be given to the landlord through the Registration Office in the case of private transfers, and through the Court in the case of Court sales; the fee for the notice to be fixed at rupee one only.

28. It should be provided that occupancy lands may be exchanged for bhogra or sir lands or for malikmakbuza lands or lands in the possession of village servants, each party to the exchange being deemed to have the same right in the land accepted by him as he had in the former land.

29. If the exchange is between occupancy tenants, each party should be liable to pay the rent assessed on the land accepted by him, and if the exchange is between a tenant and the landlord, the tenant should be liable to pay such rent for the land accepted by him as may be agreed to by him and the landlord.

30. Subdivision of holdings should be freely allowed.

31. The present practice of transferring occupancy holding by means of surrender to and lease by the landlord should be prohibited, and for *bona fide* surrenders the sanction of the Deputy Commissioner should be necessary.

32. The provision for abandonment of holding by an occupancy tenant should follow that of the Central Province Tenancy Act, 1920, or rather the Orissa Tenancy Act, but the landlord should not be entitled to treat a holding as abandoned unless the tenant has allowed two years rent to fall into arrears and has also ceased to cultivate his land for two years.

33. Provision should be made enabling occupancy tenants to acquire malikmakbuza right on payment of fair but fixed compensation to the landlord.

#### SECTION II.—TENANTS OF RAIYATWARI VILLAGES.

34. The term 'survey number' should be deleted from the Act.

35. The raiyats and the patels should be treated as occupancy tenants in respect of their holdings.

#### SECTION III.—OTHER CLASSES OF TENANTS.

36. Provision should be made enabling tenants of bhogra or sir lands and tenants holding from a bhograbhogi or malikmakbuza to acquire occupancy right after continuous possession for twelve years.

37. A sub-tenant holding land under an occupancy tenant continuously for twelve years or more should be enabled to claim occupancy right in respect of the land held by him on payment to the occupancy tenant of fair compensation to be decided by the Deputy Commissioner.

38. The present system of remunerating jhankars and gandas by service land to be held rent free or on favourable terms should continue.

39. The appointment of village watchmen should be made on the recommendation of the village panchayat subject to the sanction of the Deputy Commissioner, and every village watchman should be primarily responsible for the watch and ward of the village under the control of the village panchayat.

40. Naribas should be retained as village servants wherever they exist, and their duties should be defined. Their appointment and dismissal should be made by the Revenue Officers on the recommendation of the village panchayat.

41. All other village servants, viz., Negis, Kumbhars, Lohars, Bhandaris and Dhobas should be abolished, and their lands should be settled with them as their occupancy holdings, being assessed at the village rate.

42. The term 'village servant' should be substituted for the term 'village service tenant'.

#### CHAPTER IV.

##### PROVISIONS AS TO RENT.

###### SECTION I.—COLLECTING AGENT TO BE SUBSTITUTED FOR LAMBARDAR.

43. The existing lambardari system should be abolished.

44. A collecting agent should be appointed by the Deputy Commissioner in every village to collect rent on a commission basis.

45. It should be the duty of the collecting agent to collect rent from the tenants and to pay the same into the Government treasury in the case of raiyatwari and gaontiahi villages and to the proprietors in the case of malguzari and zamindari villages.

46. The collecting agent should be remunerated on a commission basis and the scale of commission should be as follows:—

- (1) For collection up to 75 per cent of the whole rental assessment of the village—10 per cent of the actual collection.
- (2) For collection above 75 per cent up to 90 per cent of the whole rental assessment of the village—12½ per cent of the actual collection.

(3) For collection above 90 per cent of the whole rental assessment of the village—15 per cent of the actual collection.

47. The collecting agent should be entitled to receive his commission from the collections made by him.

SECTION II.—KIST DATES AND COLLECTION OF ARREAR RENT.

48. The kist dates for payment of rent should be 1st of March and 1st of May.

49. The existing provision for the ejection of an occupancy tenant in execution of decree for arrear of rent should be deleted.

50. The rent should be a first charge on the holding of an occupancy tenant and only such portion of the holding which would satisfy the decretal amount and the cost should be put to sale in execution of a decree or certificate.

51. In the alternative of a civil suit provision should be made for recovery of arrear rent by a certificate procedure.

52. In raiyatwari and khalsa gaontiahi villages the list of arrears of rent prepared by the collecting agent and passed by the Tahsildar should be the basis for the certificate, and in malguzari and zamindari areas the collecting agent should submit the arrear list to the malguzar or zamindar who should apply for certificate before a Revenue Court.

53. In a certificate proceeding the tenant should be given one month's time to file objection and also one month's time to pay the amount of certificate.

SECTION III.—TENANTS' RENT RECEIPT BOOK.

54. The existing system of maintenance of rent receipt books by tenants and their check by Revenue Officers should continue, and it should be prescribed by law.

SECTION IV.—ENHANCEMENT OF RENT DURING THE CURRENCY OF SETTLEMENT.

55. The law regarding alteration of rent during the currency of a settlement should follow the provision made in the Central Provinces Tenancy Act, 1898 (Act XVIII of 1898) and not that made in the Central Provinces Tenancy Act, 1920 (Act I of 1920).

## CHAPTER V.

## OTHER RIGHTS OF LANDLORD AND TENANT.

## SECTION I.—RECLAMATION OF WASTE LAND.

56. In raiyatwari and khalsa gaontiahi villages waste land should be reclaimed only with the sanction of the Deputy Commissioner on the recommendation of the village panchayat; but if a tenant be found to be in possession of waste land contiguous to his holding for more than three years after reclamation, he should be presumed to have acquired occupancy right therein and should be recognised as an occupancy tenant.

57. In malguzari and zamindari villages the consent of the malguzar or the zamindar should be necessary for the reclamation of waste land; but in the case of reclamation by a tenant of waste land contiguous to his holding he should, after cultivation for three years or more, acquire occupancy right therein on payment of a compensation to the landlord amounting to six times the annual rent of the land which should be assessed by a Revenue Officer.

58. All cases of unauthorised cultivation of waste land should be enquired into by a Revenue Officer not below the rank of Tahsildar.

59. The waste land available for the extension of cultivation or for location of new tenants should be called '*anabadi*' and the waste land reserved for grazing and other nistar purposes should be called '*gochar*'.

## SECTION II.—HOUSE SITES.

60. All occupiers of house sites whether raiyats or *sukhabasis* should acquire occupancy right and the house sites should be assessed.

## SECTION III.—RIGHT OVER TREES.

61. An occupancy tenant should be given absolute right over trees standing on his holding.

62. No one should have a right to plant trees on another's land and such right should be extinguished by law.

63. Kendu leaves on occupancy holdings should belong to the occupancy tenant, those on bhogra lands should belong to the bhogra-holders and those on sir lands should belong to sir-holders, i.e., zamindars, malguzars, mafidars or thikadars in whose possession the sir land may be for the time being.



64. In the case of kendu trees standing on village common lands, the village panchayat should be authorised to sell their leaves and use the proceeds for the improvement of the village, for village sanitation and for other village welfare.

65. In raiyatwari and khalsa gaontiahi villages the right of disposal of kendu leaves on anabadi or waste land should vest in the village panchayat.

\* 66. The term 'kendu' should be used in the Sambalpur Act instead of the term 'Tendu'.

#### SECTION IV.—FORESTS.

67. The villagers should be given the right to graze their cattle without payment of any fee in any jungle or waste area within the boundary of a village excluding the present zapti forest which should in future be excluded from the village surveyed area, so that there should be no zapti or reserved forest within the village boundary.

68. There should be a uniform rate of fee for grazing in Government reserved forests and in the zamindari reserved forests including the zapti forests inside the village boundary; and rules should be framed by Government to regulate the rates payable by villagers for taking forest produce for their own requirements from Government and private reserved forests and for their realisation.

69. The maintenance of village boundaries and clearance of forest growth on the same should remain in the hands of the village panchayat.

70. The existing powers of Government to regulate the control and management of forests in malguzari and zamindari areas should be retained and the provision of section 202 of the Central Provinces Land Revenue Act, 1917, should be adopted for the whole district.

71. Working plan for private forests should be prepared by the officers of the Forest Department, and if a zamindar or malguzar would fail to give effect to the working plan, the management of the forests should be taken over by Government and the cost of management should be a first charge on the income derived from the forests.

#### SECTION V.—BHET-BEGAR AND OTHER VILLAGE CESSSES.

72. The existing bhet-begar, dashahara, pushpurnima and rakshi offerings should be abolished, and provision should be made in the Act declaring their imposition to be illegal, and all stipulations and reservations for their payment to be void.

## CHAPTER VI.

## VILLAGE ADMINISTRATION.

## SECTION I.—VILLAGE PANCHAYAT.

73. The present system of appointing a mukaddam in every village should be abolished.

74. There should be in every village a village panchayat consisting of five members to perform the duties of mukaddam with necessary modifications and to administer the village common lands and properties.

75. Four members of the village panchayat should be appointed by election by the villagers every three years.

76. The collecting agent should be an *ex-officio* member of the panchayat.

77. The panchayat should be authorised to elect its own president from amongst the members and the president should be the executive head of the panchayat.

78. The panchayat should remain under the control and supervision of the Revenue Officers.

79. Some provision of penalty should be made for breach of duty on the part of the president and the members of the panchayat.

80. For gross mismanagement by a village panchayat the Deputy Commissioner should be given power to suspend the panchayat and to make temporary arrangement for the village administration.

81. The panchayat should have a fund, to be called the village fund, to enable them to discharge their duties.

82. The village fund should be created by all or any of the following means :—

- (a) By the assessment of house-sites and the payment of the whole assessment on house-sites to the village fund.
- (b) By assessment of a yearly rate at half anna in the rupee on the rental valuation or rental of land held by proprietors and tenants.
- (c) By making available to the panchayat all income derived from village common lands and also waste lands in Government khas villages.
- (d) By paying to the village fund a sum not exceeding 5 per cent on the revenue which is assessed upon the village, or if such revenue is wholly or partly assigned, on the kamil-jama.

83. The village fund should be utilised for the repairs of the deraghar and the village roads, and for village sanitation and other village improvement.

SECTION II.—VILLAGE COMMON LANDS.

84. The cultivation of beds of tanks should be prohibited altogether.

85. The powers of the Deputy Commissioner to allow reclamation of pasture land should be restricted so that permission for reclamation should not be given unless an equal quantity of other suitable land is given in exchange to preserve the integrity of the pasture land.

86. The minimum pasture land to be reserved in each village should be at least 15 per cent of the village area where sufficient waste land is available.

87. The management of the village common lands should remain in charge of the village panchayat subject to the control of the revenue authorities of the district and the decision of the Deputy Commissioner should be final.

88. Provision should be made to penalise encroachments on village common lands and to eject the encroachers summarily.

89. Penal action should be taken only when the Tahsildar has personally verified and found that the tenant has not removed the encroachment even after notice.

90. Lands in common use should be called 'village common lands' and not 'communal lands'.

91. The Deputy Commissioner should be authorised to acquire land for public purposes of the village on the recommendation of the village panchayat and the land so acquired should be classed as village common land and placed in the charge of the village panchayat.

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CHAPTER VII.

REVENUE ADMINISTRATION.

SECTION I.—REVENUE OFFICERS AND THEIR POWERS.

92. The terms 'Chief Commissioner', 'Financial Commissioner', 'Commissioner', 'Settlement Commissioner', 'Assistant

Commissioner', 'Naib Tahsildar' and 'Assistant Superintendent of Land Records' should be deleted and the terms 'Revenue Commissioner' and 'Subdivisional Officer' should be included in the Sambalpur Act.

93. The powers of the Deputy Commissioner, the Subdivisional Officers and the Tahsildars should be defined by the Act.

94. The present system of treating a tahsil as a subdivision and dividing the same into circles should be changed, and provision should be made to divide the district into tahsils and subdivisions; a Tahsildar to be in charge of each tahsil and a Subdivisional Officer to be in charge of each subdivision.

95. All questions relating to revenue matters other than those concerning right and title should be decided by Revenue Courts and should not be open to question in a civil suit.

96. All questions of right and title should be decided by Civil Courts and Revenue Courts should not interfere with them.

#### SECTION II.—APPEAL, REVISION AND REVIEW.

97. An appeal should lie to the Deputy Commissioner from every decision or order passed by a Revenue Officer subordinate to the Deputy Commissioner: for this purpose a Subdivisional Officer, Deputy Collector or Sub-Deputy Collector vested with the powers of the Deputy Commissioner should be held to be subordinate to the Deputy Commissioner.

98. A second appeal should lie to the Revenue Commissioner only in the following cases:—

- (1) If the original order has in appeal been varied or reversed otherwise than in a matter of costs,
- (2) on the ground that the order is contrary to law or has failed to determine some material issue of law or usage having the force of law, or
- (3) on the ground that there has been a substantial error or defect in the procedure as prescribed by the Act which may have produced error or defect in the decision of the case upon the merits.

99. Provision should be made to empower Subdivisional Officers to hear appeals from the decisions of other subordinate Revenue Officers when this is found to be necessary, in which case a second appeal should lie to the Deputy Commissioner and no third appeal should lie to the Revenue Commissioner except on question of law.

100. The Revenue Commissioner and the Deputy Commissioner should be given wide powers of revision.

101. Revenue Officers should be empowered to review their orders, but on no account this should extend the period of limitation for appeal against the original order, nor should there be any provision for review in cases where appeal or revision is already pending or has been decided.

#### SECTION III.—PARTITION.

102. Perfect partition should not be introduced in the district.

103. A downward limit should be placed on the area and land revenue of a patti to be formed by an imperfect partition, the limit being one hundred acres in area and one hundred rupees of land revenue.

104. When objection is raised in a partition case on the question of title, the objector should be asked to institute within six months a suit in the Civil Court for the determination of the question, and if he fails to do so or to have the question settled within six months by a lawful compromise or award the question should be decided against him.

105. The proposal to treat partition cases in Revenue Courts as partition suits for the purpose of charging court-fee is not supported.

#### SECTION IV.—LEVY OF COURT FEE FOR CASES FOR RECOVERY OF REVENUE THROUGH DEPUTY COMMISSIONER INSTEAD OF BY SUIT.

106. The proposal to levy court-fee on the valuation of claims in cases for recovery of revenue through Deputy Commissioner (under section 116, Central Provinces Land Revenue Act, 1881 or section 157, Central Provinces Land Revenue Act, 1917) at rates at which court-fee is payable for similar suits in the Civil Court is not supported.

### CHAPTER VIII.

#### MAINTENANCE OF LAND RECORDS AND SETTLEMENT.

##### SECTION I.—MAINTENANCE OF LAND RECORDS.

107. The existing system of land record maintenance should be continued and it should be prescribed by law.

**SECTION II.—SETTLEMENT.**

108. The terms 'Chief Settlement Officer' and 'Settlement Officers' should be deleted and in their places the terms 'Settlement Officer' and 'Assistant Settlement Officers' should be used.

109. The terms of a settlement should be prescribed by law and it should be 30 years.

110. The proposal to adopt the provisions of the Orissa Tenancy Act regarding settlement with modifications to suit the peculiar land laws of the district is supported.

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**"PART II.—Containing Appendices and Synopsis is not published."**

REGISTERED No. P.-390.

Report of the Chankridan Enquiry  
Committee, Orissa, 1938-39



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# SUPPLEMENT

TO

# The Orissa Gazette

PUBLISHED BY AUTHORITY.

No. 26. CUTTACK, FRIDAY, JUNE 30, 1939.

Separate paging is given to this Part, in order that it may be filed as a separate compilation.

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No. 1556-P.

GOVERNMENT OF ORISSA.  
HOME (POLICE) DEPARTMENT.

RESOLUTION.

*Cuttack, the 10th June 1939.*

In notification no. 6704-P., dated the 20th July 1938, Government appointed a Committee to enquire into the working of the village police system in the districts of Cuttack including Angul, Puri, Balasore and Sambalpur and to make recommendation to Government. In notification no. 7974-P., dated the 17th August 1938, the personnel of the Committee was slightly modified. The report of the Committee has been received and is now published for general information.

By order of the Governor,  
M. K. VELLODI,  
*Chief Secretary to Government.*



**REPORT OF THE CHAUKIDARI ENQUIRY COMMITTEE,  
ORISSA, 1938-39.**

**CHAPTER I.**

**INTRODUCTION.**

The 'Chaukidari Enquiry Committee was appointed by the Government of Orissa, Home Department's notification no. 6704-P., dated the 20th July 1938, to enquire into the village police system in the districts of Cuttack including Angul, Puri, Balasore and Sambalpur and to make recommendations specially on the following questions:—

- Appointment of the Committee.
- (a) Whether any change is necessary in the existing principle or in the method of assessment of chaukidari tax. The effect of any modification of the chaukidari tax on the franchise for the Legislative Assembly should also be considered;
  - (b) whether the incidence of the chaukidari tax can be made more equitable and what measures should be taken to avoid inequalities in the incidence;
  - (c) whether a uniform system of cash payment should be introduced and service lands where they exist resumed or vice versa;
  - (d) whether zamindars of temporary and permanently settled estates had any responsibility in terms of their sanads to maintain an establishment of chaukidars in the village or villages within their zamindaris;
  - (e) whether the chaukidars can be made more responsible to the village community than they are at present;
  - (f) whether the chaukidars should be placed under the control of the Revenue Officers as in the case of talayaris in South Orissa;
  - (g) whether the number of chaukidars could be reduced and their pay raised to the level of that of talayaris in South Orissa;

- (h) whether the Presidents of Panchayats should be elected by vote, instead of being selected by the Subdivisional Officers as at present;
- (i) whether any change is necessary regarding the control and discipline of chaukidars and in their duties;
- (j) whether the systems prevalent in the different parts of North Orissa could be unified and a uniform system of village police introduced; and
- (k) whether steps are to be taken to give effect to the recommendations if accepted and also their financial implications.

The Committee was originally composed of the following gentlemen:—

- |  |     |           |
|--|-----|-----------|
| (1) Sri Jagabandhu Sinha, M.L.A. ...   | ... | Chairman. |
| (2) Sri Nandakishore Das, M.A., B.L., Deputy Speaker, Orissa Legislative Assembly, and | }   | Members.  |
| (3) Rai Bahadur Radhacharan Das, Retired Deputy Commissioner.                          |     |           |

But a change in the personnel of the Committee was soon found necessary due to the resignation of Rai Bahadur Radhacharan Das, and by Government notification no. 7974 P., dated the 17th August 1938, Babu Gopinath Das, Retired Deputy Magistrate and Deputy Collector, was appointed to be one of the members of the Committee. Thus the Committee was finally composed of the following members:—

- |   |     |           |
|---|-----|-----------|
| (1) Sri Jagabandhu Sinha, M.L.A. ...  | ... | Chairman. |
| (2) Sri Nandkishore Das, M.A., B.L., Deputy Speaker, Orissa Legislative Assembly; and | }   | Members.  |
| (3) Babu Gopinath Das, B.A., Retired Deputy Magistrate and Deputy Collector.          |     |           |

The Committee met for the first time at Cuttack, its appointed headquarters on the 30th August 1938 when the Hon'ble the Chief Minister was pleased to deliver his inaugural address. The very day Babu Gopinath Das was appointed Secretary. Enquiry about the village police system was now started in right earnest and the previous history of the system was studied with care and diligence. A questionnaire was framed and submitted to Government for publication on the 21st September 1938 and on and from the 12th October 1938 more than 3,000 copies of the questionnaire were distributed either directly or through District Officers among Government officers, members of the Local Legislative Assembly, heads of local bodies, Bar Associations, Provincial Congress Committee,

school masters and several other non-official gentlemen of light and leading. The District Officers favoured the Committee with their comments in their respective District Reports and over 300 replies were received direct from other sources. The Committee had altogether eleven sittings on the days noted on the margin besides some informal sittings. We, the members of the Committee, spared no pains to study the different shades of opinion and made necessary enquiries about the rural police system in South Crissa. We also did not omit to study the different systems of rural watch obtaining in different parts of India—specially Bengal.

1. 30th August 1938, Cuttack.
2. 18th September 1938, Cuttack.
3. 16th October 1938, Cuttack.
4. 30th October 1938, Cuttack.
5. 30th November 1938, Cuttack.
6. 18th December 1938, Cuttack.
7. 24th January 1939, Puri.
8. 26th February 1939, Balasore.
9. 26th March 1939, Cuttack.
10. 29th March 1939, Cuttack.
11. 10th April 1939, Cuttack.

We felt convinced that no enquiry on the intricate subject we had to deal with would be complete without visits to certain district headquarters and other important places and examination of independent witnesses. Accordingly we examined a good number of witnesses whose opinions we thought would be valuable. It is gratifying to note that the witnesses were very frank in the expression of their opinions. The results of our labours will be embodied in the following chapters.

We place on record our grateful thanks to the District Officers and some non-official gentlemen whose assistance was highly valuable.

Sri Jagabandhu Sinha and Sri Nandakishore Das, Chairman and member respectively of the Committee, desire to place on record their sincere thanks to Sri Gopinath Das, the Secretary, for the valuable services rendered by the latter in making a thorough study of all records and papers bearing on the subject and in writing out the draft Report. He was attending to this work all these months like a busy bee and it would not be too much to say that much of what is contained in the Report is the result of his labours.

## CHAPTER II.

### A HISTORY OF THE VILLAGE POLICE SYSTEM IN ORISSA.

In ancient times not only in Orissa but in the whole of India each village community had three principal village officers—the headman, the accountant and the watchman. These officers were the creations of early Hindu civilization. Before we describe their functions we may quote authorities to show how old they are.

In ancient India the prevailing form of the Government was monarchical. The people looked upon their king as a divine person, and it was the paramount duty of the king to defend their faith, protect the good, and restrain violence. For their guidance Manu, the greatest

law-giver of ancient times, laid down in his institutes rules of righteousness and gave a complete picture of an elaborate system of administration. He says that the internal administration of the country is to be conducted by a chain of civil officers consisting of lords of single villages, lords of ten villages, lords of hundred villages and lords of one thousand villages; and that they are all to be appointed by the king and each is to report all offences and disturbances to his immediate superior\*. Here we find sanction for the institution of a headman in every village, and this headman system which was conceived so long ago still prevails in many parts of India. In the institutes there is no provision for the appointment of a village watchman in the sense in which we understand the expression. But it has been provided that for the maintenance of law and order troops should be stationed between two or more villages, and for the detection of thefts and other offences armed men and spies should be deputed to towns and villages specially to such places as are likely to afford facilities to evil-minded men for the commission of nefarious deeds†. There is, however, ample proof that the institution of the watchman was conceived long before the beginning of the Christian era.

In Sukranitisara, attributed to Sukracharya who has been mentioned in the Mahabharata, we find rules about the appointment and duties of watchmen in rural and urban areas. It has been laid down that the king, well versed in politics and cognisant of the evils resulting from bad policy, should have the surrounding of the offices watched day and night by four, five or six good watchmen skilled in the use of weapons. He should learn from them daily occurrences along with his writers-in-chief. The watchmen will be changed from day to day. The doors of their houses should face the rows of houses of the villagers and the king should know from the watchmen the movements of the villagers. The watchmen should be supported by the villagers themselves. They should allow such people to enter into or leave the village who possess necessary permits to do so. They should, however, allow without hesitation those persons that are of unimpeachable character. They should go on their rounds every one hour and a half in the lanes and the by-lanes of the villages to scare away thieves and libertines.

‡Again, in the Arthashastra of Kautilya alias Chanakya, the Brahman Minister of Chandra Gupta Maurjya, who succeeded to the throne of Magadha in or about 322 B. C., provisions were made to this effect:—

The interior of the kingdom should be watched by trap-keepers, archers, hunters, Chandals and wild tribes. Those watchmen who

\*Manu Sanhita—Chapter VII, Slokas nos. 115-117. and A Contribution Towards A History of the Police In Bengal by W. R. Gourlay, I.C.S. page 9.

†Manu Sanhita—Chapter VII, Sloka no. 114 and Chapter IX, Slokas nos. 264-265 and 266.

‡Sukranitisara—Chapter I, Slokas nos. 287-298.

stop whomsoever they ought not to stop, or do not stop whomsoever they ought to stop shall be punished with twice the amount of fine levied for untimely movement, etc. When any part of the merchandise which has not been duly put out of the village during the night has been stolen or lost the headman of the village shall make good the loss. Whatever part of this merchandise is stolen or lost in the intervening places between any two villages shall be compensated for by the superintendent of pasture lands. If there are no pasture lands (in such places), the officer called Chorarajjuka (literally—the binder of thieves) shall make good the loss. \*

It has not been possible to hit upon any Shastric reference to the office of the village accountant, but it appears that it was created in imitation of the office of the Sumantra (the king's accountant) referred to in Sukranitisara when the country came to a comparatively settled condition and it became necessary to maintain village records and accounts.

These Shastric injunctions had their desired effect. In course of time in most part of India the village communities were well organised and grew in strength. The headman was an officer of the king and the representative of the people and possessed the confidence of both. He settled with the Government the revenue to be paid to it for the village and apportioned the burden among his co-villagers. He was responsible for the payment of Government revenue and for his labours got some land free of rent from the Government and fees from the villagers. The accountant maintained the village records showing particulars of the lands comprised in the village and the accounts of the village community. He was remunerated in the same way as the headman but to a less extent.

The watchman was responsible for the watch and ward of the village and was the executive assistant to the headman. He observed all arrivals and departures, was acquainted with the character of each individual of the village and reported crimes to the headman. He was responsible for the recovery of the stolen property and was sometimes required to replace its value, when not discovered, to the extent of his capacity. When a theft was committed the watchman with the assistance of his co-villagers started enquiry to trace the thief by his foot-steps, and when it was definitely known that the thief had gone to the adjacent village the responsibility of tracing him shifted to the watchman of that village. † Sometimes when a property was lost the

\*Arthashastra—Book II, Chapters 1 and 36; Book IV, Chapter 18.

We are indebted to Rai Sahib Artaballav Mahanti, Professor of Sanskrit, Ravenshaw College, Cuttack, for assisting us in locating the references in the Sukranitisara and Arthashastra.

†Village Government in British India by John Matthai—page 188.

whole body of villagers made good the loss. The watchman was remunerated by the grant of a piece of rent-free land by the Government and grain fees paid by the villagers. It was in this way that the village with its officers became an administrative unit. For centuries together the growth of village communities remained unimpeded through all the revolutions and changes which they had to suffer. These institutions elicited unstinted admiration from Sir Charles Metcalf who in his Report of Select Committee of House of Commons wrote as follows: "The village communities are little republics, having nearly everything they can want within themselves, and almost independent of any foreign relations. They seem to last where nothing else lasts. Dynasty tumbles down, revolution succeeds to revolution; Hindu, Pathan, Mogul, Mahratta, Sikh and English are all masters in turn but the village community remains the same."\*

With the change of time things have considerably changed. But the headman system still prevails in many parts of India though the duties of his office are not the same as those in the past. The Karji of Madras, the Lamberdar Makaddam of the Central Provinces, the Mukhiyas of the United Provinces, the Lamberdar or Ala Lamberdar of the Punjab, the Makaddams, Padhans, Prusethees, Sarbarakars and Chaudhuris of Orissa, and the Police Patel of Bombay are still the headmen of their villages. The accountant's office even now continues in some places; he is the village Karan of Madras. But the watchman has survived the change of time everywhere.

#### SECTION II.

We now turn to Orissa. The old Cuttack, Puri and Balasore districts were in the possession of Hindu kings from time immemorial down to the year 1568 when they were annexed to Bengal by the Kararani Sultans. These parts of the province saw the rise and fall of great Empires but their old village community system remained almost unchanged. In each village the headman, the accountant and the watchman were the conspicuous village officers. The headman represented the village community in his dealing with the Government. As in other parts of India, he arranged with the Government or his superior landlord, if there was any, for the quit-rent of the village and apportioned the burden among his fellow cultivators. For these two distinct offices the villagers paid a small fee in addition to the landlord's rent and the Government allowed him rent-free one acre in every twenty actually under cultivation. The accountant who maintained the village records was paid by a Government allowance of half an acre rent-free for every twenty under cultivation and by a small cash contribution per acre from the cultivators. The village watchman held the two-fold capacity of a Government official and a servant of the community. He received

Districts of Cuttack  
excluding Angul, Puri  
and Balasore.

\*History of India by Elphinstone—page 68.

five acres of rent-free land and five sheaves of corn on every five acres. With these officers the village constituted the administrative unit. The headman as a Government officer had full authority over his co-villagers and was responsible for the collection and payment of Government dues. He was at the same time the mouth-piece of the villagers and was thus the intermediary between the Government and the villagers. He decided petty disputes with the help of the elders of the village when necessary. The watchman was his executive assistant. In those days the rural watchmen formed the peasant militia and were of great assistance to superior Government officers in maintaining peace and order of the country.

Under the Muhammanadan rule (1568-1751 A.D.) however a great change was brought about in the village community system. The headman became a quasi-landholder. Superior revenue officers of Hindu times were also made quasi-proprietors or tenure-holders. During the Marhatta rule (1751-1803) some of these landlords were deprived of their rights and the village headmen were required to pay the revenue directly into the treasury and were in fact made small landholders, having quasi-proprietary rights in their respective villages. On their advent (1803) the British Government consolidated a body of proprietors recognising the proprietary rights of all landholders. The village heads and the accountants who had paid the village land tax direct to the treasury for five years were recognised as proprietors. Thus ended the original village community system and the villagers were placed on a different footing. Under the provisions of the Bengal Regulation XIII of 1805 the principal zamindars, talukdars and other landholders being proprietors of large estates were constituted Darogas of police within the limits of their respective possessions and the inferior zamindars, talukdars and other landholders being proprietors of petty estates were considered as subordinate officers of police under the immediate authority of Darogas when they were already exercising police powers. The position of the watchman was not defined in this Regulation. Apparently they continued as servants of the zamindars. In 1810 regular police force was constituted and the zamindars and other landholders were divested of their police powers. Under the provisions of Bengal Regulation XX of 1817 the village watchmen were declared subject to the orders of the police Darogas. It was for the first time that a regular register was maintained for them. Their duties were defined in that Regulation. Generally speaking detection and reporting of crimes were their main duties and they were under the complete control of the police, though in case of a vacancy the zamindar concerned had the power of nomination. The Regulation left them in possession of their old jagir lands. At the settlement of 1837 for every chaukidar about three acres of land were allowed rent-free, the excess, if any, being resumed and assessed at full rates. The prescribed amount was made up where necessary by some addition from the cultivable fallow or mahal pahi lands.

The confirmed jagir lands were treated as Minha, the area being entered along with that of other unassessed land of the estate. It is difficult to know the number of chaukidars in service at that time. But it appears from Hunter's 'Orissa' that in the year 1872 their number was 10,360 and the number of houses in the beat of each chaukidar was between 30 to 40. From the year 1841 proposals were submitted to Government for the resumption of all the jagir lands and the payment of chaukidars by fixed salaries, as police officers were all unanimous in condemning the system of remuneration of village police by jagir. The Government Resolution, dated the 28th November 1892, on the Report of the Police Commission was to this effect: "The chaukidari system in Orissa is shown by the Committee to be in urgent need of reform and three courses of action were suggested but not exhaustively examined. The Commissioner of the Division in consultation with the District Officers is now considering a suggestion to bring all the Orissa chaukidars under the Act (Act VI of 1870). If this measure be adopted the Lieutenant Governor thinks that it better be carried out under the supervision of the Settlement Officers when the jagirs held by the chaukidars have been surveyed and determined. All these lands should be commuted and the necessary number of chaukidars should be decided on and their pay fixed *vari pussu* with the progress of Settlement". After some enquiry the Government, in para. 10 of the Resolution no. 866-J. (Police), dated the 9th February 1897, passed the following orders:—

"(1) The Act will be introduced throughout Orissa as soon as possible after the completion of the present Settlement, the chaukidari jagirs being, in the meantime, resumed and settled with the chaukidari holders, who will be treated in all respects as thani raiyats of the village in which the lands lie. They will be released from all obligations to serve as chaukidars, but will be eligible for appointment as such by the Magistrate.

"(2) The lands will be incorporated with the lands of the estate within which they lie and be included in the Settlement of those estates, an allowance of 15 per cent on the rent for cost of collection being made to the zamindar in each case.

"(3) In consideration of the receipt of the rents of the resumed jagirs (less the deduction of 15 per cent) the Government will undertake to pay the salaries of the sardar chaukidars who may be appointed throughout the temporarily-settled parts of Orissa, at the rate of Rs. 6 each per mensem, the maximum number of sardars being limited to one for every ten chaukidars. This arrangement is subject to the sanction of the Government of India.

"(4) Jagirs in the permanently-settled estates will be treated under Part II of the Act.



"(5) Mr. Dutt considers that the present number of chaukidars (8,729) is excessive, and would reduce it to 6,500. The Lieutenant Governor agrees that a considerable reduction may be made without loss of efficiency, and it will be for the District Magistrate to settle to what extent reduction should be carried, with the view especially of securing that adequate pay shall be given to each chaukidar, without imposing an excessive burden on the villagers. The Lieutenant Governor is disposed to think that the rate of pay should not ordinarily exceed Rs. 4 per mensem.

"(6) In the backward tracts in which it may be decided not to introduce the Act, the chaukidars will be under the direct supervision of the police. They will be given settlement of the jagir lands, where such exist, and will, in addition, continue to receive the customary dues from the raiyats, for the realisation of which they should be given such assistance as may be necessary and practicable. Regulation XX of 1817 will continue to apply to these chaukidars, until it becomes possible to work Act VI (B. C.) of 1870.

"(7) The Magistrate should be permitted to take advantage of the presence of the Settlement Officer to prepare, as soon as may be, his schedule of villages, settle the number of chaukidars required, and work out all details. Enquiries should be made as regards men suitable and available to act as members of Panchayats, and early report should be submitted whether there are, in fact, any tracts in which it is absolutely impossible to work the Act, or to find even a single man to act as the Panchayat, the provisions of section 62 of the Act being borne in mind."\*

The order of the local Government were subsequently approved by the Government of India and during the Maddox Settlement of 1890-1900 A.D. almost all the chaukidari jagir lands in temporarily-settled areas were resumed and settled with chaukidars in possession as their thani lands. Jagir lands in permanently-settled estates were ordered to be dealt with under Part II of the Act. The resumed lands were incorporated with the lands of the estates within which they lay and were included in the settlement of those estates an allowance of fifteen per cent on the rent for the cost of collection being made to the zamindars in each case. The number and area of the resumed jagirs were as follows :—

Name of district.	Number of chaukidars.	Number of parcels of jagirs.	Area (acres).	Rent settled.
				Rs.
Cuttack ...	5,118	7,300	10,200	25,400*
Puri ...	1,451	2,800	2,800	5,200
Balasore ...	2,060	2,500	7,200	12,400
	8,629	12,600	20,200	43,000

\* Maddox' Settlement Report—paragraphs 335 and 470.

\* Maddox' Settlement Report—page 230, paragraph 333.

Now, under Government notification no. 514-J.D., dated the 25th May 1899, the Village Chaukidari Act No. VI of 1870, as amended by the amending Acts of 1886 and 1892, was introduced into the districts of Cuttack, Puri and Balasore in 1899. Gradually the District Officers took steps for the formation of Panchayati unions and appointment of daffadars. In many cases only one daffadar was appointed for two unions. At that time the pay of the chaukidars varied between Rs. 3 and Rs. 4 per head where they had no jagir lands and the pay of the daffadars was Rs. 6 per head per month. In temporarily settled estates the daffadars were paid by Government out of the sum of Rs. 42,081 which represents the assets from the resumed chaukidari jagir lands and in permanently-settled estates their pay was met out of the Chaukidari Fund raised by assessment. The chaukidars were as a rule paid out of the Chaukidari Fund. As a result of the recommendations of the Indian Police Commission of 1902-03 Mr. H. Savage, C.S.I., was in 1904 placed on special duty in connection with the improvement and development of village government and village police in the old province of Bengal and his President-Panchayat system was introduced into the three districts of Orissa by September 1905. Mr. (later Sir) Henry Wheeler was placed on special duty in October 1905 in succession to Mr. Savage and after enquiry compiled the Chaukidari Manual of 1907 for general application throughout the province. Now the chaukidars were paid at the rate of Rs. 4 and the daffadars at the rate of Rs. 6 per month. The unions as remodelled under the supervision of Mr. (later Sir) Henry Wheeler had one daffadar each. The dignity of the presidents was enhanced by investing them with powers under sections 64, 127 and 128 of the Criminal Procedure Code. They were entirely free from police control and were placed under the control of the District Magistrate. They were authorised to inspect schools and pounds within their respective jurisdictions, hold enquiries into unnatural death cases and supervise service of processes by the daffadars. In most cases they were relieved of the task of collecting the chaukidari tax which was entrusted to collecting members selected by the Panchayats. This state of things has continued uptill now with slight modifications, the most important of which is that the pay of the chaukidars has been raised from Rs. 4 to Rs. 5 per month.

In the district of Cuttack about 1,933 acres of chaukidari jagir lands have been restored to the proprietors\* free of rent in the permanently-settled estates. Only some lands have been resumed and treated under Part II of the Village Chaukidari Act, 1870. The half assessment due on account of them to the Chaukidari Fund is about Rs. 143.

There are 341.05 acres of old chaukidari chakran lands in the permanently-settled estates of Balasore. They are in the possession

\* This course has been necessary, apparently because the claims of Government in 1903 to resume the chaukidari lands in Sukinda were ultimately rejected by the Privy Council. (21 C. L. J., p. 31).

of the ex-chaukidars. The question of their resumption was dropped by the late Board of Revenue, Bihar and Orissa, in their letter No. 17-223-2, dated the 13th November 1926. The lands have been recorded in the name of the Crown in the Settlement records with the obvious intention of leaving open the right of Government to assess these lands. There are also 1,348.51 acres of *paik* jagirs which still remain unresumed. Only 23.89 acres of land have been resumed and treated under Part II of the Village Chaukidari Act, 1870. The half assessment payable to the Chaukidari Fund on account of them is Rs. 80-11-9.

In Puri there are 46.16 acres of chaukidari jagir lands in the permanently-settled estates, which have been dealt with under Part II of the Village Chaukidari Act and the half assessment due on account of them amounting to Rs. 73-4-8 is paid to the Chaukidari Fund. Besides these there are 45.315 acres of unresumed jagir lands in the Khurda subdivision. Of these 21.12 acres are in the possession of three chaukidars of the Banpur Mal which it has not been considered proper to resume. The remaining 24.195 acres belong to Lakhraj Mahal of Bhubaneswar, Nimikidadul Mahal and Haldia Khandayat and no attempt was made for their resumption when the Village Chaukidari Act was introduced in the subdivision. The District Officer of Puri is of opinion that it is doubtful whether they can be resumed now after such a lapse of time specially when they are in different types of non-khasmahal areas which were transferred at different times on different considerations.

In 1912 there were territorial changes and Bihar and Orissa, separated from Bengal proper, were formed into a new province. In the meantime a section of the people felt convinced that the chaukidari tax was a heavy burden on the assessee and in July 1921 a Resolution was moved in the Bihar and Orissa Legislative Council for its abolition, but it was lost. At about the same time there was another Resolution before the same Council about the proposed increment in the salary of the chaukidars from Rs. 4 to Rs 5 per month. But it did not reach the final stage as Government promised to look into the matter. Again, in 1926 there was a Resolution in the same Council for abolition of the chaukidari tax and appointment of additional daffadars. The motion was adopted but Government did not put it into action.

Due to territorial changes of old Orissa the districts of Ganjam and Koraput and certain parts of the Central Provinces, specially the Nawapara subdivision of Sambalpur, constituted the new province of Orissa on the 1st April 1936 and in due course had its own Legislative Assembly. During the January session of 1938 there was a Resolution before the Assembly for the suspension of the realisation of the chaukidari tax for a year. But it was lost. Government however assured the Assembly to have a careful examination of the village police system in North Orissa and as a result of this assurance this Chaukidari Enquiry Committee has been constituted.\*

\*Statistical tables concerning the districts are given in the Appendix IV.

*Angul.*

This hilly tract was formerly one of the tributary States of Orissa. In 1803 it was ceded to the British by the Marhattas and its Raja entered into an engagement, by which he bound himself to be loyal to the Government of the East India Company and to pay an annual tribute of Rs. 1,250. But Raja Somenath Sing who succeeded to the State in 1814 committed various acts of aggression in consequence of which he was dethroned and his State confiscated. Thus the State passed under the direct rule of the British and became a Government estate. It was administered by the Superintendent of Tributary Mahals through the agency of a tahsildar, who collected revenue and administered justice until 1891 when it constituted a separate scheduled district, the Khondmals being added to it. Since then it was under the control of a Deputy Commissioner.

In this area the village police system appears to have come down from a very long time. The old Settlement Report of 1886-87-88 shows that there were at first 199 chaukidars enjoying 879 23 acres of lands rent-free for the performance of patrol duty in their respective villages, and that their number was increased to 242 and the area of jagir lands to 1,113-74 acres. Their duties were defined in Regulation I of 1894. Gradually their number and the area of jagir lands were increased and during the Settlement of 1925-28 there were 402 chaukidars enjoying 2,121-17 acres of jagir lands. It was at that settlement that the area of jagir lands was increased to 2,147-40 acres giving 5 acres or more to each chaukidar. Subsequently there were several changes in their numerical strength on the recommendations of either the Superintendent of Police, Forest Officer or Subdivisional Officer and in 1934 it came down to 310, which is the present number. The chaukidars are in possession of 1,630-25 acres of jagir lands. These lands given each chaukidar a net profit of only about Rs. 2-8-0 per month. In view of this low remuneration the Deputy Commissioner prescribed in 1932 what are known as the "Rules framed and orders passed under section 47 of the Angul Laws Regulation of 1913" (vide \*Appendix). In pursuance of the rules the chaukidars in addition to jagir lands receive a monthly cash remuneration of Rs. 2-8-0 and are given uniforms, the funds required for these purposes being raised by assessment on tenants paying Rs. 3 or more as rent at the rate of Re. 0-1-3 per rupee of rent and on traders up to a maximum of Rs. 12 per annum. The rules are still in force and effect and the Angul Laws Regulation of 1936 or the amending Regulation of 1937 have in no way affected them. But in view of the provisions of the Government of India (Adaptation of Indian Laws) Order, 1937, relating to this subdivision these rules cannot be said to have any legal sanction so far as they relate to the appointment of chaukidars. On the creation of Orissa as a separate province on 1st April 1936 Angul became a subdivision of the Cuttack district, but for the purpose of administration the District Officer of Cuttack functions as its Deputy Commissioner. As under the first section of Chapter VII of the Angul Laws Regulation of

\* Not printed.

1918, the Superintendent of Police still continues to control all matters in respect of appointment, punishment, etc., of the chaukidars under the first section of Chapter VII of the Regulation of 1936 subject to the approval of the Deputy Commissioner and no division of functions between the Superintendent of Police and the Subdivisional Officer has been made by any delegation of powers allowed by the Angul Laws (Amendment) Regulation, 1937, which is due to the fact that such delegation has been kept pending till the revision of the whole system of chaukidari administration in this area.

The duties of the chaukidars of this area have been laid down in section 50 of the Angul Laws Regulation, 1936 and need not be repeated here. For the present it will suffice to say that the chaukidars are held responsible to the police for the due discharge of their duties and are not at all under the popular control. Under section 53 the area is to be deemed to be a general police district within the meaning of the Police Act, 1861, as modified by the Bengal Police Act, 1869 and excepting so far as the Local Government otherwise directs the Commissioner shall exercise in it all powers and authorities conferred on the Inspector-General of Police.

There is practically no Panchayat system in the subdivision. Certain rules were framed in 1920 and embodied in a book entitled "Rural Police Rules—Duties of Village officials" which defined among other things the duties of the Panchayats—Police Panchayats. But most of these rules have become a dead letter long since. Thirty-nine chaukidari unions or circles were formed and Panchayats were appointed last in 1908-09 and nothing has yet been done to reconstitute the Panchayats. Even no register of Panchayats is maintained. At present the Presidents of the unions collect and credit the chaukidari tax and investigate and submit final reports in unnatural death cases.

The subdivision is still in a backward condition but in need reorganisation of its system of rural watch in a manner suitable to it.\*

#### *Sambalpur.*

The earliest authentic records available show Sambalpur to have formed one of a cluster of States held by Chauhan Rajputs, who are supposed to have come from Mainpur in the North-West Provinces. In 1797 the district was conquered and annexed by the Marhattas, but owing to British influence the Raja was restored in 1817, and held under the political control of the Bengal Government. On the death of a successor without heirs in 1849, the district was annexed as an escheat, and was administered by the Bengal Government. In 1860 it was transferred to the Orissa Division of Bengal and in 1862 it was made over to the then newly constituted Central Provinces. In 1905

\*Statistical tables showing details concerning the watahmen of this subdivision are given in the Appendix (not printed).

a greater part of the district (with the exception of Chandrapur-Padmapur estate and the Phuljhar zamindari) was retransferred to the Province of Bengal and became a district of the Orissa Division. But in 1912 the district was incorporated in the province of Bihar and Orissa, that was then separately constituted (\*). Lastly, when Orissa was created a separate province in 1936 Mahadebpalli thana including the Padmapur zamindari and the Nawapara subdivision comprising the Khariat zamindari were transferred from the Central Provinces and added to the district of Sambalpur which is an integral part of the province. The total area of the district is 5,373 sq. miles, and it has a population of 1,065,610 souls. The district has three administrative subdivisions, viz., Sambalpur subdivision, Bargarh subdivision and Nowapara subdivision and has its headquarters at Sambalpur.

In these areas the Jhankars and Gandas or kotwals have been in service as watchmen from time immemorial. They have all along been in possession of service lands for their remuneration. Besides, they are entitled to levy grain cess from each cultivator at the rate of 2 to 4 tambis of paddy from a cultivator having one plough of land and double this amount from a cultivator having more than that quantity in their respective villages, and the Ganda chaukidar is further entitled to unclaimed hides in his village under the terms of the Wajib-ul-urz (the village administration paper). Their duties and the rules regarding their service holdings are to be found in (1)† the Central Provinces Land Revenue Acts of 1881 and 1917 and (2) the Central Provinces Tenancy Acts of 1898 and 1920 respectively. They are directly subordinate to the village mukkadam and not to any police officer. Their appointments and punishments are made by the Deputy Commissioner or his subordinate Revenue Officers when specially empowered by him on this behalf. Besides keeping watch in the village they are required to report crimes and movements of bad characters and births and deaths to the police of the thana to which they are respectively attached and for this purpose they attend thana parades once a week. Unlike the Chaukidars of the coastal districts of Orissa, they have no uniforms. For the first and last time they were supplied with uniforms in 1914-15, the cost having been met partly by them and partly by the village communities. In the year 1926 proposals were advanced for supplying them with uniforms at regular intervals, but were rejected by the late Government of Bihar and Orissa on the ground that, if carried into practice, they would tend to destroy the existing character

\* District Gazetteer, 1933 and Settlement Report of 1885-89 of the Sambalpur district.

† This estate passed under British rule in 1826.

‡ The Central Provinces Land Revenue Act, 1881 and Tenancy Act, 1898, are in force in the old Sambalpur area, while the Central Provinces Land Revenue Act, 1917 and the Tenancy Act of 1920 are in force in the Nawapara subdivision and the Mahadevpalli thana of the same subdivision of the district.

of the watchmen as village \* servants. The Deputy Commissioner is also of opinion that it is neither desirable or necessary to supply the watchmen with uniforms. Now, what is remarkable in the old area of the district is that the Jhankar is invariably in possession of service lands much in excess of that held by the Ganda, although their duties as watchmen are identical.

Besides his duties as a watchman the Jhankar worships the village deities and belonging as he does to a touchable class, is more useful to the village mukkadam as well as to officers visiting the village. It appears from the Settlement Report, 1835-89, that he used to act as a referee in cases of boundary disputes. The Ganda belongs to an untouchable class, which were notorious for their stealing duties. Some opine that he was originally taken in as a subordinate watchman with a view to be better able to catch thieves or to prevent his classmen from committing thefts and similar offences. There might be truth in this opinion but as we see at present both he and the Jhankar perform the same duties as watchmen. The only additional work the Jhankar does is the worship of the village deities. In these circumstances some opine that it is not justifiable that while the Jhankar should hold service-lands up to 100 acres, the Gandas service holding should seldom exceed 10 acres in area. To make up the deficiency a small drawback from Rs. 5 to Rs. 10 per annum is allowed to the Ganda out of the Government revenue in Khalsa Gaontiahi-villages and at the cost of zamindar or malguzars in zamindari and malguzari villages. But this relief is not adequate. Attempts were made by the local officers to bring about a readjustment of the service holdings of the Jhankars and Gandas but to no effect. † In a case from village Malda the Civil Court upset the Deputy Commissioner's order taking away some service lands from the Jhankars and granting them to the Gandas. And in the present state of the law on the subject as contained in Chapter V of the Central Provinces Tenancy Act, 1898, it is difficult to suggest any remedy.

The net annual profits accruing to the Jhankar and the Ganda from all sources come to Rs. 117 and Rs. 58 respectively. In view of this disparity in the remuneration of these two classes of watchmen a suggestion was made in the Gazettier of the district and Khan Bahadur Hamid's Settlement Report, 1926, that recourse should be had to legislation and powers should be obtained which will enable the Deputy Commissioner or the Settlement Officer in certain circumstances to reduce the size of the service holding and declare the holder thereof to be an occupancy tenant liable to pay rent for the excised areas. Now the Deputy Commissioner and other responsible officers suggest that the service holdings may be redistributed on an equitable basis. If either of these courses could be possible it would surely enable the

\* Vide letter no. 8000-P. R., dated the 4th October 1926, from the officiating Chief Secretary to the Government of Bihar and Orissa, to the Revenue Commissioner, Orissa Division.

† District Gazetteer of Sambalpur, 2nd edition, 1922, pages 222-23.

Gandas' cash remuneration increased in many cases out of the rent imposed on the excised Jhankari service land, or would increase the area of their holdings in consequence of the readjustment. There are a few Jhankars whose service holdings are inadequate for their maintenance and who are allowed small drawbacks by way of compensation. They too would be benefited if the remedial measures suggested were carried into effect. But the Jhankars have all along been in possession of their service lands and in addition to the duty of watch and ward they have also got to perform the duty of worshipping the village deities. This we shall have to remember in making our recommendation on this subject.

There are four sanitation committees in this district, viz. at Bargarh, Padmapur, Barpali and Khariar. The first three committees have been constituted under the Central Provinces Village Sanitation Act (Act XI of 1902) and the fourth one under the Central Provinces Village Sanitation and Public Management Act (II of 1920). Two chaukidars work under the Sanitation Committee of Bargarh and one each under Padmapur and Barpali. There is no chaukidar working under the Khariar Sanitation Committee, nor are there any Jhankars working under any of the above Sanitation Committees. All of the chaukidars employed by the committees work on a monthly pay of Rs 5 each and no service lands have been given to any of them. These Sanitation Committees impose taxes on the residents according to their circumstances, and with the funds available keep the areas within their respective jurisdictions in good sanitary conditions. The Deputy Commissioner is of opinion that all of them are working smoothly. He is not in favour of introducing into the district the Village Chaukidari Act (VI of 1870). He realises that the Central Provinces Village Sanitation Act of 1902 is out of date and calls for amendment, but he is not in favour of any change at present, as Government have proposed to introduce a Sambalpur Local Self-Government Regulation, repealing the Central Provinces Local Self-Government and Village Sanitation Act.

The Panchayat system obtaining in this district is not an artificial institution of recent years but a development of an institution that has apparently been in existence for many generations. It was first defined in the Wajib-Ul-Arz of Mr. Dewar's Settlement Report of 1906 (vide Appendices IX, X, XI, XII at pages XV, XVIII, XX and XXIII respectively) and the executive orders thereon, dated the 26th January 1911 (Revenue Department, Land Revenue Branch), conveyed in letter no. 390, from the Under Secretary to Government of Bengal, to the Commissioner of the Orissa Division. According to this system the Panchayat consists of five members, the vilage mukkadam and four tenants elected by the tenants of the village. The tenant members assist the mukkadam in the management of the village and in realisation of the land revenue. At times the Panchayats decide social disputes as arbitrators. Sometimes illiterate men are elected as members



of the Panchayats. So the Deputy Commissioner suggests that membership should be confined to literate men, the election system continuing as at present. His suggestion deserves consideration.

There is no direct relation between the Panchayats and the police though the former are asked to co-operate with the latter in the investigation of cases.

In the areas transferred from the Central Provinces the Central Provinces Village Panchayat Act (Act V of 1920) was in force. Four panchayats constituted under this Act are in existence in the Mahadevpalli police station, but their abolition has been recommended to the Government.\*

#### *The Ganjam District.*

This district formed part of the Madras Presidency till 1st April 1936 when it was included in the new province of Orissa owing to redistribution of territories based on the recommendations of the O'Donnell Committee. Here, as in other parts of Madras, in every village there are three important village officers, viz. the Karji, the Karan and the talayari. They are the headman, the accountant and the watchman respectively of the village. Their offices appear to have had their origin in the remote past. Formerly, the talayari was the village-police or watchman who worked under an ancient hereditary system known as 'cauvali' system. Under this system certain predatory tribes undertook to protect the property of the villagers and even to make good losses incurred by them. For this duty the 'cavalgars' (i. e., the watchmen) levied from the villagers grain subscriptions, taxes on houses and professions and a transit duty on articles transported by the road. † "The essence of the system was that the inhabitants of a village entered into a formal contract with the head of a neighbouring tribe of Marauders by which in return for a specified payment, he agreed to protect them against invasion and robbery, and in case of theft, to compensate them for the loss". In some cases former Governments granted inam lands to some talayaris for their services and the 'cauvali' system ultimately proved useful. On their advent the British Government did not interfere with the old system of village administration. They gradually passed Laws and *Regulations recognising and regulating the services* of the village officers. The post of the talayari seems to have been recognised for the first time in 1816. Under the provisions of Act XI of the year the old system of remunerating the talayaris *in some form or other* continued for nearly half a century after the passing of this Act. But in the meantime it came to the notice of the Government that the method which the talayaris as well as other village servants adopted for the collection of their dues was

\* Statistical tables showing details concerning the watchmen of this district are given in the Appendix IV.

† Village Government in British India by John Matshai, p. 187.

rather oppressive. So, in order to regulate the payments to village servants the Madras Act IV of 1864 was passed according to which the villagers were to pay at the rate of an amount not exceeding one anna on each rupee of assessment or water tax, in lieu of all allowances which they originally used to contribute in private. Even this collection was regarded inconvenient and objectionable. Hence the inam lands were resumed and ultimately fixed salaries from provincial revenues were provided. The maximum salary which a talayari gets at present is as follows :—

	Rs.	a.	p.	
Talayari of a raiyatwari village who has been in service from and prior to 30th April 1932.	7	8	0	per month.
Talayari of a raiyatwari village entertained after 30th April 1932.	7	4	0	„
Talayari of proprietary village who has been in service from and prior to 30th April 1932.	6	0	0	„
Talayari of proprietary village appointed after 30th April 1932.	5	12	0	„

The talayari is a hereditary village officer under the control of the Revenue Department. His appointment and punishments are made under Act II of 1894 and Act III of 1895. He is not required to attend any parade before the karji or the police. The several duties he is to perform are described in the ' Village Officers and Raiyats Manual ' in force in the district.

A short account of them, as supplied by the District Officer, Ganjam, is given in the Appendix. It appears that the talayari does not generally attend to the duties specified in items (ii) and (iii) given in that Appendix and is not very useful as a watchman. He is practically a peon working directly under the instructions and guidance of the village headman. The Revenue Inspector is the immediate superior of the village officers including the talayaris, but the control of these officers is primarily in the hands of the taluk officers. As has been already stated the talayaris are paid out of the provincial revenues the total amount payable for their maintenance is about Rs. 60,561.\*

#### *The Khondmals.*

The Khondmals which formed a part of the district of Angul till 1st April 1936 and are now included in the district of Ganjam has a system of rural police similar to that of Angul. It appears from the

\* This note is based on informations received from the Collector of Ganjam.

District Gazetteer for Angul (1908) that the chaukidars of this area "have no such lands, and the custom is for the villagers to pay contributions in cash or grain, the usual rate being 10 tambis (1 tamba =  $1\frac{1}{2}$  seers) for each house, which is equivalent to a salary of Rs. 18 a year".

#### *Koraput District.*

This is the most backward of all the districts of Orissa. Here there is no village police system worth the name. There are some villages in which there are Gandas, Challans or Barikis who hold rent-free lands or lands at nominal rents from their respective landlords to assist the estate officials in the collection of rents and other legitimate matters. In other villages where the system of remuneration by assignment of lands is not in vogue the villagers themselves appoint Barikis to watch their crops at night and pay them grain subscriptions at the harvest time and also daily doles. These officials, if they can at all be so called—are under the direct control of the village headmen known as Naikos and Samonthos—who are creations of their landlords and who have no place in the recognised administrative machinery. The Barikis and others are in no way responsible to the authorities for the performance of any police duties and if they fail to perform them no disciplinary action can be taken against them. In accordance with a time-honoured custom they, however, report crimes to the police and assist them in the discharge of their duties. In this district the people are extremely backward in education and even most of the headmen are not literate. It is not within our province to discuss the possibility of introducing the Village Chaukidari Act into this district. We may however note that in the opinion of the District Officer the people are too poor to pay chaukidari tax and we are delighted to learn that proposals for the introduction of a Panchyat system suited to local conditions as an experimental measure and the appointment of a regular staff of village officers are under the consideration of the authorities. It is hoped that better days await the district.\*

#### *Union Boards.*

The Village Administration Act, 1922, which was brought into being with a view to educate the people of rural areas of Bihar and Orissa in the art of self-government involve civic responsibilities has made but little progress in Orissa. The reason is not far to seek. The economic depression prevailing since 1929 and indigent circumstances of the mass have combined to impede the progress of the Act under which people are liable to pay both chaukidari tax and the union tax. At first there were 11 union boards constituted under the Act in the

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\*Letter no. B. C. 8060/88, dated the 25th November 1938, from the Collector, Koraput, with enclosures (not printed).

districts of Puri, Cuttack and Balasore. But the union boards at Delang, and Pipli in the Puri districts and Baruan-Santrapur in the Cuttack district had to be abolished owing to the apathy of the people arising apparently out of their inability to pay taxes.

		<i>Union Boards.</i>	
Balasore	...	1. Bhadrak.	The Act cannot make any further progress unless it is replaced by a better and more workable Act. There are at present eight union boards as specified on the margin. They generally look
		2. Banki.	
Cuttack	..	3. Kendrapara (Garupur).	
		4. Jagatsingpur (Union XIII).	
		5. Jagatsingpur (Union X).	
		6. Bhubaneswar.	
Puri	...	7. Satyabadi.	
		8. Khurda.	

after the village sanitation, water-supply, repair and maintenance of roads and bridges, conservancy, street lighting, management and control of primary schools and ferries. Their relation with the police and Magistrates appears to be satisfactory. All of them except the union boards at Jagatsingpur which impose only chaukidari tax, impose both chaukidari tax and union tax. It is very gratifying to note that the Banki Union Board has introduced compulsory primary education in the union. It appears from Resolution no. 3066-L.S.-G., dated the 1st June 1938, of the Government of Orissa on the working of the union boards in North Orissa during the year 1936-37 that all the union boards except those at Jagatsingpur are running on fairly satisfactory lines, receiving grants either from Government or from District Boards concerned or from both. The union boards at Jagatsingpur do not function properly which is partly due to stoppage of annual contribution by the District Board of Cuttack. The question of their amalgamation or abolition is under the consideration of the District Magistrate. Part V of the Bihar and Orissa Village Administration Act, 1922 dealing with powers, duties and procedure of Panchayats is not in force in any of these eight union boards.

#### *Union Committee.*

In North Orissa there is only one Union Committee established under the provisions of the Local Self-Government Act (Act III of 1885) as amended by Bihar and Orissa Act V of 1935. It is the Soro Union Committee in the district of Balasore. It was established in 1919. It has an area of half a square mile and consist of two entire villages and two part villages. The population of the area is about 4,000 souls. There are seven elected members on the Committee. The Committee exercises powers under sections 111, 115, 116, 117 and 118A of the Bihar and Orissa Local Self-Government Act and looks after the sanitation and conservancy of the area within its jurisdiction and manages one cattle pound. In 1937-38 the total assesment of tax amounted to about Rs. 1,075 of which Rs. 48-2-0 was remitted and Rs. 731-2-0 collected, leaving a balance of Rs. 295-8-0. This shows that the Committee does not take proper steps for the recovery of the arrears. The District Officer is not well impressed with its work Unless the Committee takes an active interest in the work entrusted to

it, it will be difficult to expect much in the way of improvement. At the same time we may suggest that the situation should be closely examined by the District Officer and if he finds that the people are really unable to pay the tax, he should submit necessary proposals to the authorities concerning the future of the Committee.\*

### CHAPTER III.

#### REVIEW OF EVIDENCE AND RECOMMENDATIONS.

The object for which we have been appointed has been given at the beginning of Chapter I and needs no repetition here. Three different systems of remunerating the village police obtain in North Orissa. There are both daffadars and chaukidars in the districts of Cuttack excluding Angul, Puri and Balasore. They are all paid in cash according to the provisions of the Village Chaukidari Act of 1870. The daffadars in the permanently-settled areas only and all the chaukidars are paid from the chaukidari fund raised by assessment of the chaukidari tax by the Panchayats, while the daffadars in the temporarily-settled estates are paid by Government. In Angul where there are special Rules and Regulations, chaukidars are paid partly in cash raised by assessment on and partly by assignment of jagir lands, while in Sambalpur where the the people, Central Provinces Land Revenue and Tenancy Acts are in force, the watchmen—the Jhankars and the Ganda chaukidars—hold jagir lands for their service. We shall have to consider the merits and demerits of these systems and other matters connected with the rural watch, keeping in view the Terms of Reference and to make such recommendations as on the evidence before us may seem proper.

#### SECTION I.

We shall now deal with these two questions :—

- (a) whether any change is necessary in the existing principle or in the method of assessment of chaukidari tax; and
- (b) whether the incidents of the chaukidari tax can be made more equitable and what measures should be taken to avoid inequalities in the incidence.

In this province where the majority of the people have hardly income to make two ends meet the chaukidari tax has naturally been felt as a burden. The grievances of the people found expression in the debates of the old Bihar and Orissa Council, as well as, in the new-born Orissa Legislative Assembly, (vide proceedings of the 21st July 1921 and 17th February 1926 in the Bihar and Orissa Council and those of the 29th January 1933, in the Orissa Legislative

Levy of chaukidari  
cess on rent, revenue and  
professional income.

Statistical tables concerning the Union Boards of Cuttack, Puri and Balasore, are given in the Appendix IV.

Assembly). From the evidence before us we find that the bulk of the people in the country-side are eager either to see the tax abolished altogether or the old jagir system revived. But the intelligentsia among the public and the District Officers do not attack the principle of taxation, they only suggest a change in the method of assessment. It is almost universally felt that the assessment is not made on a fair and equitable basis. For fixing the minimum tax of six annas different standards are adopted in different unions and partiality is sometimes shown towards the rich and the members of the Panch or their near relations in the matters of assessment. In the district report on the questionnaire received from Cuttack it has been observed that a change (in the method) may be said to be desirable only on account of want of proper standard of morality in the Panchayats. In January 1938 in course of the debate on the Resolution for the suspension of the realisation of the chaukidari tax for a year Babu Godavaris Misra, M.L.A., made the following comments :—

“I know cases of day-labourers earning wages of two to three annas a day having to pay chaukidari tax to the extent of 6 to 9 annas a year, whereas people owning land to the extent of 20 to 30 acres have been exempted because they happen to be the relatives or friends of Presidents of the chaukidari unions. During the last election I noticed that in certain constituencies, even the Presidents of the chaukidari unions were not qualified to be voters. Upon enquiry it was found that they had not to pay chaukidari tax of an amount which would qualify them to be recorded as electors. Some of them, I know, were quite well-to-do people, being cultivators and sarbarakars into the bargain. The deficit that was made on their account was distributed on the shoulders of the poorer people. I put a question in the Legislative Assembly last session and Government answered that in certain cases this inequity was perpetrated”.

We need not go further on the point. It is a well established fact that the assessment, as it is made at present, is far from equitable. Most of those who suggest a change in the method are in favour of levy of the tax on the basis of rent and revenue. Of course, some of them realise that this method of assessment will leave a class of people owning no lands including traders, money-lenders and others unassessed, while they ought to pay the tax for the safety of their persons and property. There are then two alternatives open to us to make the assessment of the tax more equitable, namely, (1) to suggest measures for making the tax leviable on the rent and revenue basis providing at the same time for the assessment on money-lenders and others on an equitable basis and (2) to suggest means of improving the present system of assessment. We shall now deal with the first alternative. At the outset it is to be noted that unfortunately it has not been possible for us to obtain information about raiyati rentals in the permanently-settled areas. Accordingly, we are compelled to deal with the temporarily-settled areas on the basis of figures collected or arrived at by calculation.

*Temporarily-settled areas in the district of Cuttack, Puri and Balasore. \**

	Rs.
Number of chaukidars—5,226, pay at Rs. 60 per annum.	313,560
Cost of uniform at the prescribed rate of Rs. 3-9-6 per 1 year 7 months and 7 days or Rs. 2-4-0 per annum. Rs. 2-4-0 per annum × 5,226 = Rs. 11,758-8-0 or Rs. 11,759-0-0	11,759
Total ...	325,319
Add 15 per cent on account of commission, etc.	48,798
Total ...	3,74,117
Assets of tenancies including estimated assets from valuation of holdings, non-agriculturist pattadars—lands in possession of proprietors and lands valued for revenue in the temporarily-settled areas of the three districts.	51,35,268
Land revenue settled ...	27,53,000
Total ...	78,88,268
A cess of 9 pies per rupee. This will yield—	3,69,763

This shows a deficit of Rs. 4,354, but this deficit is only a deficit on paper and is not likely to occur as 15 per cent has been added to the pay of the chaukidars and cost of their uniform. And the cost of uniform calculated is in excess of that calculated in letter no. 9489, dated the 23rd December 1938, from the District Officer, Balasore. The deficit will also come down when traders and others are assessed with the tax. To work out the scheme it will be necessary to value lands for which no rent has been fixed.

\* Vide Appendix XI of P. LVII of Mr. Dalsiel's Settlement Report of Orissa, 1922-33 A.D.

The District Officer of Balasore has been pleased to work out a similar scheme for his whole district in his letter no. 14889, dated the 23rd December 1938. We quote the relevant portion of the letter for further elucidation of the question we are dealing with.

1,562 chaukidars at Rs. 5 per month ... Rs. 93,720  
 $=1,562 \times 5 \times 12.$

The present assessment made by the panchayats throughout the district for the purpose of payment to the chaukidars and the daffadars (of the permanently-settled estates) stands at present at Rs. 1,09,561 of which 15 per cent of commission which amounts to Rs. 16,434 is included therein. The total amount required on account of the pay of the chaukidars of this district is Rs. 93,720 and the total cost of their uniform is Rs. 2-15-0 each. As some of the uniforms are given in alternate years, some in 4 years and some after 10 years, it is better to estimate the cost of uniforms at Rs. 1-3-6 per year on an average for each. The cost of uniform will therefore come to Rs. 2,000 as shown below :—

$1,562 \times \text{Rs. } 1-3-6 = \text{Rs. } 1,904$  or roughly Rs. 2,000 per year.

The cost of supplying uniform to the daffadars in the temporarily-settled estates is borne by Government, the cost on this account in respect of permanently-settled estate should also be borne by Government. Thus the total amount required on account of the pay and uniform of the chaukidars comes to Rs. 95,720 or roughly a lakh of rupees. If the Government approve the proposal of levying a cess at 3 pice per rupee on raiyats' rent, the income on the assessment will be as follows :—

	Rs.	
(a) Rent of temporarily-settled estates. ...	15,45,488	*... Vide Appendix XII(A) of Mr. Dalziel's Settlement Report.
(b) Rent of Government estates. ...	50,994	... Vide Appendix XIII(B) of Mr. Dalziel's Settlement Report.
(c) Rent of revenue-free estates. ...	90,804	... Vide Appendix IX of Mr. Dalziel's Settlement Report.
(d) Rent of permanently-settled estates. ..	1,85,091	... Vide Appendix VIII of Mr. Dalziel's Settlement Report.
Total ...	18,21,057	
At 3 pice on rupee—This will yield ...	85,362	



If the landlords of the temporarily-settled estates are made to pay at 2 pice in the rupee on their revenue amounting to Rs. 8,32,740 it will bring Rs. 26,203, and if the landlords of the permanently-settled estates are made to pay at one anna in the rupee on their revenue amounting to Rs. 34,782 it will bring Rs. 2,173. Thus by this sort of legislation, an income of Rs. 1,13,558 might be obtained. It might be that there may be some bad collections and remissions too and the landlords too will have to be given some commission for making the collection. The landlords should not grumble to pay the amount as when the Bengal Government Resolution quoted above (No. 866-J., dated the 9th February 1897) was passed, the zamindar was saddled with the payment of zamindari dak-cess but this was abolished in 1905.

The calculations made by us are somewhat different from those of the District Officer of Balasore. But it is certain that cess levied in either way will meet our requirements. This scheme of provincialisation will leave no scope for inequity or unfairness in the assessment. The tax may be regarded as chaukidari cess and may be collected either along with the local cess or separately. But the real difficulty, lies in finding out the agency that should be entrusted with collection and distribution of the cess.

One of the District Officers is of the opinion that it will be difficult, nay impossible, to provincialise the tax on the following grounds :—

- (a) The zamindars will not come forward to shoulder the extra responsibility of collecting the chaukidari cess ;
- (b) the levy of the chaukidari tax on the rent basis will have the effect of excluding assessment on shop-keepers, traders, money-lenders and others who are practically landless ;
- (c) for arrears of the proposed chaukidari cess, the zamindari estates or properties should not be made responsible ;
- (d) failing the zamindars, no suitable agency would be available for direct collection of the additional cess on rent or revenue as chaukidari cess.

But the District Officer of Balasore, who appears to have given best considerations to the matter, is of opinion that the scheme of provincialisation is workable. His views, as expressed in his letter no. 1745, dated the 20th February 1939, are these :—

The zamindars will not hesitate to come forward to shoulder the extra responsibility of collecting the chaukidari cess, if they get 10 per cent of the estimated collections under this head as an extra allowance and are invested with the powers of speedier collection of the cess akin to that of certificate powers or with the same powers as are given to the Panch under sections 26 to 33 of the Chaukidari Act, 1870, for distraint and sale of movables of the defaulters for

recovery of arrear chaukidari cess. It may be apprehended that the zamindars may misuse their powers but the growing consciousness of the people which is manifest may be a check on such probable misuse.

The recovery of the proposed chaukidari cess should not surely be under the Land Revenue Sales Act of 1859, but arrears of the cess due by the zamindars may be realised under the Public Demands Recovery Act. The chaukidari cess imposed on traders, money-lenders and others may be realised along with professional tax which the District Boards will sooner or later impose. If the zamindars will be unwilling to shoulder the burden, direct collection by Government will have to be arranged and the arrears of such cess will have to be realised by certificate procedure, or if a private agent will be utilised the summary procedure under the Chaukidari Act will apply. In such a case the cost of collection will vary between 6 per cent and 15 per cent of the estimated collections.

Lastly, if the zamindari agency or a direct agency be not available, the Panchayat machinery is there to be utilised for the collection of the cess.

After expressing the above views the District Officer however adds that as changes in the Land Revenue system are foreshadowed in the province the existing system of collections of the tax by the Panch should continue for the present.

We have duly weighed and considered the views of these officers. If the zamindars, holders of revenue-free estates and Khasmahal Tahsildars shoulder the responsibility and are given powers for speedy collection of this additional cess most of the difficulties will be obviated. They will, of course, be allowed 10 per cent of the estimated collection as collection charges. If Government agree to undertake the work, the three districts will have to be split up into several circles, agents on commission will have to be engaged—one for each circle—for collecting the cess and arrears will have to be realised as public demands under the Public Demands Recovery Act. In both the cases however assessment will have to be made on money-lenders, traders, rent-free holders and others by the local Panchayats and scrutinised and revised, if necessary, by some Government officers, specially Circle Officers whose appointment we shall presently propose. These officers will have to hear objections after due notice to the assesses and make the assessment final, their decision being subject to revision by the District Magistrate. These assesses will be liable to pay the cess in the same way as those on whose rent or revenue cess will be assessed. If the landlords agree to realise and distribute the cess according to requirements through their

local tahasildars they will have to be invested with powers under sections 26 to 33 of the Village (Chaukidari Act (VI of 1870) for collection of arrears from the residents of unions concerned and with certificate powers for dealing non-resident defaulters, for in every union there are large areas of lands held by outsiders. We believe that the landlords will use their powers with discretion. In case of proved unnecessary and illegal harassment, however, different arrangements will have to be made. Before the work is entrusted to them they will have to be warned that in case of default, Government will realise the arrears from them as public demands under the Public Demands Recovery Act. If Government undertake the work there will surely be an initial expenditure for the supply to their agents lists of landholders showing their addresses and the rents or revenue payable by them. But the inauguration of every new scheme is bound to involve expenditure, and if Government are convinced that the assessment, as now made, is in many cases arbitrary and inequitable, it is hoped, that for the benefit of the tax-payers they will not grudge the expenditure. If either the landlord or the Government agree to undertake the work, the list prepared by the Panch and finally passed will be at their disposal for necessary action. If neither of them agree, the Panchayats will have to do the work. If the collecting member be paid an extra allowance of Rs. 10 per month for 3 months, he will, we think, be able to make out lists of persons liable in his union to pay the cess on rent or revenue from the office of the landlords who may be instructed to help them or from the Collectorate Record Room. The additional cost may be a charge on the tax payers. The list of money-lenders and others will be in possession of the panchayats. As for changes in the ownership of occupancy holdings the Presidents will be in a position to know them, for under the provisions of the Orissa Tenancy Act as amended up to date, all notices of transfers are served through them. They will have to maintain a register in which will be noted these as well as other changes in the ownership of land that will come to their notice or that they will ascertain after enquiry from the assesseees. They will have to be vested with certificate powers to deal with non-resident landholders. Thus it will be possible for the panchayats to bring their records up to date and proceed with the realisation of the cess, as now, without subjecting themselves to attack by the Public on the score of partiality. But everything depends on the decision of the Government.

If this proposal of assessing the chaukidari cess meet with their approval, one of the above three ways may be considered and if necessary, the Public Demands Recovery Act and section 14 of the Village Chaukidari Act, 1870, may be amended and powers conferred on those that may be responsible for the due discharge of their duties in this connection. If, however, it is considered unwise to entrust the zamindars or the Panchayats with powers for recovery of arrears of chaukidari tax from non-resident land-owners under the provisions of the Public Demands Recovery Act, provisions may be made in the

Village Chaukidari Act, 1870, on the lines of section 36 of the Village Administration Act, 1922, which runs as follows:—

“If the Union Board is unable to recover under section 35 the amount due for the arrear of the tax and the penalty, the District Magistrate may, on the application of the Union Board, issue his warrant to any officer of his court for the distress and sale of any moveable property or effects belonging to the defaulter within any other part of his jurisdiction or for the distress and sale of any moveable property belonging to the defaulter with the jurisdiction of any other Magistrate exercising jurisdiction within Bihar and Orissa; and such other Magistrate shall endorse the warrant so issued and cause it to be executed, and the amount, if levied, to be remitted to the Magistrate issuing the warrant who shall remit the same to the Union Board.

*Other modification at its meeting.*

The other alternative is to adopt such measures as may ensure as far as possible fair and equitable assessment of the chaukidari tax. It has already been stated that the way in which assessment is made at present leaves room for improvement. It has created discontent among almost all the tax-payers. The existing rules in the Chaukidari Manual are not sufficient to guard against the vagaries of many a Panchayat. There is practically no check on the Panchayats who in many cases assess people according to their sweet will without the least fear of criticism of their work by the authorities. The people have been practically denied their fundamental right of appeal. Section 20 of the Village Chaukidari Act lays down:—

“No appeal, as of right, shall lie from any order passed by a Panchayat as regards the revision of any assessment; but the District Magistrate may call for the general list of assessment in any village, and shall so call for such list on the application of ten rate-payers in such village, and may pass such orders on any list so called for as he may think proper”. The section, as it stands, does not leave the individual assesses free to approach the authorities for redress even when they are convinced that they have been unjustly taxed. It is not always easy for the aggrieved persons to join together and approach the authorities for relief. On enquiry we find that during the last five years no application under that section was submitted to the District Magistrate, Balasore, and the District Magistrate, Puri, and the Sub-divisional Officer, Cuttack, exercised their powers under this section on two and three occasions respectively. This is sufficient proof that in the matter of assessment there is no control over the Panchayats. The

District Officers oppose giving every individual assessee the right of appeal on one or more of these grounds:—

- (a) the powers which the Panchayat enjoys as regards taxation extends up to a limited amount and on the whole they have been doing the work of making the assessment adequately and fairly;
- (b) the individual right of appeal will probably result in a flood of appeals to the District Magistrate or to the Subdivisional Officer whose disposal will only delay the finality of the assessment and the collection of taxes and subsequent payment of the chaukidars. But in almost all cases there will be no benefit to the assesseees who will perhaps spend as much, if not more than their assessment on filing the appeals, and the burden of work thrown upon the district authorities will be unmanageable.

The ground that the assessment is made adequately and fairly does not seem to hold good in many cases. We however realise that individual right of appeal may enormously increase the volume of work of the district authorities unless some other means of dealing with them be devised. Under section 118-D of the Bihar and Orissa Local Self-Government Act, 1885 "any person who is aggrieved by any order of a Union Committee

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making an assessment in respect of any property of any person may within three months from the date of such order appeal to a sub-committee of members of the District Board to be constituted under clause 'e' of section 32 of this Act; and the decision of such sub-committee shall, subject to the exercise of the power of Revision at the discretion of the Commissioner, be final.

Again 'Rules framed and orders passed under section 47 of the Angul Law Regulation, 1913,' provide that the Subdivisional Officer shall be bound to hear and decide any objection to the assessment list made within 30 days after publication of the list. As regards appeals, it has been laid down that an appeal to the Deputy Commissioner shall lie from any orders passed by the Subdivisional Officer as regards assessment and the Deputy Commissioner may call for the general list of assessment in any village and shall call for such list on application of twenty tax-payers in such village and may pass any orders he may consider necessary.

Thus it is seen that there is a clear provision for appeal against the order of the Union Committee making assessment on individuals living within its jurisdiction, and in Angul a responsible officer like the Subdivisional Officer is required to hear and dispose of objections regarding assessment and his orders are appealable. It is essentially necessary that the assessments made by the Panchayats should be subjected to scrutiny and revised, when necessary, by a responsible

Government officer. If provisions be made for such scrutiny and revision of the assessment lists, we feel confident that the panchayats will be more careful in making assessment and objections will be few and far between. It is accordingly proposed that Circle Officers in Government service, duly qualified to command respect of the panchayats, may be appointed for each subdivision to scrutinise the assessment list in the light of the rules of assessment as laid down in the Chaukidari Manual, to hear and dispose of objections to assessment which will be of the nature of appeals and to suggest to the authorities such improvements in the system as to them may seem necessary, and all orders passed by the Circle Officer will be subject to revision by the District Magistrate who may call for the general list of assessment in any village, and shall so call for such lists on the application of ten rate-payers in such village, and may pass such orders on any list so called for as he may think proper. We stress the appointment of Circle Officers, because if our proposals be accepted by Government, these officers will have to play very important parts as assistants to the District Officer in the uplift of rural areas in future. If on financial grounds such officers cannot be appointed, the District Magistrate should revise the assessment list either of his own motion or on the application of any rate-payer, and section 20 of the Act should be altered accordingly, as was recommended by the Beames' Committee in 1891.\*

In the course of our enquiry it has come to our notice that in assessing the minimum tax of 6 annas on any assessee, the annual income is taken to be Rs. 18 or Rs. 25 in some of unions and Rs. 50, Rs. 60 or Rs. 50 to Rs. 100 in others. This clearly shows that no uniform standard is adopted for assessing the minimum tax. The different standards adopted in different unions indicate that though there may be equal number of Chaukidars in some unions the assessable incomes thereof are not the same. We realise that the income of a man may be differently estimated by different panchayats but the difference cannot be very great. The variations in the standard which we notice points to the fact that assessments on men of similar circumstances vary widely in different unions. This is far from equitable. A District Officer has suggested that on the principle of 'some remedy is better than no remedy' a net annual income of Rs. 20 may be laid down with impunity as the income which should be assessable with the minimum tax. But if this standard is followed in some unions the total amount assessed may be much in excess of their requirements, and under the existing rules the surplus of these unions cannot be transferred to any other unions. We confess it is difficult to fix a particular standard for assessing the minimum tax. However it will not be unfair if a person with an income of Rs. 30 per annum be assessed with the minimum tax of 4 annas to which we propose to reduce it. This however is not a remedy for variations in the

Reduction of minimum tax from 6 annas to 4 annas on an annual income of Rs. 30.

\* Vide P. III of A. Contribution towards a History of the Police in Bengal, W. B. Gourlary, I.C.S.

standard noticed above. It is therefore suggested that special investigation should be made for equalising the standards prevailing in the three coastal districts as far as possible and removing this inherent inequity by effecting a reduction in the number of chaukidars, if possible, in poorer unions or by readjustment of union boundaries.

Under section 15 of the Village Chaukidari Act the amount to be assessed on any one person shall not be more than one rupee per month. In other words, the maximum amount of tax should not exceed Rs. 12 per annum. Enquiry shows that this maximum was reached in 100 cases in 1937 and 95 cases in 1938 in the district of Puri and 87 cases in each of those two years in the district of Balasore. Figures for Cuttack are not available. It is therefore clear that in this poor province there are a few persons who can pay Rs. 12 or more. In the opinion of some non-official gentlemen the limit may be raised to Rs. 30, but one of the District Officers suggests that Rs. 18 would be a suitable maximum. Our impression is that by raising the limit some perceptible relief can be given to the tax-payers, and any relief, however small, would be welcome to them. It is in this view that we propose that the limit may be raised to Rs. 30 subject to the provision that in no case the amount of tax to be assessed shall exceed Rs. 18 except for reasons to be recorded by the panchayat concerned at a formal meeting. In view of this proposal we also lay stress on the necessity for appointing Circle Officers and keeping open the door of appeal to every rate-payer.

Increase of maximum tax from Rs. 12 to Rs. 30.

#### Angul.

In Chapter II we have given a brief account of the chaukidar system now obtaining in Angul. There are now 39 informal unions with 310 chaukidars working in them. These chaukidars have got about five acres of jagir lands each yielding an average monthly net profit of Rs. 2-8-0, and are paid Rs. 2-8-0 per month each as cash remuneration. In accordance with the rules framed and orders passed under section 47 of the Angul Laws Regulation, 1918, assessment is made to meet the pay of the chaukidars, the cost of their uniforms as well as the rent of the jagir lands etc., the principle of assessment being that each tenant paying as rent Rs. 8 or more is to pay tax at the rate of Re. 0-1-3 per rupee of rent and traders are to be assessed up to a maximum of Rs. 12 per annum on the basis of the amount of business done by them. The total amount assessed annually for this purpose comes to about Rs. 13,167 including Rs. 2,004-4-0 payable as the rent for the chaukidari jagir lands. In the rules and orders referred to above provision has been made for the hearing and disposal of objections to the assessment by the Subdivisional Officer and for appeals to the Deputy Commissioner from the orders of the Subdivisional Officer. But there is practically no panchayat system in this subdivision. The presidents are survivors of a practically dead panchayat system which was

Introduction of the Village Chaukidari Act, 1870, into Angul.

introduced in 1908-09. At present almost all the presidents are sarbarakars. Each president receives rent rolls from other sarbarakars in his union and himself prepares such rolls in respect of his own sarbarakari for the purpose of assessment. He assesses tax on traders and other professional men in consultation with other sarbarakars of his union. But under the rules no responsibility lies on the shoulders of the sarbarakars so consulted. Besides, the rules are defective from the point of view of equity and administration.

The main defects are these :—

- (1) There is no provision similar to section 45 of the Village Chaukidari Act for the realisation of the arrears of tax by the issue of distress warrants against the collecting presidents even if the arrears be due to their culpable negligence with the result that the collections are not satisfactory.
- (2) They provide only for one fund, namely the 'Angul Chaukidari Reward Fund' for the credit of the salaries of the chaukidars, the cost of their uniforms and fines and penalties imposed upon them and the defaulting assesses with the result that the amount meant for one purpose has sometimes been drawn upon for another. Against this there are different funds for different purposes in the old district of Cuttack and the districts of Puri and Balasore. In these parts the village chaukidari fund to which are credited tax realised for salaries of chaukidars, cost of their uniforms and collection charges, etc., is entirely different from the Chaukidari Reward Fund to which are credited the fines and penalties levied under sections 8, 27 and 38 of the Village Chaukidari Act. This system is decidedly more advantageous than that of Angul.
- (3) They do not provide for the maintenance of accounts on a safe and systematic basis.
- (4) They do not provide for assessment of the tax on money-lenders and others who have got sources of income other than lands.

The provisions of the Regulation of 1936 are also not without defects :—

- (1) They had been enacted before the administrative changes were brought about with effect from the 1st April 1936 and they were based upon the premises that the Deputy Commissioner and the Superintendent of Police live at Angul.



- (2) They do not provide for the appointment of the chaukidari panchayats to assist the president in assessing the chaukidari tax and for making recommendations for the appointment and punishment of chaukidars or supervision and control of their work.
- (3) They do not make the chaukidars in any way responsible to the villagers who pay for their maintenance.
- (4) They do not impose upon the chaukidars the duty of reporting births and deaths to the presidents or Police.
- (5) They do not provide for weekly or fortnightly parades before the presidents or the thana officers.

In view of these facts and circumstances it appears highly desirable to introduce the Village Chaukidari Act, 1870, into this subdivision with such modifications as may suit the local conditions. In course of our enquiry the presidents expressed the view that the old jagir system should be revived and that men would be available to serve as chaukidars if allowed to enjoy the jagir lands now in the occupation of the present chaukidars. They were strongly opposed to the cash payment system. On the other hand, the chaukidars as a body were insistent in their prayer that their jagir lands might be allowed to be enjoyed by them as their thani raiyati lands and that they might be paid cash remuneration at the rate of Rs. 5 per month each. The net income from jagir lands may be Rs. 30 or Rs. 40 per annum. This is surely inadequate for the maintenance of a chaukidar. Again, the circumstances of the people can hardly allow payment of cash remuneration at the rate proposed by the chaukidars. The popular view is that the system of part payment in cash should be abolished, the chaukidars being required to serve as before enjoying the jagir lands in their possession. Some suggest that the area of jagir lands may be increased to some extent or the system of grain subscription be revived. In this connection the Officer in charge, Cuttack, says that the payment by cash alone in all places is most desirable and that the Bengal Village Chaukidari Act should be extended to Angul. The Subdivisional Officer, Angul, also says that the Village Chaukidari Act of 1870 may be extended to this subdivision with certain modifications. We think that the whole system of rural watch in the subdivision should be reorganised and the Panchayat system introduced. But for the present the existing system of remunerating the chaukidars should be continued and assessment should be made in conformity with the provisions of the Village Chaukidari Act, 1870, as modified by such recommendations of the Committee as may be approved by Government. The Act should be introduced into the subdivision with special provisions indicated above. We also recommend that for at least one term, namely, three years the system of selection of the Panchayats should be in force. As in other places of the province, the chaukidars here are not mindful of their chief duty of watch and ward. If the Act

be introduced and they be brought under the dual control of the Police and Panchayats, it is hoped that matters will improve. The official view is that for each union there should be a daffadar appointed to supervise the work of the chaukidar and he will be paid by Government. If Government can afford to pay the daffadars in this subdivision well and good, otherwise no such establishment should be entertained, as any increase in the taxation will be too heavy a burden for the poor people to bear.

Under the provisions of the Government of India (Adaptation of Indian Laws) Order, 1937, the authority of appointing chaukidars under section 46 of the Angul Laws Regulation, 1936, has been transferred to the Provincial Government alone (vide page 258 of the said Order). That being so, present rules of appointment have no legal sanction. It is needless to say that much inconvenience will be felt if the Government order stands as it is. It is therefore necessary to move Government to cancel this order and to introduce the Village Chaukidari Act of 1870 as was suggested by the Subdivisional Officer, Angul, in 1938. This will be a desirable remedy.

#### *Sambalpur.*

In chapter II we have given a brief account of the village police system now obtaining in this district. One thing that has come to our notice is that the service lands held by the jhankars is much in excess of those held by the Ganda chaukidars. Suggestions have come from the Deputy Commissioner and other responsible officers for re-distribution of the service lands on an equitable basis. We also feel that the position calls for examination and propose that legal steps may be taken to enquire into the history of the service tenures of the jhankars and to re-adjust the same, if possible.

Almost all the officers and members of the public are of opinion that there is no need of introducing the Chaukidari Act into this district. We agree with them that as the present system is reported to be working well, there is no need of introducing the Chaukidari Act in its present form in the district.

#### SECTION II.

The question is whether a uniform system of cash payment should be introduced and service lands where they exist resumed or *vice versa*. A careful study of the official and non-official opinions incline us to the view that the jagir system now obtaining in Sambalpur cannot be replaced by a cash payment system without throwing a heavy burden of taxation on the people and that in Angul where the chaukidars are remunerated partly in cash and partly by assignment of lands the people are too poor to adequately remunerate them only in cash. Uniformity can therefore be maintained in the matter of remuneration throughout North Orissa only by one of these two ways, viz., (1) by reviving the jagir system in the districts of Cuttack excluding

Angul, Puri and Balasore and fully introducing the jagir system in Angul, or (2) by paying the chaukidars from the provincial revenues, resuming the jagir lands wherever they exist.

We shall now deal with these two modes of remuneration in all their aspects:—

(1) It has been shown in Chapter II that in ancient times the jagir system or the system of assignment of land with grain fees was an important feature of the village administration. In Bombay and the Central Provinces this old system still prevails and in the opinion of Police Commission in 1902-03, by an assignment of land the watchman is provided with occupation in his spare time and for his family and reaps what may be called the moral benefits of an agricultural life. Grain fees keep the watchman in communication with the agriculturists and gives him a sense of obligation to them. In Sambalpur this system finds official and non-official support for its continuance. From earliest times it also worked smoothly up to 1899 in the three coastal districts of Cuttack, Puri and Balasore when it was given a sudden and unceremonious burial by the introduction of the Village Chaukidari Act of 1870 and the cash payment system was introduced. Now the people in this part of Orissa who are generally poor groan under the burden of taxation paying annually an enormous sum of Rs. 4,39,430 for the maintenance of the chaukidars who, as a class, look upon themselves more as servants of Government than as servants of the Village Communities that maintain them. They feel the burden all the more keenly because their more fortunate neighbours in Sambalpur and Ganjam are required to bear nothing like it. The District Officers look upon reversion to the old system in this democratic age as a retrograde step and most of the Sub-divisional Officers also have expressed themselves in favour of the continuance of the present system. One of the Subdivisional Officers while considering it desirable to remunerate the chaukidars by service lands on the ground of unpopularity of the tax, is in doubt about the feasibility of the change. Another Subdivisional Officer prefers payment of the chaukidars from provincial revenues, while a third Subdivisional Officer is in favour of cash payment supplemented by jagir lands where possible. Some of the non-officials also favour the present system. But the weight of public opinion is clearly on the side of revival of the old system. At Soro in the district of Balasore people went so far as to say that if the jagir system were revived they would pay  $\frac{1}{2}$  of the cost of acquisition of land required for the maintenance of the chaukidars, if Government were willing to pay the balance. The chaukidars who have accustomed themselves to the present system of cash payment for a good many years are generally unwilling to revert to the old system. It is true that in years of flood they may have some difficulties in flooded areas, but

they should cast in their lot with their equally suffering neighbours, specially as they are likely to be compensated in years of bumper crops. The present policy of the Government is to make the villages self-contained as far as practicable and the old village community system is intended to be revived in all its glory. In fitness of things, therefore, it is highly desirable that the ancient system of payment by jagirs to the chaukidars who are to play an important part in the village life should be revived for good. This will bring the chaukidars more under the control of the people than they are at present. Some public men of light and leading suggest that the problem of rural watch should be left entirely to the villagers for solution and that Government should have nothing to do with it. They further suggest that each village should be an independent republican unit having machineries for its own administration. No doubt, this may be the ultimate goal, but under the present circumstances such a course does not seem to be practicable. A suggestion also comes from another quarter that it is but meet and proper that Government should undertake to maintain an establishment for protecting the lives and properties of the persons in the rural areas as they do in towns. But on financial grounds we are unable to accept the suggestion.

We shall now deal with the financial aspect of the change we propose, namely, reversion to the old jagir system. At the outset it may be remarked that in view of the fact that in the Settlement Records notes have been made in many cases for identification of old jagir lands resumed, much difficulty is not likely to arise for restoring them to their former condition. With this observation we shall now estimate the cost of acquisition of land required for the maintenance of the chaukidars in the three districts of Cuttack, Puri and Balasore. From the reports of the District Officers it appears that the total amount that will be required for assigning jagir lands in these three districts will come to about Rs. 33,39,727 as detailed below:—

			Rs.
Cuttack	...	...	16,96,100
Puri	...	...	13,43,627
Balasore	...	...	3,00,000
		Total	33,39,727

A careful study of these reports shows that while the cost of providing lands to the watchmen has been under-estimated in the report from Balasore, it has, to some extent, been over-estimated in the report from Puri. On the whole, however, the cost is not likely to exceed 33 lakhs and fifty thousand rupees. Taking the cost of acquisition to be at least Rs. 50,000 the total cost of assigning service lands to the watchmen will require about 34 lakhs. In Angul

at present each chaukidar has got about 5 acres of land yielding a net profit of about Rs. 30 according to official views, and Rs. 40 according to popular opinion. The value of the land in possession of chaukidars of this subdivision is estimated at Rs. 1,23,154. In order that each chaukidar may have a decent income of about Rs. 5 per month at least lands worth Rs. 1,86,000 should be provided for the maintenance of the whole body of chaukidars. In other words, an additional amount of about 62 thousand rupees will be necessary for acquisition of lands which, including the cost of acquisition (Rs. 1,000) comes to about Rs. 63,000. Thus for the introduction of a system of remunerating the watchmen by assignment of service lands will come to about Rs. 34,63,000

Salary of chaukidars in Outtaok, (excluding Angul) Puri and Balasore.	Rs.	
Angul ... ..	3,65,580	
Cost of uniform ... ..	9,800	
	7,288	
Total ...	8,82,118	
Additional 16 per cent on account of collection charges, etc.	57,817	
Grand total ...	4,89,480	

If this could be introduced the people would be relieved of a recurring payment of about Rs. 4,89,430 as detailed on the margin, now paid in the shape of chaukidari tax. Now, for the people to pay all at once the enormous

amount required for providing the chaukidars with jagir lands is next to impossible. The Committee also feel that in the present financial circumstances it would be too much to expect the Government to bear the whole burden. We, therefore, venture to suggest that the cost be paid by the people and the Government half and half, and we hope that the proposed suggestion will be acceptable to the parties concerned. We know also that the people are not in a position to bear their share of the burden all at once. Hence we suggest that Government be pleased to pay the whole cost and realise from the people their share together with the interest that will accrue thereon at 3 per cent per annum in ten equal annual instalments in the manner indicated below:—

Year.	Principal.	Interest.	Amount paid towards principal.
	Rs.	Rs.	Rs.
1st ... ..	17,81,500	51,945	1,78,150
2nd ... ..	15,58,850	46,750	1,78,150
3rd ... ..	13,85,200	41,556	1,78,150
4th ... ..	12,12,050	36,361	1,78,150
5th ... ..	10,88,900	31,167	1,78,150
6th ... ..	9,65,750	25,972	1,78,150
7th ... ..	8,42,600	20,778	1,78,150
8th ... ..	7,19,450	15,588	1,78,150
9th ... ..	5,96,300	10,389	1,78,150
10th ... ..	4,73,150	5,194	1,78,150

The system of taxation will continue in the remodelled form as suggested and the dues of Government will be credited into the treasury. Of course, the proposed method will necessitate payment by the people of a fairly big amount on account of interest, but it is believed that they will not mind it in view of the permanent benefits that will be theirs a few years after. If the financial position of the Government do not permit payment of the entire cost out of the provincial revenues all at once, it will, we believe, be within their power to raise a loan according to requirements and distributes its payment over a number of years.

*Special note by Babu Goptnath Das, Member.*

From the point of view of efficiency in the village administration it is hardly desirable to abolish the cash payment system and revive the old jagir system relegating the chaukidars to the position of jagir holders and permanently making them part-time servants. If the daffadari establishment be abolished and the reformed Panchayat system adumbrated in this Report comes into being, the duties of the chaukidars are bound to multiply and as part-time servants they may not be expected to discharge them to the satisfaction of their superiors. But I am entirely at one with my colleagues that the villagers who are required to maintain them are, in a large number of cases, unable to bear the burden of taxation. I accordingly agree with them in their conclusion in regard to the revival of the jagir system and hope that the chaukidars will be provided with lands adequate to maintain themselves and their families, and if the daffadari establishment be abolished, the sum of Rs. 42,031, which is payable by Government to the Chaukidari Fund and which is now spent in maintaining the daffadars, will be annually distributed among them.

(2) The second alternative by means of which uniformity can be effected throughout the entire province is for the Government to maintain the chaukidari establishment out of its general revenues. In this connection the Committee desire to note that a section of the people whose opinions are not without weight have strongly advocated the view that Government should maintain the rural police as they do the constabulary charged with the same duties in the towns without having recourse to additional taxation from the people. There may be some force in this view but its acceptance will involve the Government in an annual expenditure of about five lakhs and a half—a position which the Government with its ever recurring deficit budget can never accept. We do not therefore feel called upon to recommend maintenance of the rural watch out of Government revenue.

The abolition of the chaukidari tax will follow as a matter of course on the revival of the jagir system. This necessarily leads us to the consideration of an alternative basis of franchise for the Legislative Assembly. But reading between the lines of the Government of India Act, 1935—6th Schedule (Orissa) we find that there are provisions for an alternative basis of franchise for areas where there is no chaukidari tax. We do not, therefore, think it necessary to make any recommendation in this behalf.

SECTION III.

The question is whether the zamindars of temporarily and permanently-settled estates had any responsibility in terms of their sanads to maintain an establishment of chaukidars in the village or villages within their zamindaris. Enquiry from District Officers and others shows that the zamindars of the temporarily-settled estates have no responsibility imposed on them by the terms of their Kabuliyats

Zamindars how far  
liable to maintain Village  
Police.

to maintain such an establishment. The zamindars of the permanently-settled estates also do not appear bound under the terms of their sanads or Kabuliyats to maintain chaukidars in their zamindaris. We have carefully perused the translations of the sanads granted to the Raja of Kanika and the zamindar of Sukinda and of the Kabuliyats executed by them, as given at pages 411-12 of the Maddox Settlement Report of Orissa, but have found no specific reference to the maintenance of any chaukidari establishment.

After the introduction of the Village Chaukidari Act in the old district of Cuttack and the districts of Puri and Balasore in the year 1899, the Collector of Cuttack started resumption proceedings and dealt with the chaukidari chakran lands in the permanently-settled estates of Sukinda and Madhupur under Part II of the Village Chaukidari Act, 1870. But the zamindars of these estates strongly protested against this proceedings, while expressing their willingness to submit to any reasonable contribution that might be required of them for the payment of the chaukidars under the new system. But their objections were rejected and the disputes culminated in the institution of two civil suits by the zamindars. The suits had different fates in different Courts in India. Ultimately the appeals that arose out of them were heard and decided in 1914 by their Lordships of the Privy Council who held that Government had no right to resume and assess the lands in question (vide 21 Calcutta Law Journal, pages 31-42). Apparently after this about

	M.	G.	B.
1. Patia ...	147	28	11
2. Haripur ...	82	11	11
3. Bisunpur ...	20	8	4
4. Aul ...	455	15	12
5. Madhupur ...	820	18	14
6. Kanika ...	160	8	12
7. Darpan ...	406	17	4
8. Kujang ...	188	4	0
9. Sukinda ...	126	15	4
10. Kalkala ...	24	19	4
	1,933	2	12
	or 1,938 acres.		

1,933 acres of land, as detailed on the margin, had to be returned free of rent to the proprietors of the permanently-settled estates of Cuttack. There are also 341.05 acres of land in the permanently-settled estates of North Balasore which, though recorded in the name of the Crown, have still been left in possession of ex-chaukidars, because on attempt at compromise failed. Besides, there are also 1,348.51 acres of paik jagirs which still remain un-

resumed. But the decision of the Privy Council being still in force, there is no chance of resuming any chaukidari chakran land in the permanently-settled estates of Orissa. There is however one thing

which deserves notice. In the sanad granted to the zamindars of Sukinda in 1804 appears the following among other conditions:—

“he shall be so careful and vigilant that swords, guns and other war weapons and ammunition may not be manufactured in the said zamindari, and that theft, robberies at night and highway robberies may not be committed at any place; and in case such occurrence takes place, he shall arrest the thieves with the stolen property and send them up to the Huzur (Government Officer) for trial”.

This led their Lordships of the privy Council to observe that the sanad imposed on the zamindars the duty of preventing the commission of theft, robberies at night and highway robberies, “and in case of any such occurrence” of arresting the offender and “sending them for trial”. They however added, “but it makes no provision regarding the machinery he was to employ for the purpose. The evident inference is that the Government was content with leaving the zamindar the manner in which he was to discharge the duty of maintaining peace and order in the zamindari. The Government obviously made no provision therefor”.

These are, of course, incidental observations, but are sufficiently suggestive of a new line of action. The sanads of all the zamindars of the permanently-settled estates may be called for and scrutinised and such of the zamindars as are under the terms of their sanads legally bound to arrange for the maintenance of peace and order in their respective zamindaris may be called upon to do so to the satisfaction of the Government, unless some provisions of law have absolved them of this responsibility. If the responsibility still lies on them and has not been affected by the revocation of their police powers in 1810 and if it is not fulfilled it will be open to Government to take such action as to them may seem just and proper.

#### SECTION IV.

The question is whether the chaukidars can be made more responsible to the village community than they are at present. The duties of the chaukidars have been defined in section 39 of the Village Chaukidari Act and also in Rules 153 to 163 of the Rules made thereunder. In the Act it has been laid down that they shall obey the orders of the Panchayats in regard to keeping watch within their villages and other matters connected with their duties as chaukidars, and shall assist the person collecting the chaukidari tax in making such collection. There is no positive complaint against the chaukidars on the score of their negligence to help the collecting members in the matter of collection of chaukidari tax. This duty they naturally perform duly as they are interested in the collection of tax from which they themselves are paid. But the consensus of public opinion is that they do not properly perform their primary duty of watch and ward in their respective villages. It is said that after the abolition of the jagir system they have ceased to feel that they are responsible to the villagers

Responsibility of chaukidars to the village community.



for the due discharge of their duties and that they treat themselves as servants of the Police. Several people suggest that they should be brought under the control of the elected Panchayats who should be empowered to punish them, subject to appeal. The official opinions take two distinctly different forms. The District Officers do not definitely state whether the chaukidars properly keep watch in the villages. One of them is of opinion that no change in the Chaukidari Act or Rules framed thereunder is called for. "The village chaukidars can be made more responsible to the village community than they are said to be at present by making the provisions of the Chaukidari Act and the Rules thereunder properly understood by everybody concerned in the administration of the Department and particularly by the villagers and the Panchayats." He says that a translation of the Act and Rules in simple and colloquial Oriya and their wide distribution among the Panchayats and the villagers will go a long way in removing their ignorance. Another District Officer is almost of the same opinion. A third District Officer says, "Strict and sincere performance of duties in the spirit of a village servant supplemented by a healthy public opinion in the village appears to be all that is necessary. If the village community is not properly developed and enlightened, responsibility to the community may come to subservience to a particular faction or influential individual. A chaukidar is, no doubt, a village servant and as such to a great deal responsible to the village community. But at the same time he should have the strength and aloofness to deal with a delinquent without fear or favour". But some of the Subdivisional Officers agree with the public in the view that the Panchayats should be elective bodies and the chaukidars should be kept under their control. Of course, the law is imperative that the chaukidars shall obey the orders of the Panchayats in regard to keeping watch within their respective villages and the Rules in section V of the Chaukidari Manual empower the Panchayats, representing the villagers, to have general control over the chaukidars, to see that they go their rounds regularly at night and to report for punishment the conduct of the chaukidars who habitually neglect their duties to the District Magistrate or Subdivisional Officer as the case may be. But the Panchayats selected under the present system do not seem to exercise the powers given to them as stated above. The chaukidars too take advantage of their omission and generally neglect their primary duty of keeping watch in the villages and forget that they are village servants maintained by the village communities. In this connection we visited certain places in the districts of Puri, Cuttack and Balasore. The result of our enquiry is that the chaukidars are often called away by the Police and thus rendered unable to keep watch in their villages. In Balasore some chaukidars went so far as to say that they were at times employed in works not connected with their duties and were therefore unable to satisfactorily perform their function as watchmen. Since 1921 it has been repeatedly expressed in the old Bihar and Orissa Legislative Council and also in the Orissa Legislative Assembly in connection with Resolutions for the abolition of the chaukidari tax, suspension of the

chaukidari tax for a year, etc., that the Panchayats selected under the present system are not real representatives of the people and that the chaukidars maintained by the village communities behave more like servants of the Police than like servants of the villagers. We quote below a few of the observations made by the members of those august bodies who voiced forth the real feelings of the people. \* "The tax is imposed by a class of most irresponsible persons called the Panchayats who under the garb of the representatives of the people impose it, but really they are not representatives at all". † "The main duty of the chaukidar is said to be to keep watch on and to go round the village at nights, so that no crime, specially theft, takes place. Every one who has experience of village life will bear me out that their duty is performed more by its omission than by its commission. ‡ "On a healthy basis the complaints about the iniquities of taxation will be eliminated and the other complaint of the chaukidars being too much under the control of the Police, which complaint is real to a great extent, will also be eliminated. No doubt, the chaukidar will function in the villages as a local police. At present he does function mostly as police.

From all these we are confirmed in our belief that the chaukidars behave themselves more like men of the regular police than as servants of the village communities. This situation calls for immediate remedy. We agree that the chaukidars should have the strength and aloofness to deal with a delinquent without fear or favour. But at the same time they should realise that for this purpose they should keep watch over the lives and properties of the village communities by whom they are maintained. They should further realise that although they have duties towards Government they do not lose their character as village servants. In the Chapter III of the Report of the Police Commission, 1902-03, it was one of the recommendations that the responsibilities of the village watchmen for the performance of village police duties should be reorganised and enforced in every province and that the village watchman should be a village servant subordinate to a village headman and not to the regular police. The Village Chaukidari Act of 1870 which was a land mark in the history of the rural watch in the old province of Bengal had been based upon this principle. It provided for the municipalisation of the rural watch, meaning its reconstitution as an organ of the village community, paid by, and responsible to the community acting through a representative committee called the Panchayat

Under the provisions of old sections 35, 11 and 12 of the Village Chaukidari Act, the Panchayat had the power to appoint the chaukidars and with the sanction of the District Magistrate dismiss any one of them

\* Bihar and Orissa Legislative Council Debates, dated the 21st July 1921, Vol. II, No. 4, page 172.

† Bihar and Orissa Legislative Council Debates, dated the 17th February 1926, Vol. XIII, No. 9, page 470.

‡ Orissa Legislative Assembly Proceedings, Saturday, the 29th January 1938, Vol. II, No. 6, page 893.

to determine the number of chaukidars to be employed in a village, and to determine from time to time monthly salaries of the chaukidars to be appointed. But after the amending Acts of 1886 and 1892 had been enacted the Panchayats were shorn of all the powers except the power to dismiss the chaukidar with the sanction of the District Magistrate. At present they can only nominate a person for the post of a chaukidar but cannot appoint him. The amendments were in the direction of centralising the rural police administration. Of course the amending Act of 1892 introduced provisions for election of the Panchayats [vide section 3 (2)], but gave them responsibilities of a lesser character, namely, the assessment of tax, etc. But the District Officers are not in favour of restoring their lost powers. We, however, believe that if the elective system be introduced, Panchayats may be vested with powers to appoint chaukidars and fine them up to a limit of, say, one-eighth of their pay, suspension and dismissal being always subject to the approval of the District Magistrate.

The chaukidars, as we have already said, utterly neglect their duty as watchmen, but apparently under the impression that they are true to their salt the authorities of the Police Department by Police Order no. 6 of 1925 have given them leisure for some nights in a week. It is not too much for a chaukidar to go on round in his beat once or twice in the night unless he be physically unfit. When he is indolent, to exempt him from the performance of his duties by rules on two or three nights in a week cannot have any salutary effect. We are glad that the Inspector-General of Police has taken this matter into consideration and expressed the opinion that he has no great objection to the abolition of the above Police Order. It is hoped that the order will soon be changed.

Rules 156 to 158 of the Chaukidari Manual read with section 110 of the Bihar and Orissa Police Manual, 1930, Vol. I, provide that where the president system is in force the chaukidars should hold weekly parades before the presidents and attend thana parades once a month and where that system is not in force parades should be held at the thana under Rule 110 (b) of the said Police Manual. But although in the districts of Cuttack excluding Angul, Puri and Balasore the president system is in force parades are not held according to these rules. The District Officers are not at all in favour of chaukidars holding weekly parades before the presidents. They say that fortnightly parades held before the presidents are sufficient, but our local enquiry has convinced us that at some places no parade is held at all before the presidents. This indeed is a very undesirable state of things. In the opinion of the Inspector-General of Police the control of the Police over the chaukidars will be lessened if the muster-parades will be held at the thana only once a month. At present under rule 110 (b), Bihar and Orissa Police Manual, 1930, which is substantially in accord with the orders contained in Government letter no. 2392-P., dated the 29th February 1912, the chaukidars belonging to villages within a radius of 10 miles from the thana attend thana parades

once a week, while those belonging to villages lying beyond that limit attend parades once a fortnight. But we think it is unnecessary for chaukidars to have weekly parades at the thana. It will be sufficient if arrangements be made only for their fortnightly parades there. This, in our opinion, will keep the police in touch with the rural watch. Again, it appears that the system of fortnightly parades before the presidents was introduced under the Government orders referred to above. Of course no correction slip appears to have been issued, but as the system of fortnightly parades appears to be in vogue, it should be allowed to continue.

In conclusion, we express the view that actions in the following lines will make the chaukidars more responsible to the village community.

- (1) When the elective system is introduced the Panchayats should be given powers to fine the chaukidars for neglect of duty up to a limit of one-eighth of their monthly salaries, their orders being subject to appeal to the District Magistrate or the Subdivisional Magistrate as the case may be; the total amount of fine not exceeding Rs. 8 in a year in the case of one chaukidar. Though the authorities including the Inspector General of Police are not in favour of this line of action, we think it will have the salutary effect of creating in the chaukidars a greater sense of responsibility to the village community.
- (2) Parades should be held before the presidents and the Police once in a fortnight;
- (3) Rule 155 which lays down that the chaukidars shall patrol his beat nightly and shall be present at his beat each night should be strictly enforced and that he should maintain a note book and while on round duty take the signature of at least one member of the Panch or one villager selected by the Panchayats in token of his having been on that duty; and
- (4) The Village Chaukidari Act and the Rules made thereunder should be translated into simple colloquial Oriya and the translations should be distributed among the Panchayats and if possible, among the chaukidars and the villagers.

The distribution of pay to chaukidars by the Government officer is one of the chief factors for the impressions they have acquired that they are Government servants and not village servants. The villagers pay the tax but it passes to the hands of chaukidars through a Deputy Magistrate and from this simple act the idea of responsibility of the chaukidars to the villagers is transferred to Police. The proper thing would be that those who pay the tax should hand it over to the chaukidars through their presidents. In other words the distribution of pay should be made by the Presidents.

## SECTION V.

The question is whether the chaukidars should be placed under the control of the Revenue Officers as in the case of talaiyaris in South Orissa. In Sambalpur they are already under the control of the Deputy Commissioner and his subordinate Revenue Officers such as the Tahasildars. In Angul under the provisions of the Government of India (Adaptation of Indian Laws) Order, 1937, the authority of appointing them under section 46 of the Angul Laws Regulation, 1936, has been transferred to the Provincial Government and subject to the approval of the Deputy Commissioner, the Superintendent of Police may, for any misconduct or neglect of duty dismiss them and in the districts of Cuttack excluding Angul, Puri and Balasore they are under the control of the Subdivisional Magistrates. In these parts of North Orissa the administrative machinery being different from those of Sambalpur or South Orissa there is no chain of Revenue Officers here under whose control the chaukidars can be placed.

Control of Revenue Officers over chaukidars—how far possible.

## SECTION VI.

The question is whether the number of chaukidars could be reduced and their pay raised to the level of that of talaiyaris of South Orissa. As to the reduction in the number of chaukidars, the officials and non-officials are divided in their opinions. While some are of opinion that the present number is irreducible, others express the view that it may be considerably reduced. One of the Subdivisional Officers says that the number of chaukidars may be reduced to half the strength without loss of efficiency, if they are paid better and are made whole-time Government servants; while another equally responsible officer opines that as a measure of economy it may be worthwhile to experiment by reducing the number of chaukidars where compact areas make it possible, that is, wherever possible, the number of houses allotted to a chaukidar may be increased so that work of three chaukidars will be given to two as an experiment. But the Inspector-General of Police is of opinion that it is just in these areas that the criminals are more numerous and full number of chaukidars are necessary. He however says that in those areas where crime is rare there might be a possibility, after due investigation, of increasing the number of houses allotted to each chaukidar. We think there is some force in the opinion. One of the District Officers thinks that if the chaukidars be made whole-time servants and their pay increased, the number may, to a certain extent, be reduced but at the same time he advocates the continuance of the present state of things, in view of the increased expenditure to be involved in making the chaukidars whole-time servants. In the course of our enquiry in the districts of Puri and Balasore, we examined some witnesses including some presidents who were of opinion that the number might be reduced to a certain extent.

Reduction in the number and increase in the pay of chaukidars—how far possible.

We have said elsewhere (p. 30) that in some unions the minimum income is taken to be Rs. 18 or Rs. 25 while in others it is taken to be Rs. 50 or Rs. 60 or Rs. 50-100 for fixing the minimum tax of annas six and we have recommended that investigation be made to ascertain the cause of this difference, and if necessary, the number of chaukidars be reduced or the union boundaries readjusted. If effect is given to this recommendation, the number of chaukidars may be reduced without detriment to village administration. We believe on the whole that there is scope for reduction in the number. There is no gain-saying the fact that the chaukidari tax has been a heavy burden on the poor people of the three coastal districts of Orissa and the system of taxation has become extremely unpopular. If the burden can be made lighter by reducing the number of chaukidars without causing loss of efficiency it should be done at any cost. Below are given the number of warrants issued under sections 27 and 45 of the Village Chaukidari Act:—

1	2	3		4	
Serial number of district.	Name of district.	Number of warrants issued under section 27 of the Village Chaukidari Act, 1870.		Number of warrants actually issued.	
		1937.	1938.	1937.	1938.
1	Cuttack ...	184	127	188	96
2	Puri ...	298	481	247	894
3	Balasore ...	448	427	...	...

1	2	3	4	5	6	7
Serial no.	Name of district.	Number of warrants issued under section 45 of the Village Chaukidari Act, 1870.	Number of chaukidars whose pay is covered by warrants.	Amount involved.	Amount realised.	Remarks.
				Rs. a. p.	Rs. a. p.	
1	Cuttack ...	846	3,583*	58,204 8 0	58,204 8 0	
2	Puri ...	68	727	11,041 4 8	11,041 4 8	
3	Balasore ...	56	685*	10,456 12 6	10,456 12 6	

\* Includes some daffadars of permanently-settled estates.

These figures are sufficient to indicate the inability of the people to pay the tax. We know that in these districts on an average each chaukidar has got 137 or 138 houses in his beat. This number may, under ordinary circumstances, be considered excessive, but in thickly populated bastis of which there are many in these districts, each chaukidar may be given even 200 houses in his beat. But in view of the opinion expressed by the Inspector-General of Police that in compact areas tendency to commit crimes is generally more manifest, we cannot off-hand recommend that in all such areas a chaukidar may be given 200 houses. It is accordingly suggested that investigation be made by responsible officers and where possible the number of chaukidars be reduced.

The duties of talaiyaris as given in Chapter II are more multifarious than those of the chaukidars of North Orissa. Unlike the chaukidars they are under the control of the Revenue Officers and have got very little connection with the regular Police. Their salaries are as follows:—

	Rs.	a.	p.	
Talaiyari of a raiyatwari village who has been in service from and prior to 30-4-1932.	7	8	0	per month.
Talaiyari of a raiyatwari village entertained after 30-4-1932.	7	4	0	„
Talaiyari of proprietary village who has been in service from and prior to 30-4-1932.	6	0	0	„
Talaiyari of proprietary village appointed after 30-4-1932.	5	12	0	„

The chaukidars of Orissa are treated as part-time Government servants and are under the dual control of the Police and the Panchayats. Their present pay is Rs. 5 per month. It may be raised to Rs. 6 or so in order to attract better type of men. But the consensus of opinion is that in the present state of things when the price level is low and the tax has become unpopular, there should be no increase in the pay. We are also of opinion that the pay should not be increased unless there be a perceptible reduction in the number of chaukidars. If such reduction be possible, the chaukidars should be made whole-time servants and their pay raised to Rs. 6 per month.

#### *Daffadars.*

At present there are 578 daffadars in the districts of Cuttack (excluding Angul), Puri and Balasore as shown on the margin. In temporarily-settled estates the cost of maintaining them is borne by Government while in the permanently-settled estates

<i>Number of daffadars in the district.</i>			
Cuttack	...	...	269
Puri	...	...	166
Balasore	...	...	148
			<u>578</u>

it is met from the Chaukidari Fund. The daffadars of the permanently-settled estates of Cuttack number 57. In Balasore 16 daffadars are paid from the Chaukidari Fund and 12 daffadars whose unions lie partly in the permanently-settled estates and partly in the temporarily-settled estates are paid partly by Government and partly from the Chaukidari Fund. In Puri the chaukidari chakran lands have been settled with proprietors under Part II of the Village Chaukidari Act, 1870 and the half assessment of Rs. 74-4-0 is annually paid to the Chaukidari Fund. So the daffadars of the whole

**Abolition of daffadars.** district are maintained by Government. It will be seen from paras. 196, 236 and 276 of the Dalziel's Settlement Report that the amount annually payable out of the Provincial Revenues to the Chaukidari Fund is Rs. 42,031. Out of this Government spend Rs. 35,913 as salaries to the daffadars of the temporarily-settled estates of all the three coastal districts and the permanently-settled estates of Puri. The amount met from the Chaukidari Fund for the payment of salaries to the daffadars of the permanently-settled estates comes to Rs. 5,703. Thus the total cost is Rs. 41,616 besides the cost of equipment and wick and oil charges. We shall now see whether there is real necessity for incurring such a heavy expenditure for the maintenance of the daffadars and whether or not their services are indispensable.

The people of Orissa are proverbially poor. In point of political outlook, education and wealth they are far inferior to those of Bengal. Orissa is not in need of costly administrative machineries that may well suit the conditions in Bengal. In 1891 a Committee was appointed in Bengal to examine the workings of the Chaukidari Act (Act VI of 1870), as amended by Act I of 1886. Their recommendations and the subsequent amending Act of 1892 resulted in certain changes in the existing law, the principal change being the introduction of the daffadari system. And since the introduction of the Chaukidari Act into Orissa in the year 1899 the daffadar has been a supervising officer of the rural watch in his union. But he seldom does this duty. The District Officers and the Inspector-General of Police are in favour of his retention from the administrative point of view. But one of the Subdivisional Officers of the Cuttack district and an equally responsible officer of the Revenue Commissioner's office opine that so far as the safety of the village community is concerned, the services of the daffadars can be dispensed with. Again, the consensus of public opinion is that the daffadar is a useless burden on the public exchequer. He seems to be useful to the Police and is a link between them and the chaukidars, but he is not reported by the public to be regular in his duties as the head of the chaukidars as laid down in the Chaukidari Manual. The information which the Police obtain from him may well be had from the chaukidars. The Panchayats also will be able to keep check on the chaukidars if the diary system be strictly enforced. The general impression is that the daffadar is in no way helpful to the villagers and he sometimes moves in the village with an air of superiority.



not consistent with his position, adding very little to the efficiency of the rural watch. It might be said that those among the daffadars who may be found neglectful of their duties may be punished. This is possible. But it is not possible to punish a whole class. Besides, there are various means for improving the administration of a country. But when any measure is intended to be adopted for the improvement, three things have to be borne in mind, (i) whether it is really necessary for the safety of the people; (ii) whether there is absolute administrative necessity for it and (iii) whether the economic condition of the people would permit adoption of the measure. A judicious consideration of these three factors and the volume of evidence before us lead us to the conclusion that daffadars should go, and the money spent on their account should come to the Chaukidari Fund.

Before the Village Chaukidari Act was introduced into the old district of Cuttack and the districts of Puri and Balasore in 1899 it had been ordered by Government in their Resolution no. 866-J. (Police), dated the 19th February 1897, that the jagirs in the permanently-settled areas would be treated under Part II of the Act. But about 1,933 acres of jagir lands have had to be returned free of rent to the proprietors in the Cuttack district and in North Balasore it has not been possible yet to resume 1,348.51 acres of paik jagirs and 341.05 acres of chaukidari chakran lands which, in the opinion of the District Officer, Balasore, would have yielded about Rs. 3,400 per annum at the rate of Rs. 2 per acre. For these lands nothing comes to the Village Chaukidari Fund and the poor people are taxed to maintain the daffadars in the permanently settled areas. If the daffadari establishment be abolished, the people will find a great relief.

For some years past it has been the practice to utilize their services as process servers. From the reports of the District Officers it appears that as a result of this practice the savings to Government in the districts of Puri and Balasore are Rs. 771 and Rs. 614 per annum respectively, while no saving is effected in Cuttack. It may be said that by the abolition of the daffadars Government will lose about Rs. 1,400 per annum. But there are already many literate chaukidars in several unions as may be seen from the statement given below and if a general warning is given to the chaukidars to be able to read and write within six months from the date of the receipt of the warning, a number of chaukidars, specially the younger section, will be available in each union for service of processes.

Serial no.	Name of district.	Total number of unions.	Number of unions having literate chaukidars.	Number of literate chaukidars.
1	2	3	4	5
1	Cuttack ... ..	269	181	Not available.
2	Puri ... ..	166	58	112
3	Balasore ... ..	144	91	898

The warning, we are sure, will have its desired effect, if they be apprised of the fact that for service of processes which will be effected by them they will be entitled to remunerations amounting to about Rs. 9,500 per annuas per table given below :—

*Average remunerations per year paid to daffadars for service of processes.*

	Rs.	a.	p.
Puri ... ..	2,688	8	0
Cuttack ... ..	4,271	7	0
Balasore ... ..	2,501	7	0
<b>Total</b> ... ..	<b>9,461</b>	<b>6</b>	<b>0</b>

In the course of our enquiry in the Balasore district a Police Inspector and a number of daffadars expressed the view that the chaukidars, if literate, might replace the daffadars.

In view of these facts and circumstances, we are clearly of opinion that to give financial relief to the tax-payers without causing loss of efficiency in the administration of rural watch the services of the daffadars may safely be dispensed with.

#### SECTION VII.

The question is whether the presidents of Panchayats should be elected by vote instead of being selected by the Subdivisional Election of Panchayats. Officers as at present. The majority of the non-officials including a retired District Magistrate, Member of Legislative Assembly, a Government Pleader and some Chirmen of local bodies whose opinions

cannot be lightly disregarded are in favour of the elective system. In support of this view one of the District Officers says that in the present democratic consciousness of the people it is desirable to make the Panchayat system elective. The franchise may be on the payment of chaukidari tax or cess in the previous year. Most of the Subdivisional Officers and the Secretary to the Revenue Commissioner are also in favour of the elective system, but some of the officers including a District Officer are of opinion that the time has not yet come for the introduction of this system. Another District Officer also says, "I am not in favour of the election of the Panchayats or the Presidents of the Panchayats. Though the present Village Chaukidari Act of 1870 makes provision for the former in certain conditions [vide section 3(2) of the Act] the Panchayats and their Presidents are mere executive bodies and as such they should continue to be appointed till at least our people have become more enlightened with greater sense of responsibility." Some of the Officers, while favouring the elective system, suggest that the Subdivisional Officers should have powers to control the Presidents and if necessary to remove them after drawing up proceedings for serious neglect of duty. We recognise that it is highly desirable that there should be control over the Presidents and Panchayats in order that they may not deflect from the right path and that they may be duly brought to book when necessary, and with this object in view, we propose that section 10 of the Village Chaukidari Act, which empowers the District Magistrate to remove or discharge any member of the Panchayat by an order in writing signed by him, should remain with this proviso that the member concerned shall be heard before being removed or discharged and that the District Magistrate's orders shall be subject to appeal to the Revenue Commissioner whose orders shall be final, subject to revision by the Local Government. But the idea of the elective system should not be abandoned on the ground that our people are not as enlightened or educated as they ought to have been. It is these people whom the Government of India Act, 1935, has given powers to vote for candidates for the Legislative Assembly that practically guides our destinies. It is these people who also elect members for local bodies. It will not therefore be too much to allow them to elect their own President or Panchayats, and the elective system will surely be in keeping with the spirit of the time. The Village Chaukidari Act, 1870, was introduced in Cuttack, Puri and Balasore in 1899 and the reorganisation of the Panchayat system and formation of unions were completed before the year 1907. Since then very little has been done to examine the position and introduce the system of election under Rule 3(2) of the Act. In fact, the Panchayat system has been entirely neglected and to-day the main business of the Panchayats, specially of the Presidents, has been to assess chaukidari tax, pay the chaukidars who hardly do their duties as watchmen and to get processes served through the daffadars. Ours is a country where the Panchayat system is not a creation of recent years. It had its origin in the remote past and references to it are to be found in old authoritative works, such as, Manusmriti, Arthashastra and Sukraniti. The Panchayats or village

elders of the old village communities decided social and other disputes easily and to the satisfaction of the parties concerned. They made their villages little republics, and were useful to their co-villagers in more ways than one. Of course, with the growth of civilisation things have taken a different turn, and the officers of Government exercise many of the powers which the village panchayats used to exercise; but many petty disputes are still decided in the village without seeing the light of the court. To leave our union Panchayats where they are now will, in our opinion, constitute a failure of duty on the part of the authorities. More life should be put into them and they should be made useful both to Government and the people. In this democratic age panchayats should be elected so that they may have the confidence of the people and they will feel themselves responsible to the people in the discharge of their duties. The question we are dealing with gives us only the option of suggesting whether the Presidents should be elected by the people or selected by the Subdivisional Officers as at present. If our recommendation is to be confined to an answer to the question we may say that the Presidents should be elected by the people, but in view of the improved and approved method of election we would propose that even the Panchayats should be elected and they should elect their President according to Rules to be prescribed by Government. The method of election should be as simple as possible and should not be made cumbrous or costly. They should also be such as to debar unfit persons from standing for election and to make the election final, so that the District Magistrate may not have the power of interference contemplated in section 3(2) of the Village Chaukidari Act. The franchise should be on the basis of the chaukidari tax or chaukidari cess paid in the previous year and in the absence of such tax or cess, on the basis of the minimum rent of Re. 1 or cess of Re. 0-1-0 payable by the intending voter. Sri Nandakishore Das, a member of the Committee is of opinion that all male literate adults who are residents within the union must have the power to vote whether they are rate-payers or not.

The terms of reference give us very little scope to make recommendations for utilising the services of the union Panchayats for the uplift of rural areas in North Orissa, but in view of the last budget speech of the Hon'ble the Chief Minister we make bold to express our views as to how the Panchayats may be made more useful. We do realise that in the present state of education of our people hasty introduction of measures of reform is not desirable, but we should not forget that in order to improve the condition of the mass it is essentially necessary that the village administration should be given the attention it deserves and to attain this object village Panchayats should be so trained as to be able to administer the affairs of their villages with efficiency under the guidance of the authorities for the present. In recommending the appointment of Circle Officers we have kept this object in view. A few union

boards were constituted in Orissa several years ago. Except the two boards of Jagatsingpur others are working satisfactorily (vide Chapter II) but nothing has been done as yet to bring into force Part V of the Villag. Administration Act, 1922, in the unions that are working well. Only three years after the Act had been brought into being this part dealing with the powers, duties and procedure of Panchayats was extended to the district of Muzafarpur (vide Government Resolution no. 1297, L.S.-G., dated the 9th February 1925—Bihar and *Orissa Gazette* Part II). We however make no suggestion in this direction as in our opinion the Act, which has made little head-way in this province owing to its provisions regarding the imposition of a union tax in addition to the chaukidari tax, should be replaced by a more workable Act.

Now, turning to the Panchayat system we submit that when it is reorganised in the manner indicated above and under the supervision of the District Magistrate through the Chaukidari Deputy Collectors and Circle Officers the Panchayats or at least some of them are considered fit to try petty civil suits and non-cognizable criminal cases, they should be vested with powers for the purpose, and their decisions shall be subject to appeal to the District Munsif and the Sub-divisional Officer respectively. The Indian Police Commission of 1902-03 in Chapter III of their Report recommended that it was expedient to relegate the trial of petty offences to village headmen and panchayats and that where this system did not exist, it should be cautiously and experimentally introduced. Again, Mr. H. Savage, C. S. I., of whom we have already spoken observed that they (the Panchayats) should ultimately, whenever found to be fit for it, dispose of petty local criminal cases. In several provinces of India union boards, panchayats or headmen now exercise such powers. We think slowly and gradually the Panchayats should be vested with such powers when such a step be not in conflict with the principles laid down by the Government of India in their Resolution on the Report of the Royal Commission on Decentralisation in India, 1907)\* For facility of reference the principles are stated below :—

- (1) The experiments should be made in selected villages or areas larger than a village, where the people in general agree.
- (2) Legislation, where necessary, should be permissive and general. The powers and duties of Panchayats, whether administrative or judicial, need not and, indeed, should not be identical in every village.
- (3) In areas where it is considered desirable to confer judicial as well as administrative functions upon Panchayats the same body should exercise both functions.

\*Village Government in British India by John Matthai—1915, pp.201-02.

- (4) Existing village administrative committees, such as village sanitation and education committees, should be merged in the village Panchayats where these are established.
- (5) The jurisdiction of Panchayats in judicial cases should ordinarily be permissive, but in order to provide inducement to litigants reasonable facilities might be allowed to persons wishing to have their cases decided by Panchayats. For instance, court-fees, if levied, should be small, technicalities in procedure should be avoided, and possibly a speedier execution of decrees permitted.
- (6) Powers of permissive taxation may be conferred on Panchayats, where desired, subject to the control of the local Government or Administration, but the development of the Panchayat system should not be prejudiced by an excessive association with taxation.
- (7) The relations of Panchayats on the administrative side with other administrative bodies should be clearly defined. If they are financed by district or sub-district boards, there can be no objection to some supervision by such boards.

With proper care and attention the panchayats may be brought to a position when they may prove very useful links in the administrative machinery of the country, doing judicial works and effecting improvements in education, sanitation and communications in their villages with funds, either legally raised by themselves or supplied to them by Government or local bodies. It is our desire that in order to encourage them all works of rural development should be done through their agency.

Now in the districts of Puri, Cuttack and Balasore, the chaukidari unions measure 13 to 14 sq. miles each. A peep into the future leads us to think that the Panchayats will have multifarious duties to perform as honorary workers. We think they will be better able to carry on village administration if they be given smaller unions. The Inspector-General of Police thinks that any increase in the number of unions will necessarily result in a corresponding increase in the work of the magistracy and the Circle Officer whom it is contemplated to appoint. But if there be a Circle Officer for each sub division we do not think that the work will be unmanageable. It is therefore proposed that the unions should be made smaller with seven chaukidars in each.

In this connection we also propose that the collecting member of each union should be made permanent Secretary to the Panchayat of that union so that his services may be utilised in various ways. From the figures on the margin it will be seen that as collecting member he will get about Rs. 50 per annum as commission under the 10 per cent Rule and if he be paid Rs. 2 per month by Government he will be ready to do additional works besides collection as his monthly pay will come to Rs. 6 or so. The Government allowance may be increased with the increase in the	<table border="0"> <tr> <td style="padding-right: 10px;">7 chaukidars at</td> <td style="text-align: right;">Rs. a. p.</td> </tr> <tr> <td style="padding-right: 10px;">Rs. 60 per</td> <td style="text-align: right;">420 0 0</td> </tr> <tr> <td style="padding-right: 10px;">annum.</td> <td></td> </tr> <tr> <td style="padding-right: 10px;">Average cost of</td> <td style="text-align: right;">10 0 0</td> </tr> <tr> <td style="padding-right: 10px;">uniform.</td> <td></td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"></td> </tr> <tr> <td style="padding-right: 10px;">Add 15 percent</td> <td style="text-align: right;">480 0 0</td> </tr> <tr> <td style="padding-right: 10px;">commission, etc.</td> <td style="text-align: right;">64 8 0</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td style="text-align: right;">494 8 0</td> </tr> <tr> <td style="padding-right: 10px;">or</td> <td style="text-align: right;">500 0 0</td> </tr> </table>	7 chaukidars at	Rs. a. p.	Rs. 60 per	420 0 0	annum.		Average cost of	10 0 0	uniform.				Add 15 percent	480 0 0	commission, etc.	64 8 0				494 8 0	or	500 0 0
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volume of work that may be given to him in future. He will be called upon to perform bench duties when Bench Courts or Village Courts will be established, maintain the records of the Panchayat and compile such village statistics as he may be required to do under orders of Government. Under the supervision of the Panchayat and the Circle Officer he will be able to discharge his duties entrusted to him and there will hardly be any occasion to resort to provisions of section 45 for collection of arrears of the chaukidari tax. He may or may not be a member of the Panchayat, but his position as Secretary should be recognised by law.

Lastly, we would like to say that there should be an office building at a central place in each union where the Panchayat should meet and transact their business and where villagers should meet out of office hours to decide their social disputes. It should be provided with a library of useful books for the benefit of those that may wish to avail themselves of it. It should also have a stock of medicines, for free distribution among the villagers when occasion arises and a stock of phenyl, permanganate of potash, bleaching powder, etc., for the sanitary improvement of the union. If the Panchayat of the union approach Government, the District Board and the generous public, we believe they can have all these things without much difficulty. Their Secretary will remain in charge of them and do the needful under their instructions. It is our earnest desire that the office building should, in course of time, be not only a place for impartial administration of justice but one that should prove useful as a centre of healthy activities. The Panchayat should try to fight the demon of illiteracy in the union, and by their conduct create an atmosphere in which the villagers may be able to attain a high platform of morality exercising their noble influence not only in the union but far beyond it.

#### SECTION VIII.

The question is whether any change is necessary in the control and discipline of the chaukidars and in their duties. The Village Chaukidari Act and the rules made thereunder have placed them directly under the dual control of the thana Police and the Panchayats to whom they are primarily responsible for the due discharge of their

Change in the control and duties of chaukidars.

duties, and on whose reports they are appointed and dismissed or otherwise punished by the higher authorities. But in section IV we have shown that the chaukidars utterly neglect their primary duty of watch and ward and at some places no muster-parades are held before the Presidents. In fact, the chaukidars have got out of the control of the Panchayats and are too much under the police influence. We have accordingly suggested that parades should be regularly held before the Presidents once in a fortnight and when the elective system is introduced the Panchayats should have the power to impose small fines on the chaukidars for neglect of duty, subject to appeal against their orders to the District Magistrate or the Subdivisional Magistrate as the case may be.

To a query whether it should be one of the duties of a chaukidar to report immediately at the thana cases in which helpless persons in his beat suffer seriously from a dangerous disease for want of medical help in order that the thana officer might arrange for the medical assistance to the patients, the District Officers have replied in the affirmative. They have, however, pointed out certain difficulties which appear real. It may not be possible for thana officers to do the needful unless they are provided with funds and their powers are well defined. We therefore propose that it should be the duty of the chaukidars to report such cases to the Panchayat and arrange with them for immediate medical aid of the patients, the cost, if any, being met from the Chaukidari Fund.

Rural uplift is a very important item of work in the programme of the present popular Ministry and it is not too much to hope that at no distant date arrangements may be made by the Government for a system of irrigation in rural areas, specially those that are flood-affected, and funds may be available to reliable village Panchayats out of the Village Development Fund of the Government for works of village reconstruction. It is our idea that the chaukidar will be made a wholetime servant as soon as circumstances permit some increment in his pay. It is therefore suggested that the following should be his additional duties :—

- (1) To assist the Panchayats in carrying out all lawful village reconstruction works, such as sanitation, irrigation, etc.
- (2) To assist the Panch in the distribution of water for irrigation, and if there be likelihood of a breach of the peace in this connection, to prevent all disturbances.

It should be made clear that village sanitation is one of the essential works of the village reorganization programme. Our villagers are perfectly ignorant, rather indifferent and careless, about their own health. Village tanks are habitually defiled. The tank from which they use drinking water is used for other purposes, such as cleansing dirty mats, washing unclean parts after call of nature, etc., and many such other insanitary purposes. They defile the village reads, specially the two extremities of the village, in using the same as a place for call



of nature. They stock manures on public roads or nearly in front of their houses. These and such other elementary, insanitary works should be put a stop to. The Panchayats and the chaukidars should be made responsible for stopping these things altogether. Chaukidars should be empowered to report against persons found committing such nuisance in the village, and the President of the Panchayat should be empowered to try these cases and on conviction sentence the culprit

Power of Panchayat to fine in certain cases of public nuisance.

to a fine not exceeding Re. 1 in each case, provision being made for its realisation and disposal. If anyone likes to appeal against such order he may appeal to the Subdivisional Officer. When presidents will be empowered to try petty civil cases their decisions will be liable to appeal to the District Munsif.

With a view to make recommendations regarding the qualifications of the future entrants to the chaukidari service and their training and age limits for service, enquiries were made from District Officers and others. After a full consideration of the replies received we make the following recommendations :—

Qualifications of chaukidars.

- (1) Persons who are literate and physically fit (conform to a prescribed standard of physical fitness), and of sound mind and who are expected to do the duties of watchmen intelligently and skilfully, should be appointed to be chaukidars, irrespective of cast or creed.
- (2) On his appointment each chaukidar should undergo training at the thana for at least fifteen days in regard to the proper discharge of his duties and be given instruction in drill. During this period he will be given a daily allowance of two annas from the Chaukidari Fund.
- (3) For the appointment and discharge of a chaukidar the age limit should be between 18 years and 55 years.

In case jagir system is adopted the appointment of a chaukidar should be made from the same family if he is otherwise fit to discharge his duties. In such cases if age limit is the only bar, a near relative of his should preferably be allowed to perform his duties till he attains the age limit.

#### SECTION IX.

We have now to deal with the question whether the system prevalent in the different parts in North Orissa could be unified and a uniform system of Village Police introduced. The question of uniformity involves two things, viz., (1) uniformity in remuneration and (2) uniformity in control. We have already discussed in section II, that in case the jagir system is revived and substituted in place of the cash-payment system, there will be uniformity in the matter of remuneration throughout the whole of North Orissa. Uniformity in control however stands on a different footing

Uniformity in the control of village Police throughout North Orissa.

As matters stand at present, there being different administrative machineries under different Acts prevailing in the several parts of North Orissa, uniformity in control of Village Police is not feasible. We are of opinion that to achieve this end, the several Acts affecting village administration that are now in force in the different parts of North Orissa must be consolidated into one Act with necessary changes and modifications to be known as Orissa Village Administration Act.

#### SECTION X.

We now proceed to consider the steps that would be necessary to give effect to our recommendations if accepted and also their financial implications. The first thing that we expect

Steps to be taken on the recommendations and their financial implications.

Government to do is to take steps for the amendment of the Village Chaukidari Act, 1870, and the rules thereunder in the light of our recommendations pending consolidation of the different Acts relating to village administration in the several parts of North Orissa into one Act covering all aspects of village administration such as watch and ward, sanitation, communication, education and administration of elementary justice, etc. Government should also take early steps to appoint Special Officers to go into the question of acquisition of land for jagir purpose, to investigate the possibility of the reduction in the number of chaukidars and to take up the revision of the boundaries of the unions with a view to make them smaller in size. In case jagir system is not acceptable to Government, they may be pleased to take the other steps suggested in the Report in their appropriate places.

The financial implications of our recommendations cannot be fully and exhaustively dealt with by us as we have not got sufficient data on all points connected with them. We have however given a rough estimate of the expenditure that may be incurred by Government in case the jagir system is revived. Our alternative suggestion that in case the present system of cash-payment by means of a special taxation is continued, the number of unions be increased and each union be provided with a permanent Secretary with a monthly Government allowance of Rs. 2 will involve an annual expenditure of about Rs. 22,000 if the total number of chaukidars now in service remains in tact but the amount will come down if the number is reduced.

Another suggestion of ours relates to the appointment of Circle Officers—one for each subdivision. The cost of maintenance of such officers depends on the type of men to be recruited for such purpose. We therefore leave the financial aspect of this suggestion to be determined by Government.

#### CHAPTER IV.

##### SUMMARY OF RECOMMENDATIONS.

The Committee makes the following recommendations:—

- (1) The jagir system be revived in the district of Cuttack excluding Angul and in the districts of Puri and Balasore

and be fully introduced in Angul; the cost of acquisition be met by Government and the people half and half.

- (2) If it be not feasible to revive or introduce the jagir system, cash-payment system be remodelled in one of the following ways:—
- (i) The chaukidari tax be assessed and realized in the form of a cess on raiyati rentals, on revenue payable by zamindars, and on estimated income of holders of revenue-free estates or rent-free lands and of traders, money-lenders and other professional men who derive income from sources other than land. The agency for collection of the cess be either Government, zamindar or the Panchayat with necessary powers for collection—the power of distribution remaining with the Panch.
- (ii) The present system be continued with the following modifications:—
- That the maximum limit of the tax be raised from Rs 12 to Rs. 30 subject to the provision that in no case the amount to be assessed shall exceed Rs. 18 except for reasons to be recorded by the Panchayats;
- that the minimum tax be reduced from annas six to annas four;
- that a Circle Officer be appointed one for each subdivision to hear and dispose of objections to the assessment—his order being subject to revision by the District Magistrate—every individual assessee having the right to appeal to the District Magistrate in the absence of a Circle Officer.
- (3) The system of election of the Panchayats be substituted for the present system of selection by the Subdivisional Officers. Election Rules to be made by the Local Government for the purpose be simple and free from technicalities as far as practicable.
- (4) Panchayats under the reformed system be invested wherever possible with powers to try petty non-cognizable criminal cases and petty civil suits, their decisions being subject to appeal to the Subdivisional Officer or the District Munsif respectively.
- (5) Before the general investment of judicial powers as suggested above the Panchayats be invested with power to try offences such as fouling the water of a public tank or water reservoir, committing nuisance on public roads and

thoroughfares and on conviction punish the offender with a fine not exceeding Re. 1— in each case their decision being subject to appeals to the Subdivisional Officer.

- (6) In order that the Panchayats may have effective control over the chaukidars, the latter be required to attend fortnightly muster-parades before the Panch who in their turn be responsible for supply of necessary statistical informations to the Police. Muster-parades of chaukidar before the Police be only once in a fortnight. The Panchayats be empowered to impose fine upon a chaukidar to the extent of one-eighth of his pay subject to appeal to the District Magistrate and subject to the maximum of Rs. 3 a year.
- (7) The entire daffadari establishment be abolished and the amount now spent on that account be credited to the Village Chaukidari Fund. The functions of daffadars as process servers be taken over by the chaukidars or Nazarat peons.
- (8) Special investigation be made to reduce the number of chaukidars wherever possible.
- (9) With a view to make the unions better administrative units, they be reconstituted and made smaller in size—each union having not more than seven chaukidars and not more than one thousand houses.
- (10) To improve village life in all its aspects the Panchayats be given funds by Government and the District Boards to meet the educational, sanitary and other needs of their unions. Government be requested to do all rural development work through the agency of the Panch.
- (11) Literacy and physical fitness conforming to a certain prescribed standard be the criteria for appointment to chaukidari service. Each chaukidar on his appointment be required to undergo training for 15 days at the thana in regard to the discharge of his duties during which the chaukidar under training be given a daily allowance of two annas from the Chaukidari Fund.
- (12) Besides the duties already prescribed the chaukidar be required to report to the Panch cases of helpless persons in his beat suffering from any dangerous disease for want of medical help and arrange with the Panch for immediate medical aid of the patients—the cost if any being met from Village Chaukidari Fund. He be further required to carry out all lawful orders of the Panchayats in respect of sanitary and irrigational improvements of the union.

- (13) The collecting member of a union be the permanent Secretary to the Panchayat of that union for the maintenance of union records and he be given a Government allowance of Rs. 2 per month for supplying statistical informations that the District Magistrate may require from time to time.
- (14) The Village Chaukidari Act, 1870, be introduced in Angul with modifications suited to local conditions.
- (15) The present jagir system be continued in Sambalpur and legal steps be taken to enquire into the history of the service tenures of the jhankars and readjust the same, if possible.
- (16) The Village Chaukidari Act, 1870, be amended in the light of the above recommendations.
- (17) With a view to raise all the villages to the status of self-governing units the Village Chaukidari Act (Act VI of 1870) with its amending Acts, the Bihar and Orissa Village Administration Act (Act III of 1922), the Central Provinces Village Sanitation Act (Act XI of 1902) and the Village Sanitation and Public Management Act (Act II of 1920) and the Madras Acts XI of 1816, II of 1894 and III of 1895 now in force in the district of Ganjam be consolidated with necessary changes into one Act, viz., the Orissa Village Administration Act.

JAGABANDHU SINHA, *Chairman.*

NANDAKISHORE DAS, *Member.*

GOPINATH DAS, *Member.*

*The 10th April 1939.*

No. 7823.

GOVERNMENT OF ORISSA.  
PUBLIC WORKS DEPARTMENT.

RESOLUTION.

*Cuttack, the 28th June 1933.*

READ—

Madras Government Public Works Department order no. Press 194-W., dated the 7th February 1921.

SUBJECT.—Conferences with raiyats in the districts of North Orissa with regard to water distribution and drainage facilities.

With a view to meeting the complaints and grievances of the raiyats and to minimising the temptations to corruptions which are at times believed to have existed in connection with distribution of water, Government consider it necessary to afford increased opportunities of consultation between officers and raiyats, particularly in the deltaic tracts. It is believed that the surest way of preventing illicit practices among subordinates is to encourage the accessibility of superior officers to the raiyats to give the latter, facilities for bringing before those directly concerned, at first hand, their complaints and grievances with regard to water distribution and drainage facilities.

The Provincial Government have therefore, been pleased to decide that conferences be held with the leading raiyats in the districts of North Orissa (particularly in those which are provided with irrigation facilities) which should be attended by officers of the Public Works and Revenue Departments.

The following rules are laid down for the guidance of officers for convening and conducting such conferences :—

- (1) The conference should be convened by the Executive Engineer and the Civil Subdivisional Officer, or the Senior Deputy Collector at headquarters, should be invited to be present. The irrigation Subdivisional Officer, the Canal Revenue Deputy Collector and the Zilladar should also be present.
- (2) The conference should be held atleast once a year.
- (3) The conference should be held at a convenient centre of the Irrigation Subdivision, preferably at the subdivisional headquarters or in the vicinity of blocks where leases are being renewed.
- (4) The date of the conference and the place at which it is to be held should be fixed in advance in consultation with the officers of the District Administration.
- (5) Atleast 15 days' clear notice should be given when the conference is to be held.
- (6) Wide publicity as to the holding of the conference, the date and the place should be given by beat of drum at important Hats and important villages, and by notification in the *Orissa Gazette*, requesting the cultivators to be present with the object of representing their grievances with regard to irrigation matters to be placed before the conference.
- (7) Any important matter relating to irrigation and drainage may be brought up by the Public Works and Civil Officers.

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REGISTERED No. P-390.

Report of the University-Committee  
in Orissa, 1941.



**SUPPLEMENT**  
TO  
**The Orissa Gazette**

**PUBLISHED BY AUTHORITY.**

**No. 27. CUTTACK, FRIDAY, JULY 4, 1941.**

~~13~~ *Separate paging is given to this Part, in order that it may be filed as a separate compilation*

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No. 1850-E.

GOVERNMENT OF ORISSA.

EDUCATION DEPARTMENT.

RESOLUTION.

*The 24th June 1941.*

Under terms of Resolution No. 1632-E., recorded by the Government of Orissa in the Education Department on the 2nd March 1938, a Committee was appointed to examine and report on the various problems in connection with the early formation of a separate University for Orissa. The report of the Committee has been received and is now published for general information.

By order of the Governor,

S. DAS,

*Secretary to Government.*

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## REPORT OF THE UNIVERSITY COMMITTEE IN ORISSA.

### PREFACE.

1. The Government of Orissa, Education Department, were pleased to appoint the following Committee to examine and report on the various problems in connection with the early formation of a separate University for Orissa in their Resolution No. 1632-E., dated the 2nd March 1938 :—

- (1) Pandit Nilkantha Das, M.A., M.L.A. (Central)—  
*Chairman.*
- (2) Pandit Gcdavaris Misra, M.A., B.T., M.L.A.
- (3) Mr. S. C. Tripathi, B.A.(Cantab.), I.E.S., Director  
of Public Instruction, Orissa.
- (4) Mr. P. Parija, M.A.(Cantab.), F.R.S.A., I.E.S.  
Principal, Ravenshaw College, Cuttack,
- (5) Mr. P. Mahanty, M.A., M.L.A.
- (6) Mr. M. C. Pradhan, M.A., B.L. (Cal.), Dip-in-Edn,  
(Fat. and Edin.), Principal, Training College,  
Cuttack—*Secretary.*

### TERMS OF REFERENCE.

2. The terms of reference were as follows :—

- (a) The structure and the functions of the proposed  
University.
- (b) The finances of the institution,
- (c) Other allied matters in connection with the  
establishment of the University.

3. The Committee was authorised to hold all its meetings at Cuttack, the time and place for each meeting being fixed by the Secretary in consultation with the members of the Committee and to submit to Government a report containing its recommendations at the end of its deliberations.

By a separate order, dated the 12th June 1939, Government were pleased to allow the Committee to hold its sittings in different places within the province with a view to invite and examine witnesses at the different centres instead of at the headquarters only.

The Committee held twelve sessions.

The work  
of the  
Committee.

4. At the first meeting, on the 11th and 12th May 1938, the terms of reference were considered in some detail. It was decided that the Secretary should prepare a questionnaire as a basis for discussion at the next meeting.

5. At the second session, on the 20th May 1938, the questionnaire as drafted by the Secretary was considered in detail and finally approved in a modified form (a copy enclosed in Appendix No. I). The Secretary was then authorised to print 1,000 copies and send them on to the Press, individuals and associations known to be interested in University Education for such replies as they would like to send (Appendix No. VII). In response to the questionnaire, 150 replies were received from various quarters. A list of those who replied to the said questionnaire forms part of Appendix II. Besides these replies many individuals and institutions submitted valuable memoranda and notes on different aspects of University problems. In order to facilitate the work of the Committee copies of several of these memoranda and replies to the questionnaire were circulated to all members of the Committee. Thus members were enabled to consider the evidence submitted prior to discussion at the meetings.

6. At the third session, held on the 5th, 6th and 7th January 1939, all the available replies were placed before the Committee.

7. At the fourth session, held on the 21st January 1939, the Committee examined in detail the replies to the questionnaire issued and found that though they were generally helpful, they required further elucidation on several important points. It was considered necessary to examine witnesses whose number might be very large. So they thought that in order to economise expenses, it would be far more economical if the Committee would sit at different centres instead of inviting witnesses to Cuttack. This would also afford facilities to the Committee to visit institutions, gauge the educational needs of different centres and popular opinion about the type, structure and scope of the

University. They resolved that a sub-committee consisting of Mr. P. K. Parija and Mr. P. Mahanty should be appointed to go through the replies with a view to making a preliminary selection of witnesses to be examined by the Committee and to submitting the list on or before the 31st January 1939.

8. At the fifth session, on the 31st January 1939, the list of witnesses, as prepared by Mr. Parija and Mr. Mahanty, was placed and finally approved.

9. At the sixth session, on the 3rd July 1939, the itinerary was discussed and the Committee decided to move on to Balasore with a view to recording evidence from those witnesses whose views demanded further elucidation and clarification.

10. At the seventh session, on the 26th, 27th and 28th July 1939, the Committee took evidence at Balasore where ten witnesses appeared and recorded evidence (vide Appendix III).

11. At the eighth session, on the 29th and 30th September 1939, and 2nd October 1939, the Committee took the evidence of eight witnesses in the office of the Principal, Ravenshaw College, Cuttack (vide Appendix IV).

12. At the ninth session, held in the premises of the Puri Zila School on the 16th, 17th and 18th January 1940, ten witnesses appeared and gave evidence (vide Appendix V).

13. At the tenth session, held on the 23rd February 1940 in the office of the Director of Public Instruction, Orissa, preliminaries to the drafting of the report were considered.

14. At the eleventh session, held on the 11th January 1941 in the office of the Director of Public Instruction, Orissa, the Committee decided tentatively on the size of the Senate, Syndicate, various faculties, etc., and directed the Secretary to draft a report and submit the same to the Committee at its next meeting.

15. At the twelfth session, held on the 29th and 30th May 1941 and the 1st June 1941 in the office and residence of the Director of Public Instruction, Orissa, the draft report as submitted by the Secretary was thoroughly discussed and signed.

16. The Committee decided at one of its early meetings to issue a questionnaire to elicit public opinion. In doing this, the Committee was actuated by the motive that its recommendations should have public support if they are framed in the light of suggestions made by the public. The questionnaire centred round, *inter alia*, three main points, namely, (1) The type of the University; (2) The scope of the University and (3) The constitution of the University. When the answers were scrutinised, the Committee desired further elucidation of some of the views expressed and, with the sanction of the Government examined witnesses at different centres already indicated above under the Work of the Committee.

The Committee had conceived the idea of examining the reorganisation of the Education system of the province from the top to bottom and seeing if the whole system could be considered under the University. In this idea some members of the Committee quoted the example of the system prevailing in the French Republic. In the evidence gathered, some support for this idea was forthcoming from the public but the Committee thought that this scheme is not practicable under the present circumstances. It will be sufficient for the purpose of this report if we examine the chief suggestions under the three heads noted above.

Type of the  
University.

17. By far the majority of witnesses favoured a type of the University which is partly teaching and partly affiliating. Neither a purely teaching University nor a purely affiliating and examining University found favour with them.

18. A teaching University with all its advantages, though ideal, cannot suit the conditions existing in Orissa. The province is spread over a large area and has already three fairly developed centres of education, namely Cuttack, Parlakimedi and Berhampur, while Puri and Sambalpur have aspirations in this direction. Establishment of a teaching University at any one centre will naturally starve the other centres, because the available resources of the province cannot nourish equally all these centres. The Committee, therefore, agree that a teaching University is not a practical proposition for Orissa.

19. Most of the witnesses (108:34) rejected the purely affiliating type. This is in conformity with the modern trend of University organisation in India. The old affiliating type of University has almost disappeared with the

only exceptions of Patna and Agra. Even Patna is considering the reorganisation of its University to fall in line with the other Universities.

20. We are thus left with the only alternative of a partly teaching and partly affiliating University. We have now to examine more carefully how far this type suits the conditions of Orissa. A University of this type may mean two things, namely, (a) it may manage one or more colleges completely and impart instructions from the Intermediate classes onwards to the highest degree and affiliate other similar colleges owned or managed by private or Government agencies, or (b) it may only impart Post-graduate instruction at one or more centres and permit, under its supervision, the Undergraduate instruction to be imparted by the affiliated colleges. Of the two varieties, the first one cannot be recommended, because experience has shown elsewhere that this introduces an element of unhealthy rivalry between the University college and the affiliated college, generally to the disadvantage of the latter.

21. The second species is clearly the better one. The University may impart post-graduate instruction either by its own staff or with the help of competent men from the affiliated colleges. This system has been working well in the Universities of Calcutta, Madras, Punjab and Bombay, and has the merit of economy, because it is wasteful to permit post-graduate instructions at more centres than one. This type is the most suitable for provinces with limited resources.

22. The question is whether Orissa should start off with a University of this type. The Ravenshaw College has post-graduate classes in English and Law and the Training College has the classes in Education. If a University of the type indicated is established, it must take over the management of these classes at once and leave the Undergraduate classes to the affiliated institutions. Such transfer, however, will involve careful consideration and adjustment of the interests of the teachers concerned, although the solution of the problem is not impossible. In any case delay is inevitable and the educational difficulties experienced in the province cannot be dissolved immediately.

23. The most feasible course is to keep this ideal in view and establish a University whose constitution may

provide such undertaking of the post-graduate teaching in fullness of time. In plain language, an affiliating University should be established which in course of time will take over the post-graduate teaching.

Scope of the University.

24. So far nothing has been said about the scope of the University. The present practice in the Universities of Patna and Calcutta has been to hold an examination, called the Matriculation Examination, to select candidates for the admission into their Undergraduate classes. In other parts of India, a separate agency holds a High School Examination and the Universities select their undergraduates from the successful candidates of these examinations. It is not a matter of great difficulty to choose one of these alternatives for the University of Orissa. The Committee is of opinion that the proposed Orissa University should hold its own Matriculation Examination providing for a variety of optional subjects so as to cater for the needs of those who do or do not go to the University. This will prevent duplication of courses both for the Matriculation and Secondary School Leaving Certificate Examinations which are found in some parts of India. This conclusion is based on the grounds that (a) the province is small, (b) the number of candidates for some time to come will be within manageable limits, and (c) unnecessary multiplication of agencies involves avoidable expenses.

25. What we propose to examine in some detail are the suggestions made in some quarters that (a) the University Undergraduate course should be of three years' duration, and (b) that the University should control and regulate the instruction from after the Middle School Certificate Examination. If the Undergraduate course is made of three years' duration, it follows necessarily that the High School course should take over part of the present Intermediate course. It is a question whether the boys of the present Matriculation classes can take on more than what they are taught now. The Committee is of opinion that it is not advisable to make the High School course heavier without raising the School-leaving age. If the School-leaving age is raised, then there is no point in transferring part of the Intermediate course to the schools. In this matter a certain amount of uniformity is desirable all over India, otherwise the students of one part will be at a disadvantage in comparison with those of other parts in the matter of appointments and of admission into certain institution where Matriculation or High School Examination

is the minimum qualification. On these grounds the Committee is inclined to leave the Undergraduate course as at present.

26. The next question is whether the University should undertake the guidance and control of the courses of instruction from after the M. E. School Examination. The protagonists of this scheme plead that this will ensure proper graduation of the courses of study and thereby build up the national education as one complete whole. If this suggestion is accepted, then the University by its very nature must have an agency under its aegis to frame the courses and guide its execution. This system will naturally be a cumbrous one and the little advantage that have been expected to accrue, will be lost in the cumbrous organisation. There is one more danger which must not be lost sight of; that is the University is likely to make the courses of instruction in the lower classes more academic than utilitarian. The Committee is unable to accept this suggestion for the reasons noted above. Since the Committee generally decided that the proposed Orissa University should start with the present conditions prevailing in the Patna University, we recommend that jurisdiction of the Orissa University should not extend below the two top classes of a high school.

27. Public opinion has been insistent that the University should be an autonomous body free from the State control. Fear has been expressed that too much interference of the State into the University matters is detrimental to free academic growth. It is true that the best Universities in the world are free from Government control. In India, however, the Universities have to depend chiefly on the contribution of funds from the Government. Naturally the State wants to have some say in the University affairs. It is conceivable, however, that the State may hand over a block grant to the University and the latter may administer the fund and manage institutions under its control without any further interference. This will make the University free from party politics. All this, however, applies to the type of University which undertakes teaching and manages its institutions. We have seen above that for the present this type of University is not practicable for Orissa. The question of independence of or dependence on the State does not arise. As the Committee recommends an affiliating University to start with, the Government grant to the University to be made over with such limitations as are in consonance with the dignity of an autonomous body.

Constitution  
of the  
University.

**THE STRUCTURE AND THE FUNCTIONS OF THE UNIVERSITY  
(TERMS OF REFERENCE.)**

The func-  
tions of the  
University.

28. The main functions of the proposed University of the affiliating type should be—

- (i) to make provision for imparting higher education,
- (ii) to promote original research,
- (iii) to examine students and confer degrees,
- (iv) to admit educational institutions to its privileges,
- (v) to affiliate and inspect colleges, and
- (vi) to supervise and control the residence and discipline of the University students and to promote their health and welfare, both physical and mental.

The struc-  
ture.

29. After having decided the type of the University the Committee considered it necessary to indicate the structure of the University, leaving the details to be worked out when the University Act is passed and the Regulations are drafted and submitted for acceptance. The following shall be the authorities and officers of the University:—

- (i) The Chancellor,
- (ii) The Pro-Chancellor,
- (iii) The Vice-Chancellor,
- (iv) The Senate,
- (v) The Syndicate,
- (vi) The Registrar,

and such other authorities and officers as the Regulations may hereafter declare to be the authorities or officers of the University.

30. The high schools in such Indian States as are now presenting candidates for the Matriculation Examination of the Patna University are expected to come under the proposed Orissa University as also colleges if and when established. It is desirable to make provision for their representation on the Senate.

31. The Committee considered it essential that for the first two or three years of the University's life when Regulations were to be drafted and the work of organisation of a new University would be both heavy and constant, a whole-time paid Vice-Chancellor would be necessary and



thereafter only if the teaching side is undertaken and developed to such an extent as would require looking into by one such whole-time officer.

32. The Senate will be such a body as will represent the interests of all parts of Orissa and the various faculties which are indicated below :—

*Ex-officio fellows.*

1. The Pro-Chancellor ;
2. The Vice-Chancellor ;
3. The Minister for Education, Orissa ;
4. The Director of Public Instruction, Orissa ;
5. The Hon'ble Chief Justice of the High Court having jurisdiction over Orissa ;
6. The Director of Health and Inspector-General of Prisons, Orissa ;
7. The Director of Development, Orissa ;
8. The Advocate-General, Orissa ;
- 9-10. The Principals of Colleges in which instruction is given to a degree standard ;
11. The Principal, Training College, Cuttack ;
12. The Lady Principal, Ravenshaw Girls' School, Cuttack ;

The Senate  
and its  
constitution.

*Note.*—The University Professors, if any, should be ex-officio fellows.

- (a) 13-14. Such persons not exceeding two in number as may be appointed by the Chancellor on the ground that they have rendered eminent service to the cause of education ;
- (b) All persons who have since the passing of the Act, given, whether in one or more instalments, a sum of not less than Rs. 50,000 for Oriental studies or for an endowment in an institution affiliated to the University or the University itself.

Life  
members.

*Representative fellows.*

- 15-31. Seventeen persons to be elected by college teachers at least two from each of the colleges

College  
teachers—17.

- giving instruction to a degree standard and at least one from each of the remaining affiliated colleges.
- School teachers—9. 32—40. (i) Eight headmasters to be elected by the headmasters of recognised high schools—two seats to be reserved for State high schools and one seat to be reserved for each district.
- (ii) One lady graduate teacher to be elected by registered lady graduate teachers from all girls' high schools recognised by the University.
- Registered Graduates—8. 41—48. Eight persons to be elected by registered graduates.
- Associations or Public Bodies—2. 49-50. Two persons to be elected—one by the Orissa Association of Sanskrit Learning and Culture and the other by such learned societies like the Utkal Sahitya Samaj as the Chancellor may direct.
- Provincial Legislature—2. 51-52. Two graduate elected members to be elected from the Legislative Assembly.
- Nomination.*
- State Councils—(a) 2. 53-54. Two non-official persons from the States to be nominated by the Syndicate.
- (b) 5. 55—59. Five persons to be nominated by the Chancellor.

*Note.*—The duration of the term of office of the fellows of the Senate other than the Life fellows and ex-officio fellows should be five years.

- The Syndicate and its composition. 33. The Syndicate may be made to consist of eleven members as follows :—

*Ex-officio.*

1. The Vice-Chancellor ;
2. The Director of Public Instruction, Orissa ;
3. The Principal, Ravenshaw College, Cuttack ;
4. The Principal, Training College, Cuttack ;

*Elected by the Senate (Teachers) from among themselves.*

- |                         |   |  |
|-------------------------|---|--|
| 5-6. Faculty of Arts—2  | } | Not more than one from any one college and at least one from outlying colleges ; |
| 7. Faculty of Science—1 |   |  |

*Elected by the Senate (non-teachers) from among themselves.*

8—11. Four members of the Senate from amongst persons who are not on the permanent teaching staff of a college or school of whom one at least shall represent the Faculty of Law.

*Note.*—The number of members on the Syndicate has been decided by taking into account the faculties which will immediately function as soon as the University comes into existence. Provision should be made in the Act to increase the number of members on the Syndicate when other important faculties are started.

The duration of the term of office of the elected members of the Syndicate should be three years.

34. There shall be for the present four faculties, viz., (1) Arts, (2) Science, (3) Education, and (4) Law and such other faculties as Commerce, Technology, Agriculture, Medicine and Engineering may come into being as necessity arises with the expansion of the University.

The  
Faculties-  
Number and  
names of  
Faculties.

The Committee recommend that the post secondary diploma in vocational courses should be immediately instituted.

35. In every faculty there should be a Board or Boards of Studies in important branches of knowledge to be appointed by the faculty as occasion arises. Under each Board of Studies, there should be a Board of Examiners for the various examinations of the University in the subject or subjects with which the Board is concerned. Details as regards the number of members in various faculties, Boards of Studies and of examiners could be worked out with ease when the Regulations are drafted. Such membership need not be restricted to the territorial area of the province.

The Boards  
of Studies  
and such  
other  
University  
boards.

36. The Committee next considered whether the immediate foundation of an examining and affiliating University is to be considered along with making provision for the development of post-graduate teaching in some major subjects. The Committee feel that it is not proper to mix up the two questions and that insistence on making such provisions from the very start would delay the question of the foundation of a University which is so urgent. It is however hoped that Government will not delay the provision for post-graduate teaching if and when circumstances require that such provision is essential for the requirements of the province.

## THE FINANCES OF THE INSTITUTION (TERMS OF REFERENCE).

37. The Committee next proceeded to discuss the cost of the University office and recommend as follows:—

A Registrar on Rs. 400—30—700 (average cost Rs. 577 per mensem or Rs. 6,924 per annum) with office staff as under was considered necessary at the outset:—

- (1) Office manager—Rs. 150—10—250 (average Rs. 216-6-0 per month or Rs. 2,599 per annum).
- (2) 2 Senior clerks—Rs. 75—5—125 (average Rs. 108-3-0 per month or Rs. 2,599 per annum).
- (3) 3 Junior clerks—Rs. 40—3—70 (average Rs. 60 per month or Rs. 2,160 per annum).
- (4) 1 Stenographer and confidential clerk—Rs. 100—5—150 (average Rs. 133-3-0 or Rs. 1,599 per annum).
- (5) 1 Daftry—Rs. 15 per month, Rs. 180 per annum.
- (6) 7 peons—Rs. 12 per month, Rs. 84 per month or Rs. 1,008 per annum.
- (7) 1 Chaukidar—Rs. 12 per month, Rs. 144 per annum.

38. In addition to the above expenditure on the establishment, the University is likely to incur the following charges:—

	Rs.
Printing charges ... ..	10,000
Stationery ... ..	2,000
Travelling allowance ... ..	6,000
Other expenses ... ..	2,000
	<hr/>
Total ... ..	20,000
	<hr/>

39. At present the Government of Orissa makes an annual contribution of Rs. 2,000 to the Patna University. When the province was separated, it used to spend about Rs. 8,000 a year on the travelling allowances of members attending meetings of the University bodies from Orissa. Owing to revision of travelling allowance rules this figure now stands at Rs. 5,800 per annum.

40. The Committee considered it feasible that the University office could at the outset be located in a hired house in the neighbourhood of the Ravenshaw College. Any suitable hired house would cost at least Rs. 150 per month. The necessary furniture would cost Rs. 7,000. The ultimate cost of a new office building would be about Rs. 60,000.

41. Assuming that the work of the University in the first few years be of such a nature as will necessitate the appointment of a whole-time paid Vice-Chancellor (vide paragraph 31), it would be desirable to pay him at the rate of Rs. 1,000—50—1,500 per month. Average cost would be Rs. 1,300 per month or Rs. 15,600 per annum.

42. Detailed estimate of cost of University office.—

	Recurring (tempo- rary).	Recurring.		Non-recurring.	
		Ultimate.	1st year.	Ultimate.	1st year.
	Rs.	Rs.	Rs.	Rs.	Rs.
Vice-Chancellor ...	15,600	...	12,000	...	...
Registrar ...	...	6,924	4,800	...	...
Office staff ...	...	10,289	7,572	...	...
Printing charges, etc. ...	...	20,000	20,000	...	...
Provident Fund contribution at 1/16 of the pay.	...	1,076	773	...	...
Library ...	...	...	...	...	10,000
House-rent ...	...	1,800	1,800	...	...
Furniture ...	...	...	...	...	7,000
Cost of new office building	...	...	...	60,000	...
<b>Total</b> ...	<b>15,600</b>	<b>40,089</b>	<b>46,945</b>	<b>60,000</b>	<b>17,000</b>

43. The cost of examination was next estimated as follows :—

	Rs.
M.A. ... ..	1,300
Diploma-in-Education ... ..	520
B.A. and B.Sc. ... ..	8,600
Intermediate ... ..	6,000
Matriculation ... ..	10,050
Invigilation, postage, etc. ... ..	5,500
	31,270

(Rs. 32,000 in round figures.)

44. The following detailed estimate of income from examination fees, based on the number of candidates in 1939-40, was framed :—

	Estimated number of candidates.	Rate. Rs.	Total income. Rs.
Matriculation ... ..	1,419	15	21,785
I.A. ... ..	330	30	9,900
I.Sc. ... ..	64	35	2,240
B.A. Pass ... ..	116	40	4,640
B.A. Honours ... ..	34	50	1,700
M.A. ... ..	1	75	75
B.Sc. Pass ... ..	9	40	360
B.Sc. Honours ... ..	9	50	450
Dip-in Edn. ... ..	30	30	900
Law, Part I ... ..	42	25	1,050
Law, Part II ... ..	30	25	750
			43,800
Other fees (Migration, Registration, etc.) ... ..			6,000
			49,800

(Rs. 50,000 in round figures.)

## 45. General survey of cost.—

	Recurring (temporary). Rs.	Recurring.		Non-recurring.	
		Ultimate. Rs.	1st year. Rs.	Ultimate. Rs.	1st year. Rs.
University office.	15,600	40,089	46,945	60,000	17,000
Examinations.	...	32,000	30,000	...	...
Total ...	15,600	72,089	76,945	60,000	17,000

Against the recurring cost in each case is to be set the income from examination fees amounting at first to Rs. 50,000 in round figures. This fee income has been calculated from the figures for 1939-40 which are now available and is likely to increase in 1940-41 and subsequent years as the number of examinees appearing particularly at the Matriculation Examination of the University is steadily increasing.

46. The Committee considered it desirable also that an Intermediate College should be started at Sambalpur as soon as practicable. This will widen the basis of the University besides serving a distant part of the province and a number of neighbouring States.

47. The Committee was of opinion that a narrow provincial attitude and outlook in the early years of the University would be fatal to its reputation and prospects. The services of eminent and distinguished scholars outside the province should be liberally utilised on various faculties, Boards of Studies and Examiners. A certain proportion of examiners should be recruited from men not connected with actual teaching work in this University. This will introduce an outside element of examiners whose services will be valuable as much for their scholarship as for detached point of view which they will be able to bring to bear upon their work. This must be invariably followed in the higher examinations.

OTHER ALLIED MATTERS IN CONNECTION WITH THE ESTABLISHMENT OF A UNIVERSITY IN ORISSA (TERMS OF REFERENCE).

48. There are four possible sources of income, viz., (i) State aid, (ii) Fees, (iii) Public benefactions from municipalities, and (iv) Endowment.

Sources of income for starting and maintaining a University for Orissa.

The Committee discussed the question of Government obligations to finance University education and are of opinion that Government should make a reasonable grant to the University which will serve as an example to other bodies, corporations or individuals. The aid is to be in the shape of a block grant, so that it may not form a party question in the Legislature—a point which has already been stressed above under constitution of the University. It is hoped that supplementary funds will be forthcoming as necessity arises. The Committee think that with the increase in the number of affiliated colleges and students, fee income from various sources would increase as has been the case with the Patna University. Still we do not feel quite confident that income from fees will rise so much as to contribute substantially to the general cost of the University. It is hoped that the generous public, who have done so much in the past for the advancement of learning, will come forward with liberal donations and subscriptions, enough to create a few endowments. In this connection the Committee would like to invite the attention of the Government and general public to the possibility of utilising some of the accumulated funds in Hindu Religious Endowments for educational purposes—a source which should be tapped to the best advantage of the University.

Position of the Ravenshaw College in the outlined scheme of University.

49. The Ravenshaw College will no doubt continue its present *status quo* and be the most important affiliated member of the proposed University. When the University ceases to be a merely examining body and undertakes the work of teaching particularly in honours and post-graduate studies, the Ravenshaw College, its members and department staffs are expected to come under control of the University. This position has been supported by 63 replies received in response to the questionnaire. If in the intervening period, the University appoints any Lecturer or Reader but asks him to work in the Ravenshaw College, he will be deemed to be working under the Principal of the said college.

Medium of instruction.

50. From the replies received it is found that 130 persons out of 150 are of opinion that the medium of instruction should be a modern Indian language up to the Matriculation stage. A considerable number who replied to the questionnaire held the view that the medium of instruction in college classes should also be a modern Indian language. One witness connected with the post-graduate



teaching in Indian languages in a neighbouring University went so far as to suggest that the medium of instruction and examination might be Oriya although the text-books were in English. The Committee carefully considered the matter and do not think that it is at all practicable at the University stage for the following among other reasons :—

- (i) The inadequacy of our language to express the requirements of higher studies and learning ;
- (ii) want of suitable text-books ; and
- (iii) absence of a common language for India. In a small province like Orissa the difficulty in regard to text-books alone, for a long time to come, be insurmountable even though Oriya is made the medium. English is to-day the medium of instruction in the University and will continue to remain as such for years to come.

51. The University is the only body which can provide <sup>Research.</sup> instruction as well as guidance in research in arts, humane subjects, natural science, applied technique, sociological, professional as well as vocational subjects. It is neither practicable nor necessary that all of these subjects should be taken up by the University. But the University can undertake some of these by establishing chairs, organising lectures, making grants towards publications of the results of any such research by post-graduate teachers or students or by offering special scholarships for carrying on such research. We feel that co-operation among the several Indian Universities should be encouraged with a view to avoid waste and overlapping

52. So far as Oriental studies are concerned, control <sup>Oriental studies.</sup> should for the present continue to be exercised by the Orissa Association of Sanskrit Learning and Culture recently constituted by the Government for the whole province. But it is expected that the organisation should be made gradually adaptable to modern academic utilities and scientific methods by systematically incorporating comparative studies specially in Phonetics and Philology as well as historical research by internal and external evidence along with the stages and land-marks of progress in time. Otherwise the University should be allowed to take over the present arrangement as soon as possible by making provision for such organisation either by affiliation or by opening a teaching department for it.

A fixed amount of the money available from the accumulated funds of the charitable endowments (vide paragraph 48) may be utilised by the University for the purpose.

53. Students from Orissa will continue to go outside to secure degrees in Medicine, Engineering and for such other courses for which there is no provision in Orissa. We recommend that special provision in shape of stipends should be made for their study outside for poor and meritorious students from Orissa. This will be a cheaper course than providing for such students in the University since the number of students who will go in for such course is not large—a fact which is evident from figures in Appendix D of the printed questionnaire.

54. An exception should, however, be made in the case of Oriya which may not be as well done at another University. 127 persons out of 144 who gave their replies in response to the questionnaire have stressed that Oriya history, language, literature and culture should form a special study at the University. The case of English is also on a different footing inasmuch as the Ravenshaw College has been doing post-graduate work in that subject. So far as the post-graduate teaching in Oriya is concerned, an addition of two more teachers—one for honours teaching and another for post-graduate teaching would be necessary. Meanwhile arrangements may be made for some Readership lectures bearing on different periods of Oriya literature. (A detailed estimate on the subject is given in Appendix VIII.)

Further extension of teaching facilities at the Ravenshaw College.

55. The Committee further discussed the question whether it would be desirable to have further extension of teaching facilities at the Ravenshaw College to give a backing to the University idea. The Committee ascertained the views in the matter and was of opinion that demand for post-graduate teaching in other major subjects is likely to increase further financial burden on the Government at the outset. They however would like to suggest that if funds permit, post-graduate teaching should be undertaken in Economics, History and Mathematics, besides post-graduate teaching in Oriya and English.

An estimate of cost is indicated in Appendix VI in case post-graduate teaching is started in the subjects noted above.

56. We take this opportunity of expressing our appreciation for the ready and valuable response given by several individuals and institutions who took great interest in the matter and placed their view-points regarding the framework and working of the proposed University.

57. The following is the summary of the main recommendations of the University Committee:—

No.	Recommendations.	Paragraph.
1	An affiliating University to be established immediately which in course of time will undertake post-graduate teaching.	23
2	The proposed Orissa University to hold its own Matriculation Examination and to provide for a variety of optional subjects so as to cater for the needs of those who do or do not go to the University.	24
3	It is hoped that the State high schools together with colleges if and when established will come under the University.	30
4	The length of the Undergraduate course to be left undisturbed at present.	25
5	Jurisdiction of the Orissa University not to be extended below the two top classes of a high school.	26
6	Establishment of an Intermediate College at Sambalpur.	46
7	Medium of instruction—A modern Indian language up to the Matriculation stage and thereafter English for years to come.	50
8	The Government to hand over a block grant to the University which should be consonant with the dignity of an autonomous body.	27
9	Possibility of utilising some of the accumulated funds in Hindu Religious Endowments for the purpose of the University.	48
10	General survey of cost—	

*Recurring.*

		Rs.	
Ultimate	...	72,089	} As against an income of Rs. 50,000.
1st year	...	76,945	

*Non-recurring.*

		Rs.
Ultimate	...	60,000
1st year	...	17,000

No.	Recommendation.	Paragraph.
11	The authorities and officers of the University are (i) the Chancellor, (ii) the Pro-Chancellor, (iii) the Vice-Chancellor, (iv) The Senate, (v) the Syndicate, (vi) the Registrar and such other authorities and officers.	29
12	A whole-time paid Vice-Chancellor for the first two or three years and thereafter only if the teaching side is undertaken and developed.	31
13	Scale of pay of the whole-time paid Vice-Chancellor is Rs. 1,000—50—1,500 per month.	41
14	The Senate to consist of 59 members—Ex-officio fellows—12, life fellows—2, representative fellows—38 and nominated fellows—7.	32
15	The Syndicate to consist of 11 members—Ex-officio members—4, teachers—3 and non-teachers—4.	33
16	Four faculties, viz., (1) Arts, (2) Science, (3) Education, and (4) Law for the present. A post-secondary diploma in vocational courses.	34
17	Utilisation of the services of distinguished scholars outside the province on faculties and Boards of Studies and Examiners.	47
18	Oriental studies to remain under the control of the Orissa Association of Sanskrit Learning and Culture.	52
19	Post-graduate teaching in Oriya to be undertaken at once and that in English to continue at the Ravenshaw College as at present.	54
20	Post-graduate teaching in subjects other than Oriya and English to be undertaken at the Ravenshaw College if funds permit.	55
21	Stipends for poor and meritorious students to enable them to go outside to secure degrees in Medicine, Engineering, etc.	53
22	Location of the University office in a hired house in the vicinity of the Ravenshaw College.	40

NILAKANTHA DAS.  
 GODAVARIS MISRA.  
 P. MAHANTY.  
 S. C. TRIPATHI.  
 P. PARIJA.  
 M. C. PRADHAN.

## APPENDIX I.

OFFICE OF THE UNIVERSITY COMMITTEE, ORISSA,  
CUTTACK TRAINING COLLEGE,  
CHANDNICHOUK P. O.  
*Cuttack, the 3rd August 1938.*

FORM

M. C. PRADHAN, Esq., M.A., B.L. (Cal.), DIP.-ED. (Pat. and Edin.),  
SECRETARY, UNIVERSITY COMMITTEE, ORISSA.

To

Two Members of the Legislative Assembly (Central) from Orissa; all Members of the Legislative Assembly, Orissa; the Member of the Council of State from Orissa; the Heads of Departments in the Province; the Members of the Patna University-Senate from Orissa; the Vice-Chancellors of the Patna, Andhra and Calcutta Universities; the Chairmen or Presidents of all District Boards and Municipalities including the District Council, Sambalpur; all Dewans, Superintendents and Secretaries of Orissa States; the Principals of all Colleges; the Professors and Lecturers of all Colleges; the Principal of the Rajkumar College, Raipur; all Oriya Teachers of the Rajkumar College, Raipur; the Inspector of Schools, North Orissa and the District Educational Officer, Ganjam; the Inspectress of Schools, Orissa; the Sub-Assistant Inspectress of Schools, Berhampur Girls' Range; the District Inspectors and District Inspectresses of Schools in Orissa; the Inspector of Sanskrit Schools, Puri; the Headmasters of High and Middle Schools in Orissa; the Graduate Teachers of High and Middle Schools in Orissa; the Headmistress of the Berhampur Girls' High School; the Headmasters of the Government Secondary Training Schools, Cuttack and Berhampur; all Graduate Teachers of Secondary Training Schools, Cuttack and Berhampur; the Lady Principal, Ravenshaw Girls' School, Cuttack; all Graduate Teachers in the Ravenshaw Girls' School; the Registrar, School Examination Board, North Orissa; the Secretaries of all Educational Associations in Orissa; the Registrars of the Patna, Andhra and Calcutta Universities; the Secretary of the Inter-University Board; the Oriya Professors of the University College, Calcutta; the Secretaries of the Bar Associations in Orissa; Babu Gopabandhu Choudhury; Babu Harekrishna Mahatab; Dr. Purna Chandra Mohanty, Science College, Calcutta; Dr. Harinarayan Singh, Nagpur University; Babu Haris Chandra Baral, Bombay; Mr. S. P. Prasad, Science College, Patna; all Educational Officers of the Orissa States; all Editors of the Newspapers and Magazines in Orissa.

SIR,  
MADAM,

I AM directed to send herewith a copy of the Questionnaire, issued by the Orissa University Committee, and shall be obliged for your kind assistance given to the Committee by answering as many questions as possible.

Your reply should reach my office on or before the 20th September 1938.

I have the honour to be,

SIR,  
MADAM,

Your most obedient servant,

M. C. PRADHAN,  
*Secretary, University Committee, Orissa.*

**UNIVERSITY COMMITTEE IN CONNECTION WITH THE EARLY  
FORMATION OF A SEPARATE UNIVERSITY FOR ORISSA:**

**QUESTIONNAIRE.**

	Ayes.	Noes.	Neu- tral.
1. <i>Aims of the University.</i> —What are your grounds for a separate University for Orissa ?			
(a) Are they purely based on racial sentiment ?	31	68	52
(b) Are they based on the inconvenience of students now reading in different Universities ?	101	14	35
(c) (i) Are they based on the need for cultural self-expression of the race which cannot otherwise be developed ?	120	5	25
(ii) What are the special features of that self-expression ?			
2. (a) Will the University aim at giving education in all the subjects ?	69	56	25
(b) Will it aim at specialising in some selected subjects or departments of learning and culture ?	113	9	28
(c) If it is to specialise, in which subject or subjects, department or departments you propose it should specialise ? Please indicate your reasons.			
3. <i>Type of University.</i> —(a) Whether it should be purely affiliating ; or	14	107	29
(b) partly affiliating and partly teaching ; or ..	113	22	16
(c) purely teaching ? .. .. .	7	113	30

Q. 1. The following are some of the important grounds for the creation of a separate University :—

- (a) Cultural advancement.
- (b) Advancement of learning.
- (c) Linguistic culture.
- (d) Unification of teaching in North and South Orissa.
- (e) Self-determination.
- (f) Self-dependance.
- (g) Administrative benefits.
- (h) Proper citizenship.
- (i) Economic uplift.
- (j) Facility for research.
- (k) Racial interest.
- (l) Inconvenience of students in other Universities.

Q. 1. (c) (ii) The special features of self-expression are in—Literature, Language, History, Architecture, Arts and Crafts, Astronomy, Military and Naval skill, Engineering, Oriental Learning, Mining and Metallurgy, Agriculture, Archeology, Religion, Music, etc.

Q. 2. (c) Specialise in—Language, Literature, History, Architecture, Arts and Crafts, Military and Naval skill, Agriculture, Marine, Biology, Astronomy, Mining and Metallurgy, Forestry, Archeology, Geology, Anthropology, Zoology, Politics, River physics, Economic Geography, Dairy Farming, Journalism, Civics, etc.

	Ayes.	Noes.	Neut. Bal.
4. (a) If the University be of the affiliating type, will all its colleges in the same or different places be affiliated equally in all subjects ; or	57	51	42
(b) Should particular colleges be set apart for particular subjects ?	62	29	44
5. If affiliating, should there be any control by the University in the management and teaching of different colleges ?	105	9	36
Should the University have any hand in the appointment of teachers ?	79	23	48
If the University is partly affiliating, what should be the relation between its teaching and other colleges ?			
(a) Do you propose that the affiliated colleges should be allowed to teach subjects provided for in the teaching side of the University and vice versa ? or	61	32	57
(b) Should affiliated colleges be allowed to teach only such subjects as are not provided for in the teaching side of the University ? Should the teaching and affiliating sides of the University be made exclusive of each other ?	34 51	40 36	76 63
6. In which special subject or subjects should the University undertake teaching ?			
(a) Should the University organise Oriental studies or should there be a separate body or bodies like the Sanskrit Association ?			
(b) If the University does organise Oriental studies, should the teaching of Ayurveda be associated with the modern system of medicine or should the studies of Ayurveda be separately organised distinct from the modern system of medicine ?			
(c) If it is separately organised what should be its scope and its objective ? On what lines should research work be undertaken ?			
7. (a) Should the history, literature, language and art of the Oriyas form a special study ?	127	1	22
(b) Should the department of learning be located in any particular college ? or	47	50	53
(c) Should it be the common feature of all the colleges ?	78	25	37



Q. 5 (iii) The relation should be as follows :—

Periodical inspection—co-operation—control in teaching, Co-ordination of teaching in other colleges, to set ideals, etc.

Q. 6. (a) Organise Oriental studies	...	95
A separate body	... ..	27
Neutral	... ..	28
(b) With modern system	... ..	83
Separately organised	... ..	30
Neutral	... ..	37

(c) The lines of research work suggested are :—

Popular treatment, Rural medical help, Effective medicines, Revival of Ayurveda—on the lines of Madras system, use of plants and minerals, Tropical diseases, Medical secrets of Ayurveda and Research on modern scientific lines.

	Ayes.	Noes.	Neut- ral.
(d) Should the University organise teaching in all important subjects ? or	74	35	41
(e) On a few selected subjects only ?	68	24	58
(f) In the latter case, should the University found stipends in other University for the study of such subjects as cannot be provided for ?	100	6	44
8. If the University undertakes teaching—			
(a) Will it do so from the intermediate stage ? or	49	60	41
(b) Will it take up (i) honours and post-graduate teaching, or (ii) post-graduate only ?			
(c) In the post-graduate stage, should the University undertake teaching in all subjects or send students with stipends to other Universities in subjects in which teaching cannot be organised ?			
(d) Should external candidates be admitted to University examinations ?	109	9	32
9. <i>Period of study.</i> —(a) (i) How many years' course do you propose for the degree stage after the Matriculation Examination ?			
(ii) Will honours course have any extra period of study or training ?	77	40	33
10. (a) Should the Ravenshaw College at Cuttack be the nucleus of the teaching in the University ?			
(b) In that case (i) should it be entirely taken over by the University, or (ii) should Government continue to maintain it ?	119	8	23
11. <i>University and Secondary Education.</i> —			
(a) From what stage should the University control secondary education ?			
(i) From after the Matriculation ? or			
(ii) From after the Middle School stage ?			
(b) Should an independent Board of Secondary Education exist ? or	71	46	33
(c) Will the University manage and control it ?	67	33	50
(d) At what stage should students be made to specialise in subjects ?			

Q. 8. (b) Honours and Post Graduate	...	57
Post Graduate only	...	41
Neutral	...	52
(c) Undertake teaching in all subjects	...	48
Send students with stipends	...	74
Neutral	...	28
Q. 9. (a) (i) 6 years	...	1
5 years	...	2
4 years	...	86
3 years	...	36
2 years	...	1
Neutral	...	24
Q. 10. (b) University control	...	66
Government control	...	55
Q. 11. (a) After Matriculation Stage	...	48
After Middle School stage	...	75
(d) After Intermediate	...	4
After Matriculation	...	58
Pre-matric	...	14
After Middle stage	...	37
After degree	...	2

	Ayes.	Noes.	Non- vot.
(e) If after the Middle School stage specialization be considered too early for the development of the adolescent, should there be different high schools with different special features, e.g., technical, vocational, scientific studies, etc. ?	81	16	53
(f) (i) Will the University give diplomas in technical and vocational departments of education ? or	103	14	34
(ii) Will not concern itself with such studies after the Matriculation stage ?	37	26	87
(g) (i) Is the School Leaving Certificate system as it exists to-day in South Orissa at all necessary ?	16	86	48
(ii) If so, why ?			
12. <i>Medium of instruction.</i> —(a) Should the medium of instruction be a modern Indian language up to the Matriculation stage ? or	130	4	16
(b) Should the medium of instruction be English after the Middle School stage ?	17	92	41
(c) If the medium of instruction be a modern Indian language up to the Matriculation stage, should English be a compulsory subject ?	120	9	21
(d) In that case, should there be any special stress on the teaching of English in all high schools ?	98	28	24
(e) (i) Should the medium of instruction be a modern Indian language in college classes ?	71	54	25
(ii) Do you consider that practicable at the present stage ?	9	109	32
(iii) If not, what are the particular difficulties ?			
(iv) Will education be so planned as to make a modern Indian language the medium of instruction in colleges after some specified period ?	106	12	32
(v) Do you propose text-books to be gradually written and introduced with that purpose in view ?	111	4	35
(vi) (a) Should there be any special organisation for writing suitable text-books with that purpose in view ?	111	4	35
(b) If so, will the organisation be controlled and managed by the University ?	110	1	39

- (g) (ii) For—Provision for study of Science,  
Education self-sufficient.  
Helpful to students in practical life.  
A better system.  
Range and scope extensive.
- Against—Low standard.  
Duplication work.  
Inefficiency.

Q. 12. (e) (iii) The difficulties are.—

Intellectual isolation, want of text-books,  
linguistic and teaching difficulties.

	Ayes.	Noes.	Neut- ral.
13. <i>Constitution of the University.</i> —(a) What will be the proportion of representation of the University teachers on the University?			
(b) (i) Will this representation of teachers include high school teachers?	111	3	36
(ii) If so, in what proportion?			
(c) What will be the proportion of representation of registered graduates?			
(d) (i) Should there be Government nomination on the University?	100	5	45
(ii) If so, in what proportion?			
(iii) Should the Government nomination be restricted only to experts and educationists who may not care to seek representation?	82	7	61
(e) (i) Should the legislature be represented on the University?	97	6	47
(ii) If so, in what proportion?			
(f) (i) In what proportion should the Orissa States be represented?			
(g) (i) Should women have separate representation on the University?	91	17	42
14. (a) Do you think that the academic side of the University should be separated from the administrative by the formation, for example, of an Academic Council as distinct from the Senate?	79	28	43
(b) What should be the nature of representation in the executive body (Syndicate) of the University?			
(c) Do you think there should be a paid whole-time Vice-Chancellor?	57	59	33

- Q. 13. (a) The majority is in favour of representation varying from 40% to 60%.
- (b) (i) The majority is in favour of representation varying from 5% to 20%.
- (c) The majority is in favour of representation varying from 5% to 30%.
- (d) (ii) The majority is in favour of representation varying from 5% to 10%.
- (e) (ii) The majority is in favour of representation varying from 5% to 10%.
- (f) (i) The majority is in favour of representation varying from 5% to 10%.
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- Q. 14. (b) By election from Senate, and nomination, proportionate representation—officials of the Education Department to remain in the executive body.
- (c) Some are for a paid whole-time Vice-Chancellor for a certain period only. One is of opinion that the status should be that of the Benares Hindu University.

## APPENDIX A.

*Statement showing the number of middle schools in Orissa and the number of students passing the Middle School Examination.*

	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
<i>Middle schools including middle classes of high schools.</i>					
(1) Number of middle schools ..	167	170	179	189	198
(2) Number of students passing the Middle School Examination (including the annual examination of Class VII and Form III and the Higher Elementary Examination).	2,002	1,944	2,404	2,887	2,648

## APPENDIX B.

*Statement showing the number of high schools in Orissa, number of students therein and the number of students passing the Matriculation or S.S.L.C. Examination.*

	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
<i>High schools including those attached to colleges.</i>					
(1) Number of high schools ..	30	31	33	34	35
(2) Number of students in high school classes.	4,297	4,288	4,639	4,764	5,068
(3) Number of students passing the Matriculation or S. S. L. C. Examination.	488	410	525	555	665



APPENDIX C.

Statement showing the number of students in Intermediate and Degree classes in Orissa and the number of students passing the I.A., I.Sc., B.A., B.Sc. Examinations.

	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
<i>(a) I. A. Classes.</i>					
(1) Number of students in the 1st year class.	150	188	238	210	237
(2) Number of students in the 2nd year class.	135	188	188	216	214
(3) Number of students passing the I.A. Examination.	85	80	99	118	120
<i>(b) I.Sc. Classes.</i>					
(1) Number of students in the 1st year class.	43	60	68	52	73
(2) Number of students in the 2nd year class.	60	62	56	64	68
(3) Number of students passing the I.Sc. Examination.	37	29	36	30	36
<i>(c) B.A. Classes.</i>					
(1) Number of students in the 3rd year class.	64	68	58	68	98
(2) Number of students in the 4th year class.	64	83	65	69	27
(3) Number of students passing the B.A. examination.	32	23	35	38	55
(4) Number of students passing the B.A. Examination with Honours.	4—Eng. II 5—Hist. II 7—Econ. II 1—Philo. II 17	3—Eng. II 5—Hist. II 6—Econ. II 1—Math. II 15	4—Eng. II 3—Hist. II 2—Econ. II 3—Math. II 19	4—Eng. II 5—Econ. II 1—Hist. II 11	2—Eng. II 3—Hist. II 6—Econ. II 11
<i>(d) B.Sc. Classes.</i>					
(1) Number of students in the 3rd year class.	17	13	18	14	16
(2) Number of students in the 4th year class.	10	10	20	19	17
(3) Number of students passing the B.Sc. Examination.	4	6	7	10	6
(4) Number of students passing the B. Sc. examination with Honours.	1—Math. I 2—Chem. II 3	2—Phys. I 2—Botany II 1—Math. II 5	1—Chem. I 2—Chem. II 1—Phys. II 4	3—Chem. II 2—Botany II 1—Phys. II 6	3—Chem. II 2—Phys. II 1—Botany II 6

## APPENDIX D.

	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
<b>(a) M.A. Classes.</b>					
(1) Number of students passing the M.A. Examination from the Ravenshaw College.	4—Eng. III	1—Eng. II 2—Eng. III — 3	3—Eng. III	1—Eng. II 1—Eng. III — 2	1—Eng. II 3—Eng. III — 4
(2) Number of Oriya students passing the M. A. Examination from colleges outside Orissa, as far as available.	1—Eng. II 2—Hist. II 2—Hist. III 1—Econ. I 2—Econ. II 3—Econ. III — 11	2—Eng. III 1—Hist. II 2—Hist. III 1—Econ. II 2—Econ. III 1—Sans. I — 9	1—Eng. II 1—Eng. III 3—Hist. III 2—Econ. II 2—Econ. III 1—Phil. I 1—Math. II — 11	1—Eng. III 1—Hist. II 2—Econ. II 3—Econ. III — 7	1—Eng. III 1—Hist. II 2—Econ. II 3—Econ. III — 7
<b>(b) M.Sc. Classes.</b>					
(1) Number of Oriya students passing the M.Sc. Examination from colleges outside Orissa, as far as available.	1—Chem. III	1—Physics I	1—Math. I 1—Math. III 1—Chem. III — 3	Nil	1—Chem. I

## APPENDIX No. II.

*List of persons or associations from whom replies were received.*

1. Mr. J. W. Nicholson, Conservator of Forests, Orissa.
2. Rai Sahib Bhima Raut, Headmaster, Falasore Zila School.
3. Superintending Engineer, Orissa.
4. Mr. P. Pradhan, Deputy Inspector of Schools, Athmallik.
5. Headmaster, Chaudwar M. E. School.
6. Mr. D. B. Mukherji, Professor, Ravenshaw College, Cuttack.
7. Headmaster, Vicramadev M. E. School, Puri.
8. Rai Bahadur K. C. Chandra, Retired Deputy Commissioner, Sambalpur.
9. Maulvi Saiyed Z. Hossain, Asst. Master, Practising M. E. School, Cuttack.
10. Mr. S. Rao and Staff of Ravenshaw Collegiate School, Cuttack.
11. Maulvi Rahmat Ali, Headmaster, Practising M. E. School, Cuttack.
12. Sri R. C. Mahapatra, Asst. Headmaster, Cuttack Training School.
13. Sri K. C. Sen Gupta, Headmaster, Sambalpur Zila School.
14. Sri Kisori Kinkar Das, Teacher, Kujang High School, Cuttack.
15. Headmaster and Staff, Falasore Zila School.
16. Sri Patit Paban Molla.
17. Mr. K. C. Mahanty, Headmaster, Cuttack Training School.
18. Sri Baikuntha Nath Patnaik, Asst. Master, Cuttack Training School.
19. Sri Narsinha Naik.
20. Sri G. Nanda Mohasayo, Headmaster, M. E. School, Nawrangpur.
21. Sri Ram Krishna Sarangi, Sambalpur Zila School.
22. Sri Ghanasyam Misra, Sambalpur Zila School.
23. Sri Lalit Mohan Ghose, Asst. Master, Cuttack Training School.
24. Sri Gagan Behari Ray, Puri Zila School.
25. Sri Kishori Mohan Dwivedi, Inspector of Sanskrit Studies, Orissa.
26. Sri J. N. Mahapatra, Headmaster, Puri Zila School.
27. Headmaster, Kusupur M. E. School.
28. Maharaja of Jeypore.
29. Superintendent of Education, Daspalla State.
30. Registrar, Calcutta University.
31. Sri Paishnab Chandra Panda, Headmaster, Kothapada M. E. School.
32. Sri Kalia Panigrahi, Headmaster, Purusottampur, Gaujam.
33. Sri Sridhar Das, Asst. Headmaster, Banpur High School.

34. Sri B. C. Panigrahi, Basudebpur M. E. School.
35. Mr. H. Misra, District Educational Officer, Ganjam.
36. Sri Jagabandhu Singh, M.L.A., Puri.
37. Editor, Prabhat, Rangoon.
38. Principal, Maharaja's College, Parlakimed.
39. Principal, Sanskrit College, Puri.
40. Pandit Binayak Misra, Professor of Oriya, Calcutta University College.
41. Sri R. S. Das, Govt. Secondary Training School, Berhampur.
42. Mr. G. Santra, Asst.
43. Miss P. Mahalakshmi, Mistress, Berhampur Girls' School.
44. Miss M. Patnaik, Headmistress, Berhampur Girls' School.
45. Sri Bhagabat Patnaik, D. I., Sambalpur.
46. Sri R. Pati, Professor, Ravenshaw College.
47. Sri L. Kar, Asst. Master, Angul.
48. Sri K. B. Tripathy, Professor, Ravenshaw College.
49. Miss Suprava Kar, Ravenshaw Girls' School.
50. Sri Gour Gopal Das, Fellow, Patna University.
51. Sri L. Mohapatra, Headmaster, M. E. School, Chaudbali.
52. Sri Gunanidhi Sahu, Headmaster, M. E. School, Kakatpur.
53. Headmaster, Sanaikela H. E. School, E. S. A.
54. Headmaster, Baripada H. E. School, E. S. A.
55. Headmaster, Satyabadi H. E. School, Puri.
56. Sri Nani Gopal Saha, Headmaster, Lakshmannath H. E. School.
57. Mr. G. C. Rath, Maharaja's College, Parlakimedi.
58. Sri B. K. Das, Headmaster, P. M. Academy.
59. Rai Sahib Bankanidhi Patnaik, Headmaster, K. H. E. School, Puri.
60. Mr. Mahananda Kar, Editor, Utkal Sahitya, Cuttack.
61. Rai Bahadur R. C. Das, Retd. Collector, Cuttack.
62. Mr. S. Ray, Inspector of Schools, N. Orissa.
63. Prof. B. V. Roy, Ravenshaw College, Cuttack.
64. Mr. P. C. Patnaik, D. I. of Schools, Cuttack.
65. Mr. G. Das, Maharaja's College, Parlakimedi.
66. Sri Jagannath Misra, Ganjam Dist. Swaraj Bhawan.
67. Miss B. Sarangi, District Inspectress of Schools, Puri.
68. Superintendent of Education, Patna State.
69. Sri Akul Sahu, Head Pandit, Talmul M. E. School.
70. Sri Ratan Lal Banerji, Asst. Headmaster, Patna H. E. School, E. S. A.
71. Mr. G. D. Pantlu Garu, Principal, Khallikote College.

72. Miss B. M. Mohanty, Sub-Asst. Inspectress of Schools, Berhampur.
73. Prof. B. N. Rohatgi, R. College.
74. Prof. B. Prasad, R. College.
75. Rai Sahib Nisamoni Mchanty, Asst. Secy., Finance Department, Orissa.
76. Headmaster, Basta M. E. School.
77. Prof. S. P. Prasad, Science College, Patna.
78. Headmaster, Banpur H. E. School.
79. Sri Mayadhar Panda, Headmaster, Fakirbad M. E. School.
80. Sri Somnath Nanda, Angul H. E. School.
81. Sri Jagannath Tripathi Retd., Headmaster.
82. Sri Lokenath Patnaik, Retd. D. I. of Schools, Baramba State, E. S. A.
83. Mr. L. Patnaik, M.B.E., Retd. Munsif, Cuttack.
84. Sri Harihar Mohapatra, Baripada H. E. School, Mayurbhanja State.
85. Sri Ranglal Modi, M.L.A.
86. Headmaster, Board M. E. School, Nawrangpur.
87. Do. do. H. E. School, Joypur.
88. Sri N. Tripathi, Head Asst., I. G. Prisons.
89. Lt. Col. G. Verghese, D. P. H. & I. G. of Prisons, Orissa.
90. M. L. Patnayak.
91. Mr. P. Jagannath Swami, Retd. Prof., Parlakimedi.
92. Sri Rasbehari Padihari, Maharaja's School, Parlakimedi.
93. Ch. Narsingh Murty, Parlakimedi.
94. Mr. B. Ramchandra, Teacher, Maharaja's College, Parlakimedi.
95. Sri Jagannath Panda.
96. Sri H. Bardhan.
97. Mr. S. P. Rayland, Principal, Parlakimedi.
98. D. I. of Puri.
99. Mr. Priya Ranjan Sen, M.A.; P.R.S., Professor of Calcutta University.
100. Mr. R. K. Sabu, Headmaster, Christian High School, Balasore.
101. Mr. K. N. Sundaresan, Lecturer, Khallikote College.
102. Hon'ble Sri M. P. Das, Speaker, O. L. A.
103. Maulavi M. F. Rabbi, Headmaster, Kendrapara High School.
104. Sri M. S. Biswal, Headmaster, Nimapara High School.
105. Sri A. Misra, Headmaster, Jajpur High School, Cuttack.
106. Rev. E. T. Ryder, Principal, Mission High School, Cuttack.
107. Sri Gokulananda Naik, Headmaster, Bhadrak High School.
108. Prof. P. S. Sundaram, R. College, Cuttack.

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109. Sri Harihar Mohapatra, H. E. School, Gunupur.  
 110. Mr. P. V. Balkrishna Murti Sastri, Parlakimedi College.  
 111. Sri J. Pani, Headmaster, Talcher High School, E. S. A.  
 112. Sri Gangadhar Panda, Headmaster, Gunupur.  
 113. First Asst., B. H. School, Gunupur.  
 114. Sri Rajkishore Das, do.  
 115. Sri P. Mohapatra, Headmaster, Banki H. E. School, Cuttack.  
 116. Miss N. Naik, Lady Principal, Ravenshaw Girls' School, Cuttack.  
 117. Prof. Gurucharan Mohanty, B. College, Cuttack.  
 118. Dewan, Kharswan State, E S. A.  
 119. Mrs. M. O. Ryder, Lecturer, Training College, Cuttack.  
 120. Mr. H. K. Pattanayak, Dewan, Parlakimedi.  
 121. Headmaster, Salepur High School, Cuttack.  
 122. Sri D. Patnaik, President, Dist. Board, Ganjam.  
 123. Kaviraj Purna Ch. Rath, Puri.  
 124. Prof. S. C. Bardhan, R. College, Cuttack.  
 125. Rai Bahadur J. C. Ray, M.A., Vidyanidhi.  
 126. Dr. S. C. Acharya, Puri.  
 127. Mr. G. Tripathi, Dy. Magistrate, Chaibassa.  
 128. Dr. A. B. Acharya, M.L.A., Cuttack.  
 129. Mrs. Sarala Devi, M.L.A., Cuttack.  
 130. Sri Adwait Ch. Das, Jajpur, Cuttack.  
 131. Sri P. C. Mohanty, S. D. O., Angul.  
 132. Sri Satyendra Nath Das, Jajpur H. E. School, Cuttack.  
 133. Sri Gouri Shankar Misra, Chairman, Sambalpur Municipal Council.  
 134. Dr. G. C. Patnaik, Medical School, Cuttack.  
 135. I. G. of Police, Orissa.  
 136. District Judge, Cuttack.  
 137. Sri Harihar Mohapatra, Satyabadi H. E. School, Puri.  
 138. Headmaster, N. C. M. E. School, Bhadrak.  
 139—142, Illegible.  
 143. Dr. S. Sinha, Vice-Chancellor, P. U.  
 144. Pandit K. C. Acharya, Singbhum.  
 145. Mr. S. Manikya Rao, Ganjam.  
 146. Special Asst. Agent, Raygada, Ganjam Dist.  
 147. Dy. Inspector of Schools, Gangpur State.  
 148. Sri Sashibhusan Rath, Editor, New Orissa.  
 149. Maulavi Haji Asrafali Khan, Balasore.  
 150. Agent to the Governor, Koraput.

**APPENDIX No. III.***List of persons who gave evidence at Balasore.*

1. Sri Priyaranjan Sen, M. A., P. R. S., Professor of English Calcutta University College.
2. Sri Charu Chandra Ray Mahasaya, M.L.A.
3. The Hon'ble Sri Mukunda Prasad Das, Speaker, Orissa Legislative Assembly.
4. Sri Nandakishore Das, M.A., M.L.A., Deputy Speaker, Orissa Legislative Assembly.
5. Rai Sahib Prafulla Chandra Patnaik.
6. Sri Harihar Mahapatra, an assistant master, Baripada High School (Mayurbhanja State).
7. Rai Sahib B. Raut, M.A., B.Ed., Headmaster, Balasore Zila School.
8. Mr. R. K. Sahu, Headmaster, Christian High School, Balasore.
9. Maulavi Hazi Ashraf Ali Khan, Retired Sub-Registrar.
10. Sri Harihar Misra, B.A., B.Ed., District Inspector of Schools, Balasore.

**APPENDIX No. IV.***List of persons who gave evidence at the Cuttack sitting.*

1. Sri Bepin Vihary Ray, M.A., Ravenshaw College, Cuttack.
2. Mr. B. Prasad, B.sc., (London), ditto.
3. Mr. P. S. Sundaram, B.A., (Oxon.), ditto.
4. Rai Sahib A. B. Mahanty, M.A. ditto.
5. Mr. B. N. Rohatgi, B.sc. (London), ditto.
6. Rai Sahib Narayan Misra, M.sc., ditto.
7. Mr. B. C. Das, B.A. (London), ditto.
8. Sri R. Pati, M.A., Professor of Philosophy, ditto.

**APPENDIX No. V.***List of persons who gave evidence at Puri.*

1. Sri S. N. Acharya, M.B.
2. Baidyaratna Purna Chandra Rath.
3. Miss Benodini Sarangi, B.A., B.T., District Inspectress of Schools.
4. Maulavi Muhammad Latifur Rahman, M.L.A.
5. Sri Jagabandhu Singh, M.L.A.
6. Pandit Karunakar Kar, M.A., Principal, Sanskrit College Puri.
7. Sri Kishori Mahan Dwivedi, M.A., Inspector of Sanskrit Studies, Orissa.
8. Sri Gopinath Das, Retired Deputy Magistrate and Deputy Collector.
9. Rai Bahadur Lokenath Misra.
10. Pandit Basudev Misra, Puri Sanskrit College.



APPENDIX No. VI.

*Estimate of cost of Post-graduate teaching in Economics, History and Mathematics.*

(i) ECONOMICS.

- (a) One teacher in Class I at an average cost of Rs. 678 per mensem—Rs. 8,136 per annum.
- (b) One teacher in Class II starting on Rs. 125 (Junior Branch of Orissa Educational Service) at an average cost of Rs. 187-5-0 per mensem or Rs. 2,250 per annum.

			Rs.
(c) Library—Non-recurring	...	...	500
Recurring	...	...	150
Total ultimate recurring cost	...	...	10,536
Total present recurring cost	...	...	4,250
Non-recurring	...	...	500

(ii) MATHEMATICS.

- (a) One teacher in Class I (average cost Rs. 678 per mensem or Rs. 8,136 per annum).
- (b) One teacher in Class II on a starting pay of Rs. 125 (average cost Rs. 187-5-0 per mensem or Rs. 2,250 per annum).

			Rs.
(c) Library--Non-recurring	...	...	1,000
Recurring	...	...	150
Total ultimate recurring cost	...	...	10,536
Total present recurring cost	...	...	4,250
Non-recurring	...	...	1,000

(iii) HISTORY.

- (a) One teacher in Class I (average cost Rs. 678 per mensem or Rs. 8,136 per annum).
- (b) One teacher in Class II on a starting pay of Rs. 125 (average cost Rs. 187-5-0 per mensem or Rs. 2,250 per annum).

			Rs.
(c) Library—Non-recurring	...	...	2,000
Recurring	...	...	250
Total ultimate recurring cost	...	...	10,636
Total present recurring cost	...	...	5,350
Non-recurring	...	...	2,000

*Estimate of cost of these charges.*

			Ultimate Recurring.	Immediate Recurring.	Non-recurring.
			Rs.	Rs.	Rs.
Economics	...	...	10,536	4,250	500
Mathematics	...	...	10,536	4,250	1,000
History	...	...	10,636	5,850	2,000
	Total	...	<u>31,708</u>	<u>13,850</u>	<u>3,500</u>

## APPENDIX No. VII.

*List of persons or associations to whom questionnaires were issued.*

1. Pandit Nilakantha Das, M.L.A. (Central).
2. Pandit G. Misra, M.L.A.
3. Mr. S. C. Tripathi, B.A. (Cantab.), I.E.S., D. P. I., Orissa.
4. Mr. P. K. Parija, M.A. (Cantab.), I.E.S., Principal, Ravenshaw College, Cuttack.
5. Mr. Premananda Mahanty, M.L.A.
6. Mr. B. Das, M.L.A. (Central).
7. Hon. Sri N. Kanungo, Minister, Government of Orissa.
8. Hon. Sri B. Dube, Minister, Government of Orissa.
9. Hon. Sri M. P. Das, Speaker, Orissa Legislative Assembly.
10. Sri R. K. Rose, M.L.A.
11. Sri B. N. Das, M.L.A.
12. Sri Atal Bihary Acharya, M.L.A.
13. Sri Kinai Samal, M.L.A.
14. Sri Naba Krishna Chaudhury, M.L.A.
15. Sri J. Mangaraj, M.L.A.
16. Sri Lokenath Misra, M.L.A.
17. Sri Brajabandhu Misra, M.L.A.
18. Sri Birakisore Behera, M.L.A.
19. Sri Dwarakanath Das, M.L.A.
20. Sri Birbar Narayan Chandra Dhir Narendra, M.L.A.
21. Sri Sadhu Charan Das, M.L.A.
22. Sri Mohan Das, M.L.A.
23. Sri Girija Bhusan Dutta, M.L.A.
24. Sri Jagabandhu Singh, M.L.A.
25. Sri Biswanath Behera, M.L.A.
26. Sri Jagannath Misra, M.L.A.
27. Sri Prannath Patnaik, M.L.A.
28. Sri N. K. Das, Dy. Speaker, Orissa Legislative Assembly.
29. Sri Charu Chandra Ray Mahasay, M.L.A.
30. Sri Chakradhar Behera, M.L.A.
31. Sri Nidhi Das, M.L.A.
32. Sri Jagannath Das, M.L.A.
33. Sri Nrupalal Singh, M.L.A.
34. Sri Prahlad Rai Lath, M.L.A.
35. Sri Fakir Behera, M.L.A.

36. Sri Bisi Bibhar, M.L.A.
37. Sri Lal Artatran Deo, M.L.A.
38. Raja Bahadur Sri Ram Chandra Mardaraj Deo, M.L.A.
39. Sriman M. G. Patnaik, M.L.A.
40. Sri Govinda Prodhano, M.L.A.
41. Sri Puniya Naiko, M.L.A.
42. Sri D. K. Patnaik, M.L.A.
43. Sri Ram Chandra Deb, M.L.A.
44. Sri Vysyaraju Kasi Viswanadham Raju, M.L.A.
45. Sri G. C. Thatraj Bahadur, M.L.A.
46. Capt. Maharaja Sri Sri Sri Krishna Chandra Gajapati Narayan Deo, M.L.A.
47. Sriman Sadasiva Tripathi Mahasayo, M.L.A.
48. Sri Radhamohan Sahu Mahasaya, M.L.A.
49. Sri R. K. Biswas Ray, M.L.A.
50. Khan Bahadur Saiyid Ahmad Baksh, M.L.A.
51. Saiyid Fazli Haque, M.L.A.
52. Maulavi A. S. Khan, M.L.A.
53. Maulavi Md. L. Rahman, M.L.A.
54. Srimati Sarala Devi, M.L.A.
55. Mrs. A. Lakshmi Bai, M.L.A.
56. Sri Rang Lal Modi, M.L.A.
57. Sri Braja Sundar Das, M.L.A.
58. Raja K. C. Mansingh Harichandan Mardaraj Bhramarbar Rai, M.L.A.
59. Sri Peary Sankar Ray, M.L.A.
60. Rev. E. M. Evans, M.L.A.
61. Mr. Hari Pani Jennah, M.L.A.
62. Editors, the Samaj, Observer, Lokamata, Desakatha, Krusaka, New Orissa, Asha, Niankhunta, Dagara, Nababharata, Sahakara, Utkal Sahitya, Pallibasi, Hirakhand, Nabeen, Baitarini, Burma Oriya Barta, Utkal Barta, Garjatbasini, Bhanja Pradipa, Alope and Prabhat.
63. Principal, Maharaja's College, Parlakimedi.
64. Principal, Khallikote College.
65. Principal, Maharaja's Sanskrit College, Parlakimedi.
66. Principal, Puri Sanskrit College.
67. Prof. B. Prasad, Ravenshaw College.
68. Prof. S. C. Bardhan, ditto.
69. Prof. B. V. Roy, ditto.

- 
70. Prof. N. Neogi, Ravenshaw College.
  71. Prof. K. B. Samantarai, ditto.
  72. Prof. H. K. Das, ditto.
  73. Prof. S. C. Ghosal, ditto.
  74. Prof. A. B. Mohanty, ditto.
  75. Prof. D. B. Mukherji, ditto.
  76. Prof. N. Misra, ditto.
  77. Prof. N. C. Banerji, ditto.
  78. Prof. R. Pati, ditto.
  79. Prof. N. M. Dey, ditto.
  80. Prof. J. Mohanty, ditto.
  81. Prof. G. C. Mohanty, ditto.
  82. Prof. L. Misra, ditto.
  83. Prof. L. K. Choudhury, ditto.
  84. Prof. B. Banerji, ditto.
  85. Prof. R. K. Das, ditto.
  86. Prof. P. Misra, ditto.
  87. Prof. G. S. Das, ditto.
  88. Prof. B. C. Das, ditto.
  89. Prof. R. C. Tripathi, ditto.
  90. Prof. B. N. Rohatgi, ditto.
  91. Prof. R. N. Mohanty, ditto.
  92. Prof. A. Ali, ditto.
  93. Prof. B. N. Misra, ditto.
  94. Prof. G. S. Ray, ditto.
  95. Prof. P. Sundaram, ditto.
  96. Prof. S. Misra, ditto.
  97. Prof. B. Samantarai, ditto.
  98. Prof. G. Mohanty, ditto.
  99. Prof. R. B. Mohanty, ditto.
  100. Prof. S. C. Mohapatra, Training College, Cuttack.
  101. Mrs. M. O. Ryder, ditto.
  102. Mr. J. N. Banerjee, Ravenshaw College, Cuttack.
  103. Lady Principal, Ravenshaw Girls' School.
  104. Mr. G. Dharma Rao, Khallikote College.
  105. Mr. G. Jagannadhan, ditto.
  106. Mr. K. N. Sundarsen, ditto.
  107. Mr. K. Venkataram Ayer, ditto.
  108. Mr. K. Ramarao Patnaik, ditto.

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109. Mr. D. Panigrahi, Khallikote College.
110. M. R. Ry. P. V. L. Narsingh Rao, Maharaja's College, Parla.
111. Mr. B. Kamaraya Garu, ditto ditto.
112. Mr. T. Krishna Murti, ditto ditto.
113. Mr. K. S. Krishna Garu, ditto ditto.
114. Mr. G. S. Dikhit, ditto ditto.
115. Mr. B. V. Ramanujam, ditto ditto.
116. Mr. B. M. Padhi, ditto ditto.
117. M. R. Ry. S. Ramaswami, ditto ditto.
118. Sjt. G. S. Ratho, ditto ditto.
119. M. R. Ry. K. V. Rao, ditto ditto.
120. Mr. C. Srinibasmurti, ditto ditto.
121. Sjt. H. K. Patnaik, ditto ditto.
122. M. R. Ry. Venkatachalam, ditto ditto.
123. Sjt. Govinda Das, ditto ditto.
124. M. R. Ry. P. V. B. Murti, ditto ditto.
125. Sriman A. T. Misra, ditto ditto.
126. Sriman U. Misra, ditto ditto.
127. Sriman A. Tripathi Mahasayo, ditto ditto.
128. Pandit B. Misra, Puri Sanskrit College.
129. Pandit A. Misra, ditto.
130. Pandit A. Mohapatra, ditto.
131. Pandit M. Mohapatra, ditto.
132. Pandit C. Misra, ditto.
133. Pandit P. Misra, ditto.
134. Pandit M. Misra, ditto.
135. Pandit K. Misra, ditto.
136. Pandit S. Pathi, ditto.
137. Pandit B. Misra, ditto.
138. Pandit Braja K. Misra, ditto.
139. Principal, Kajkumar College, Raipur.
140. Dewan, Tigiria State.
141. Secretary, Talcher State.
142. Secretary, Sonapur State.
143. Development Member, Seraikala State.
144. Dewan, Ranpur State.
145. Dewan, Rairakhhol State.
146. Dewan, Patna State.
147. Dewan, Pallahara State.

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148. Dewan, Nilgiri State.
  149. Dewan, Nayagarh State.
  150. Dewan, Narsingpur State.
  151. Dewan, Mayurbhanj State.
  152. Dewan, Kharswan State.
  153. Dewan, Khandpara State.
  154. Dewan, Keonjhar State.
  155. Dewan, Kalahandi State.
  156. Secretary, Hindol State.
  157. Dewan, Gangpur State.
  158. Prime Minister, Dhenkanal State.
  159. Dewan, Daspalla State.
  160. Dewan, Bonai State.
  161. Dewan, Boudh State.
  162. Dewan, Baramba State.
  163. Dewan, Bamra State.
  164. Dewan, Athmallik State.
  165. Dewan, Athgarh State.
  166. Revenue Commissioner, Orissa.
  167. I. G. Police, Orissa.
  168. Dist. and Sessions Judge, Cuttack and Sambalpur.
  169. Ditto , Puri and Berhampur.
  170. District Magistrate, Balasore.
  171. Ditto , Cuttack.
  172. Ditto , Puri.
  173. Ditto , Ganjam.
  174. Ditto , Koraput.
  175. Dy. Commissioner, Sambalpur.
  176. D. P. H. & I. G. of Prisons, Orissa.
  177. Director of Development.
  178. Superintending Engineer, Orissa.
  179. Conservator of Forests, Orissa.
  180. Dy. Registrar, Co-operative Societies.
  181. Inspector of Schools, N. Orissa.
  182. Dist. Educational Officer, Ganjam.
  183. Inspectress of Schools, Orissa.
  184. Inspector of Sanskrit Schools.
  185. Dist. I. S., Cuttack.
  186. Dist. I. S., Balasore.

187. Dist. I. S., Puri.  
 188. Dist. I. S., Sambalpur.  
 189. Vice-Chancellor, Calcutta University.  
 190. Ditto , Patna University.  
 191. Ditto , Andhra University.  
 192. Registrar, Patna University.  
 193. Ditto , Calcutta University.  
 194. Ditto , Andhra University.  
 195. Raja Bahadur of Kanika, Member, P. U. Senate.  
 196. Rai Bahadur L. Mohanti, ditto ditto.  
 197. Sri G. G. Das, ditto ditto.  
 198. Sri L. Misra, ditto ditto.  
 199. Miss S. B. Das, ditto ditto.  
 200 } Chairmen, Jajpur, Bhadrak, Sambalpur, Kendrapara, Balasore,  
 to } Cuttack, Puri Municipalities ; Dist. Boards, Cuttack, Puri,  
 210. } Balasore ; Dist. Council, Sambalpur.  
 211. President, D. B., Ganjam.  
 212. President, D. B., Koraput.  
 213. Chairman, Municipal Council, Berhampur.  
 214. Ditto , ditto , Parlakimedi.  
 215. Mr. B. C. Mohini Mohan, Oriya Professor, Raipur.  
 216. Mr. A. K. Das, ditto ditto.  
 217. Dist. Inspectress of Schools, Puri.  
 218. Registrar, Sanskrit Examination Board.  
 219. Secretary, Inter University Board, Delhi.  
 220. Prof. Binayak Misra, Professor, Calcutta University College.  
 221 } Secretaries of Bar Associations, Cuttack, Puri, Balasore,  
 to } Sambalpur, Jajpur, Kendrapara, Bhadrak, Khurda and  
 229. } Berhampur.  
 230. Sri G. B. Choudhury.  
 231. Sri H. K. Mahatab.  
 232. Prof. P. C. Mohanti, Sanskrit College, Calcutta.  
 233. Dr. H. N. Sinha, Nagpur University.  
 234. Mr. H. C. Baral, Bombay.  
 235. Prof. S. P. Prasad, Patna.  
 236. S. I. of Schools, Tigriria.  
 237. Ditto , Talcher.  
 238. I. S., Sonapur.  
 239. Do., Seraikala.  
 240. Do., Ranpur.



241. I. S., Rairakhol.  
 242. Dy. I. S., Patna.  
 243. S. I. of Schools, Pallahara.  
 244. Ditto , Nilgiri.  
 245. Ditto , Nayagarh.  
 246. Ditto , Narsingpur.  
 247. Superintendent of Education, Mayurbhanj.  
 248. S. I. of Schools, Kharswan.  
 249. Ditto , Khandpara.  
 250. Ditto , Keonjhar.  
 251. Dy. I. S., Kalahandi.  
 252. S. I. of Schools, Hindol.  
 253. D. I. of Schools, Gangpur.  
 254. Educational Supervisor, Dhenkanal.  
 255. S. I. of Schools, Daspalla.  
 256. Ditto , Bonai.  
 257. Educational Officer, Boudh State.  
 258. S. I. of Schools, Baramba.  
 259. Ditto , Bamra.  
 260. Dy. I. S., Athmallik.  
 261. S. I. of Schools, Athgarh.  
 262. Headmaster, Khurda H. E. School.  
 263 }  
 to } Headmasters of M. E. Schools, Orissa.  
 397. }  
 398. Headmaster, Pr. M. E. School, Cuttack.  
 399. Maulavi Sd. Z. Hossain, Assistant Master, Pr M. E. School,  
 Cuttack.  
 400 }  
 to } Headmasters of all High and Secondary Training Schools of  
 415. } Orissa.  
 446. Educational Adviser, Eastern States.  
 447. Sri B. C. Mohapatra, Assistant Headmaster, C. T. School.  
 448. Sri B. N. Patnaik, Assistant Master, C. T. School.  
 449. Sri L. M. Ghose, ditto ditto.  
 450. Sri L. B. Patnaik.  
 451 }  
 to } Secretaries, Prachi Samity, Utkal Sahitya Samaj, Orissa  
 453. } Academy.  
 454. Miss B. Chand, Assistant Mistress, R. G. School.

455. Miss S. Ray, Assistant Mistress, R. G. School.  
 456. Miss L. K. Santra, ditto ditto.  
 457. Miss B. Das, ditto ditto.  
 458. Miss B. Sahu, ditto ditto.  
 459. Miss I. L. Khan, ditto ditto.  
 460. Miss B. Kar, ditto ditto.  
 461. Advocate-General, Orissa.  
 462. The Representative, A. B. Patrika.  
 463. Ditto, Statesman.  
 464. Headmaster, Atbgarh High School.  
 465. Sub-Assistant Inspectress of Schools, Berhampur Girls' Range.  
 466. Sri Vidyadhar Sing Deo, Jeypore.  
 467. Sri S. Gantayat, Retired Deputy Inspector of Schools, Ganjam.  
 468. Mr. D. T. Roberts, Principal, Stewart School, Cuttack.  
 469. Sri N. S. Das, Nimapara.  
 470. Sri S. Ratho, Ganjam.  
 471. Sri L. N. Patnaik, Baramba.  
 472. Khan Sahib L. Haq, Cuttack.  
 473. Rai Bahadur R. C. Das, Retired Dy. Commissioner.  
 474. Rev. B. Das.  
 475. Rai Bahadur C. Acharya, Advocate, Cuttack.  
 476 }  
 to } 8 graduate teachers of Balasore Zila School.  
 483. }  
 484. Mr. L. Patnaik, M.B.E.  
 485. Dewan Bahadur S. K. Mohapatra.  
 486. Agent to Governor, Koraput.  
 487. Maharaja of Jeypore.  
 488. Rai Bahadur B. C. Patnaik.  
 489. Rai Bahadur U. C. Das.  
 490. President, District Congress Committee, Ganjam.  
 491. Rai Bahadur N. Mohanty, Assistant Secretary, Finance Department, Orissa.  
 492. Sri Narayan Tripathi.  
 493. Sir Radha Krishnan.  
 494. Mr. P. J. Swami, Retired Principal, Maharaja's College, Parla.  
 495. Baidyaratna Balunkeswar Acharya, Cuttack.  
 496. Baidyaratna Purna Chandra Rath, Puri.  
 497. Sri G. P. Das, Advocate, Patna.

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- 498 Sri Govind Ch. Tripathi, Dy. Magistrate and Dy. Collector, Bihar.
499. Prof. M. M. Senapati (Retired).
500. Prof. K. N. Das (Retired).
501. Sri Sarat Chandra Mukberji, Dy. Magistrate and Dy. Collector.
502. Pandit Krishna Chandra Acharya, Singbhum.
503. Rai Bahadur Jogesh Ch Roy Vidyanidhi.
504. Sri Prasanna Kumar Acharya, Dy. Magistrate and Dy. Collector.
505. Prof. G. C. Ganguli (Rai Bahadur)—Retired.
406. Prof. A. C. Ganguli (Retired).
507. Dr. Surendra Nath Acharya, M.B.
508. Sri Sunil Ch. Palit, Dy. Magistrate and Dy. Collector.
509. Sri P. C. Mahanti, ditto ditto.
510. Registrar, Andhra University.
511. Mr. M. S. Das, Retired Headmaster, Nimapara, Puri.
512. Sri Ram Narayan Misra, M.A., B.L., Sambalpur.
513. Dr. Ram Chandra Misra.
514. Sri Tribikram Pujari, Retired Dy. Magistrate and Dy. Collector.
515. Mahanta, Emar Math.
516. Mahanta, Radhakanta Math.
517. Sri Lingaraj Panigrahi, Advocate, Berhampur.
518. Rai Sahib A. R. Ratho, Retired Collector, Ganjam.
519. The Maharaja, Patna.
520. Dr. S. Pujari, Professor, P. W. Medical College, Patna.
521. Sri Sivaram Ratho, Retired District Educational Officer, Ganjam.
522. Rai Bahadur B. N. Misra, Retired Dy. Magistrate and Dy. Collector.
523. Sri Harihar Mohapatra, Advocate, Cuttack
524. Sri R. N. Rath, Manager, Samaj Press, Cuttack.

## APPENDIX No. VIII.

*Estimate of cost of post-graduate teaching in Oriya at the Ravenshaw College.*

(1) 1 post in Class II (Junior Branch) on a starting pay of Rs. 125, average cost Rs. 187-5-0 per month or Rs. 2,250 per annum.

(2) 1 post in Class I at an average cost of Rs. 678 per month or Rs. 8,136 per annum.

A teacher possessing foreign qualifications would be preferable for the latter post.

(3) A non-recurring library grant of Rs. 5,000 would be necessary.

	Recurring.		Non-recurring.	
	Ultimate.	1st year.	Ultimate.	1st year.
	Rs.	Rs.	Rs.	Rs.
Cost of post-graduate teaching in Oriya at the Ravenshaw College, Cuttack.	10,386	5,100	...	5,000 (library).

M. C. PRADHAN,

*Secretary, University Committee in Orissa.*

*The 1st June 1941.*

## DEPARTMENT OF DEVELOPMENT, ORISSA.

THIRD AND FINAL FORECAST OF THE SPRING OILSEED  
CROPS OF ORISSA, 1940-41.

(NOTE.—On an average of the five years ending 1938-39 the area under linseed and under rape and mustard in the territory to which this forecast relates has represented some 0.2 and 0.5 per cent of the total area under these crops in India.)

*Explanatory.*—This forecast deals with all kinds of oilseeds except castor, sesamum (*til*) and groundnut for which separate forecasts are prepared.

*Area sown.*—The total area sown this year was 118,000 acres against 117,700 acres in the preceding year. In district Ganjam there was a marked increase in area under rape and mustard which was due to greater interest taken by the cultivators. The decrease in area under rape and mustard in district Cuttack is due to unfavourable weather in Angul subdivision.

*Character of the season.*—The weather conditions up to February were narrated in the second forecast. In March the rainfall was below the normal in all the districts except Sambalpur where it was normal. In April there were light showers in parts of all the districts. The weather conditions were on the whole favourable to the crops everywhere except in the Angul subdivision of district Cuttack and in parts of district Ganjam where the rainfall was deficient at the time of sowing.

*Outturn.*—The outturn of linseed and of rape and mustard for the whole province is estimated at 90 and 75 per cent of the normal against 91 and 79 per cent in the preceding year. The total outturn of all kinds of oilseeds dealt with in the forecast is 76 per cent of the normal against 77 per cent in the preceding year.

The estimates of outturn of linseed and of rape and mustard in North Orissa are 110 and 105 per cent of the last ten years' average.

The gross yields of linseed, rape and mustard and of other oilseeds amount to 1,166, 5,298 and 9,665 tons respectively as compared to 1,200, 5,400 and 9,700 tons in the preceding year.

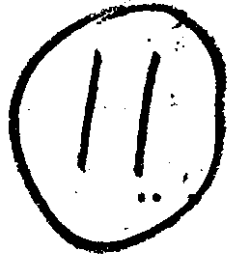
CUTTACK: }  
The 16th May 1941. }

S. SOLOMON,  
Director of Development, Orissa.

APPENDIX I.

Third and final forecast of the spring oilseed crops of Orissa, 1940-41.

District.	Total area of the district.	Total area estimated to be under cultivation.	Name of spring oilseed crops.	Approximate normal area under spring oilseeds.	Approximate area last year (1938-40) under spring oilseeds.	Estimated area this year (1940-41) under spring oilseeds.	Taking 100 to represent the normal output, how much represented the output last year (1938-40).	Taking 100 to represent the normal output, how much will represent this year's output (1940-41).	Total area of the district which has been cadastrally surveyed.	Years during which the cadastral survey took place.	Area found under the cadastral survey.	Date at which the sowing of the crop was begun this year.	Remarks.
1	2,976,756	1,396,600		1,000	800	800	92	92	9,059,923	1901-07 1917-20 1929-31 1945-48	1,048 14,057	1st week of March. 1st week of January.	
				1,700	9,700	8,700	92	92	9,059,923		14,057		The weather was favourable, except in the Angul sub-division. The condition of the crop on the whole is good. The dates of harvesting were normal. The decrease in area under rape and mustard is due to deficient rainfall at the time of sowing in the Angul sub-division.
				1,000	800	800	92	92	9,059,923		1,048		
				1,700	9,700	8,700	92	92	9,059,923		14,057		
				1,000	800	800	92	92	9,059,923		1,048		
				1,700	9,700	8,700	92	92	9,059,923		14,057		
				1,000	800	800	92	92	9,059,923		1,048		
				1,700	9,700	8,700	92	92	9,059,923		14,057		
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				1,700	9,700	8,700	92	92	9,059,923		14,057		
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				1,700	9,700	8,700	92	92	9,059,923		14,057		
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				1,000	800	800	92	92	9,059,923		1,048		
				1,700	9,700	8,700	92	92	9,059,923	</			



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**SUPPLEMENT**  
TO  
**The Orissa Gazette**  
PUBLISHED BY AUTHORITY.

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**No. 8. CUTTACK, FRIDAY, FEBRUARY 21, 1941.**

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*Separate paging is given to this Part, in order that it may be filed as a separate compilation.*

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No. 335-E.

GOVERNMENT OF ORISSA.

EDUCATION DEPARTMENT.

JA.254.N4E

H1

RESOLUTION.

*The 12th February 1941.*

READ—

## Report of the Khurda Forest Enquiry Committee, 1938.

In pursuance of the promise held out in course of the voting on demands in the Provincial Legislative Assembly on the 15th September 1937, Government, in their letter No. 7816-L.S.-G., dated the 8th November 1937, addressed to the Conservator of Forests, appointed a Committee with Pandit Godavaris Misra, M.L.A., as Chairman, Mr. Prannath Patnaik, M.L.A., as member and Mr. O. A. Dodsworth, I.S.O., I.F.S., Deputy Conservator of Forests in charge of the Puri Forest Division, as member and Secretary, to "enquire into the defects of forest administration and the connected grievances of the people in the Khurda Government Estate in the district of Puri and to suggest suitable remedies". The Committee visited several localities and received verbal representations from the people concerned. They also received a number of written representations in response to a questionnaire issued by them. The Committee submitted their report to Government on the 3rd October 1938.

2. Government have since considered the major recommendations of the Committee, involving the policy to be adopted in regard to the future administration of these forests, and have made a preliminary examination of the other points covered by the Report. In advance of the final examination of the detailed recommendations of the Committee, Government consider it desirable to announce their decision on the major issue involved, namely the policy to be adopted in regard to forest administration.

3. In Khurda there are in all 461 square miles of land recorded as forest. Of this area, 117 square miles constitute the "reserve forests", 91 square miles the "demarcated protected forests", and 253 square miles are known as "undemarcated protected forests". The undemarcated protected forests are under the control of the Revenue Department. The "reserves" are being worked by the Forest Department a working plan which came into force in 1931-32 and the "demarcated protected forests" under a working plan which has been in operation from 1929-30. Most of the reserved forests were constituted as such between 1885—1891. No rights were admitted in these forests, the area of 117 square miles being reserved free of rights after what was considered to be sufficient protected forest had been provided to meet the requirements of the local people. In the demarcated protected forests, though they are under the control of the Forest Department, the distribution of fuel and forest produce is in effect administered through a system of group panchayats. The avowed object of the management of these forests is the satisfaction as far as possible of the claims of the local population. The tenants get their requirements of timber and firewood from protected forests in return for payment of a forest cess calculated at 6 pies on the rupee of rent.

4. It is the administration of these protected forests that has been the subject of complaint for a number of years mainly on the ground that the supply of firewood and other forest produce from these forests has been insufficient to meet the demands of the tenants. As far back as 1870 it was apparent to Government that the forests in the Khurda Khasmahal were being gravely over-exploited not only by the residents but by outsiders from Cuttack, Puri and Ganjam districts. This led to an enquiry resulting in the formulation of a few simple rules for the management of the



orests. It was hoped that their application would forestall their destruction. But subsequent events proved that the administration of these rules may have delayed but did not prevent the complete annihilation of the protected forests. To ensure a continuous supply of fuel and house-building timber to residents a limited portion of the protected forests was demarcated and brought under the systematic management of the Forest Department, and the areas outside were left undemarcated under the administration of the revenue authorities. Demarcation began in 1915 and a working scheme for the laid-out blocks was drawn up. The scheme operated from 1919-1920. These somewhat radical changes produced considerable discontent, as the people had not developed a sense of responsibility in regard to forest preservation in the larger interests of the tenants as a whole. Where formerly they roamed at will, cutting what they liked and grazing their cattle where it best suited them, they were now bound by conditions of time and place in the exercise of their customary rights and privileges. The growth of political consciousness stimulated this discontent and the wave of non-co-operation in 1922 led to organised raids on the demarcated protected forests. The feeling of uneasiness still persists.

5. The Committee have drawn attention to the lack of precise definition of what the tenants can do, whether by way of privileges conferred on them or of clear rights owned by them on the ground of long prescription or customary usage. No proper investigation has ever been made into these matters and the validity of these claims can only be determined by a regular forest settlement. In the protected forests it is recognised that various undetermined rights or privileges may exist, but these have never been defined by a regular settlement, though the law requires that no forests shall be declared "Protected" unless the nature and extent of the rights of Government and of private persons in or over the forest land comprised therein have been enquired into and recorded at a survey and settlement or in such manner as the Provincial Government think sufficient.

6. The solution presented by the Committee for improving the existing situation involves a radical change in the Government's existing forest policy in the Khurda Government Estate. In general the remedy suggested is, in the words of the Committee, "to revive the spirit of forest-mindedness among the people" by handing over to them the administration of these demarcated protected forests through a system of panchayats constituted on the lines adopted in Madras but with a Central Committee consisting of the Collector or his representative, the Divisional Forest Officer and a non-official member. At the same time the Committee are of the view that the present system for the distribution of forest produce by means of group panchayats is far from satisfactory and that the management in the case of the undemarcated protected forests has signally failed and has resulted in the practical disappearance of the forest altogether. They ascribe the failure of the panchayat system, however, mainly to the defects existing in its constitution and consider that the situation can be improved through better management of the forests by investing more money in works of afforestation so as to ensure an adequacy of the produce available for distribution among the tenantry. They remark that "it is immaterial for the tenants whether the forests are administered by the people themselves or by the Government. If left to choose, they would perhaps prefer administration by the Government, or for the matter of that any other party, provided the produce were supplied to them at a cost which will not be prohibitive".

7. Government consider that these findings of the Committee are correct. Judging from the experience obtained from the working of the group panchayat system and from the marked lack of interest which has been taken by the local population in the management of the forests, as well as from experience gained in respect of the protected forests elsewhere, e.g., in Angul, it seems clear that the tenants would certainly prefer to have nothing to do with the management, either themselves or through representatives, provided they are sure that the rights and privileges claimed by them are not endangered and that they can obtain their forest requirements with reasonable ease and at a reasonable cost.

8. Government therefore agree with the Committee that a change in the existing policy of management is required, but they are not satisfied that the immediate transfer of the control of these forests to panchayats would bring about the desired improvement. There has been gradual but steady deterioration and disappearance of

forests and there can be little if any real improvement unless their productive capacity is increased under proper management. The forests have been subjected to heavy feelings and intense grazing in the past. Their yield has greatly deteriorated and their fertility has been greatly reduced. To improve their productivity, especially after past abuse, the forests require the most careful tending under expert control. Merely to hand them over to the management of a body of elected panchayats in their present denuded state cannot solve the problem and would not even give such bodies a fair opportunity of managing them efficiently. While, therefore, Government have every sympathy with the aims of the Committee, they consider that the transfer of control of these forests to popular management should be a gradual process on lines calculated to ensure a permanent improvement in the existing situation.

9. Government have reached the conclusion that, in order to achieve this object, the protected forests should be classified according to their nature and situation and should be managed solely with a view to ensure a continued supply of grazing, fuel and agricultural requisites for the tenants, with the ultimate object of handing them over to the management of representative panchayats. In view of the existing rights of the tenants and the customary privileges and concessions enjoyed by them in respect of forest produce, the first step must be to undertake a regular forest settlement for the preparation of a record-of-rights. Government are satisfied that without a judicial settlement of the demarcated forests further improvement is not possible. They have decided therefore that the settlement should be undertaken under Chapter II of the Indian Forest Act and that it should be followed by the reservation of these forests, which will be known as "village forests". Such forests will be kept distinct from the existing reserved forests. The area of these "village forests" should be sufficient to provide for the present and reasonable future needs of the local people and they should be distributed as far as possible throughout the local centres of demand. All the existing demarcated forest blocks and such areas of forest as are now undemarcated but are considered essential for maintenance as forest, should be included in the village forests; but agricultural land fit for permanent cultivation (including grazing preserves), should be excluded unless the local scarcity of forest produce makes it more important to keep it as forest. There may also be small areas of the existing "reserved" forests which by the nature of their situation and existing system of supply may be considered as suitable for inclusion in the proposed village forests. These village forests, when so declared, will be an entirely different class from that of the ordinary forest reserves and will be managed by the Forest Department solely in the interest of the people themselves with a view to their ultimate transfer to the management of the people when this step can safely be taken. Government wish to stress the fact that these "village forests" are not to be worked for profit but solely in the interest of the tenants, and it is their intention that any net profits accruing from their management should be taken into account in sanctioning additional expenditure for their improvement. When the forests have been regularly surveyed and settled, such forests as may be reserved for the purpose will be constituted into "village forests", and, in order to emphasize the object in view and to prepare the ground for handing over their management ultimately to the people themselves, Government desire that small advisory committees elected by the people should be appointed for suitable local areas. These committees should be consulted by the local forest and revenue officers in regard to the preparation and working of the "village forests" in the area and encouraged to bring to notice any shortcomings in the management. The remainder of the existing undemarcated or demarcated protected forests which are found to be useless for inclusion as "village forests" should be treated as ordinary waste land, and it will be open to Government to undertake experiments of their management through a system of panchayats if such a step is considered desirable.

10. The detailed recommendations of the Committee will be considered in the light of the decisions set forth above Government wish to observe, however, that the comparison made by the Committee between expenditure on reserved and protected forests is misleading, as it does not take into account the fact that an entirely different class of produce is concerned in each case. It is, moreover, wrong in principle to convert forests from reserved to protected merely because they are working at a loss. The Committee have made an estimate of the annual requirement of firewood and

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timber and this will be a matter for investigation by the Forest Settlement Officer. They have suggested the desirability of a suitable allotment of villages to particular blocks and have proposed that the people of the plains should be allowed to have rights in the forest of Barmal. The Committee have also drawn attention to anomalies in the system of imposing an industrial tax on certain classes of persons utilising forest produce and in the manner of its imposition. They have further pointed out irregularities caused by the settlement of 1915 in including private lands in forest areas. It is also suggested that sufficient open space should be left round the villages situated in close proximity to the forests. These and allied suggestions strongly emphasise the necessity of a regular forest survey and settlement, in the course of which all matters of this nature will be properly investigated and determined. The Committee have made a number of other suggestions of less importance which will be examined in due course; some of them, e.g., the question of free grants of timber for building houses damaged by fire and that of the protection of life and property from wild animals, have already been engaging the attention of Government.

11. In conclusion, Government wish to express their appreciation of the Committee's labour in connection with this enquiry and thank its members for their detailed and informative report.

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ORDER.—Ordered that the resolution be published in the *Orissa Gazette*.

By order of the Governor,  
S. DAS,  
*Secretary to Government.*



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12

# THE CENTRAL PROVINCES AND BERAR GAZETTE

## EXTRAORDINARY

PUBLISHED BY AUTHORITY

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NAGPUR, SATURDAY, MAY 25, 1940

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COMMERCE AND INDUSTRY DEPARTMENT

### PRESS COMMUNIQUE

*Nagpur, the 25th May 1940.*

The Report of the Nagpur Textile Enquiry Committee appointed under Commerce and Industry Department Notification No. 1472-397-VII, dated the 1st May 1940, has been received by Government and is herewith published for general information. Any representation of their views on this subject which the mill-owners or textile workers in Nagpur wish to make should reach the Secretary to Government in the Commerce and Industry Department by the 6th of June 1940.

C. C. DESAI,

*Secy. to Govt., C. P. & Berar,  
Commerce and Industry Department.*

## CHAPTER I INTRODUCTION

The outbreak of War in September 1939, was followed by a rise in the price of foodstuffs and other articles consumed by industrial workers. The rise was comparatively slow at first but became sharper in November and December 1939. A meeting of the Council of Representatives of Nagpur Textile Union was held on the 5th December 1939 when resolutions were passed demanding the grant of a dearness allowance to the workers to the extent of an additional 35 per cent of their wages; and copies of these resolutions were forwarded to the two textile mills at Nagpur, the Empress and Model Mills, as well as to the Provincial Government. Similar resolutions were passed at a second meeting held on the 19 January 1940; and on the 1st February, a deputation from the Union waited on Sir G. P. Burton, the Financial Advisor to Government. Subsequently the Union gave notice to the Mills of a general strike to be commenced on the 1st March 1940. The Government, however, constituted a Court of Enquiry under Commerce and Industry Department Notification No. 761-397-VII, dated the 29th February 1940, in the following terms:—

“Whereas a trade dispute is apprehended between employers and workmen in the textile industry at Nagpur, the Provincial Government in pursuance of section 3 of the Trade Disputes Act, 1929 (VII of 1929), is pleased to appoint a Court of Enquiry consisting of Mr. M. N. Clarke, I.C.S., District and Sessions Judge, and to refer to it, for enquiry and report, the question whether any dearness allowance should be given to the workmen in the said industry, having regard to the present cost of living, and the existing conditions in the industry at Nagpur.”

2. The Court commenced its sittings on the 1st March 1940. Mr. R. S. Ruikar represented the Nagpur Textile Union and opened the case on their behalf. In reply statements were submitted by the Empress and Model Mills; and a large number of issues were framed. Numerous witnesses on behalf of the Union as well as of the Mills were examined. On the 18th March 1940, the Union decided to withdraw from the Enquiry and did not take any further part in the proceedings. The Court of Enquiry came to the conclusion that, although there had been a rise of about ten per cent in the cost of living since the commencement of war, “no dearness allowance should be given to the workmen in the textile industry at Nagpur, having regard to the present cost of living, and the existing conditions in the industry.” The report of the Court of Enquiry was published in the *Central Provinces and Berar Gazette Extraordinary*, dated 28th March 1940. On the same date the following official communiqué was issued by the Commerce and Industry Department and was published in the *Gazette*:—

“By Commerce and Industry Department Notification No. 761-397-VII, dated the 28th February 1940, Government appointed Mr. M. N. Clarke, I.C.S., District and Sessions Judge, Nagpur, as a Court of Enquiry under section 3 of the Trade Disputes Act, 1929, and referred to it, for enquiry and report, the question whether any dearness allowance should be given to the workmen in the textile industry, having regard to the present cost of living, and the existing conditions in the industry at Nagpur. Government has now received the report of the Court and directs that it be published in the *Central Provinces and Berar Gazette*, as required by section 12 (1) of the Act.”

3. At the end of March the Nagpur Textile Union gave notice to both the mills of their intention to strike work from 8th April. Stay in strike commenced in the Empress Mills from the 8th April and the workers of the Model Mills struck work from the 15th April. This was followed by lockout notices by both the mills allowing the workers time up to 25th April to rejoin duties. On the 10th April 1940 the Provincial Government issued the following communiqué:—

“During the last few days the Provincial Government has had the advantage of discussing the present dispute between employers and workmen in the Empress Mills in Nagpur both with the representatives of the mill-owners

and with a deputation of the workers led by Mr. Ruikar. The Provincial Government is anxious to assure both parties that its good offices are always at their disposal in procuring a settlement of this dispute.

In the meantime, however, the workers in the Empress Mills, have decided to strike work. This decision is, in the view of the Provincial Government, highly regrettable, and the Government trusts that even at this late hour it may be reconsidered.

The question whether an increase in wages should be given to cotton operatives on account of the admitted rise in the cost of living due to the war is in issue in Bombay and Ahmedabad as well as in Nagpur. It seems to the Provincial Government that the wise course for the Nagpur workers would have been to wait a final decision in Bombay and Ahmedabad instead of embarking on a strike here. The Government feels therefore that the Nagpur operatives should resume work. When a settlement has been achieved in Bombay and Ahmedabad, the Provincial Government will then readily undertake to examine the whole problem afresh and will do its utmost to procure a settlement of the dispute on the lines acceptable to both parties."

4. Subsequently another communiqué was issued by the Provincial Government on the 20th April 1940 in the following terms :—

"On the 10th of April the Provincial Government issued a communiqué about the current dispute between employers and workmen in the Nagpur textile mills. In the course of that communiqué the Provincial Government stated *inter alia*—

- (a) that the wise course for the textile workers was to await a final decision in Bombay and Ahmedabad instead of embarking on a strike in Nagpur and
- (b) that when a settlement had been achieved in Bombay and Ahmedabad the Government would then readily undertake to examine the whole problem afresh and would do its utmost to procure a settlement of the dispute on lines acceptable to both parties.

The workers in the Empress Mills, who were already on strike when this communiqué was issued, found themselves unable to accept the advice of the Provincial Government to resume work pending a settlement of the dispute in Bombay and Ahmedabad and in the interval the situation has further deteriorated in that the workers in the Model Mills have now also gone on strike while the managements of both concerns have given notices of a lock-out.

In the view of the Provincial Government there is need neither for a strike nor for a lock-out in Nagpur. Government is in process of setting up a committee to examine the whole question of a dearness allowance for textile workers in Nagpur in the light of the decision arrived at in the Bombay dispute. "This is a highly technical matter however and expert assistance will be needed in making the enquiry. The Provincial Government is endeavouring to secure the services of an expert of the necessary standing and a competent committee will be constituted with the least delay possible. Even then the necessary enquiries will take time and meanwhile the Provincial Government trusts that both parties to the dispute will accept its advice and that on the one hand the employers will withdraw the notices of a lockout and on the other hand that the operatives will resume work."

5. In view of another enquiry promised by the Government communiqué the strike was called off on the 25th April. Accordingly the present Committee was constituted under notification No. 1472-397-VII dated the 1st May 1940, on the following terms :—

"On the 10th of April 1940, the Provincial Government issued a communiqué about the dispute between employers and workers in the Nagpur textile mills, and the undertaking given therein was reaffirmed in a subsequent communiqué

issued by the Provincial Government on the 20th of April 1940. In pursuance of the undertaking the Governor of the Central Provinces and Berar is pleased to appoint the following committee:—

Professor P. C. Mahalanobis, I.E.S.—*Chairman.*

Mr. K. D. Guha, Director of Industries, Central Provinces and Berar—*Member.*

Rai Sahib P. K. Sen, Inspector of Factories will act as Secretary to the Committee. The Committee will be advised on technical matters by the following associate members:—

Mr. S. H. Batliwala, Manager, Empress Mills, Nagpur.

Mr. R. S. Ruikar, President, Nagpur Textile Union, Nagpur.

The Committee will be required to examine in the light of the recent settlement reached in Bombay and Ahmedabad—

- (a) whether any dearness allowance should be granted to cotton operatives in Nagpur;
- (b) if so, at what rate should this allowance be granted;
- (c) from what date the allowance, if any, should be paid; and
- (d) if a dearness allowance is justified, whether any formula can be devised for the adjustment of the allowance from time to time as the cost of living advances or declines.

For the purposes of this enquiry the cost of living, the present level of wages and the working condition of the industry in Nagpur since the commencement of the war as also the capacity of the industry to bear any additional burden shall be relevant factors.

The Committee will be requested to submit its report to the Provincial Government by the end of May at the latest."

## CHAPTER II

### PROCEEDINGS OF THE COMMITTEE

The first meeting of the Committee which was attended by both the Associate Members was held on the 6th May 1940 when the terms of reference were considered in detail and certain questions of procedure were discussed. It was decided that the findings of the Nagpur Court of Enquiry and the evidence submitted before it would be taken into consideration; but the whole problem would be examined afresh and new material would be collected and considered from time to time as might be necessary. As this was not a Court of Enquiry it would not be necessary to follow the procedure of a judicial enquiry. The status and functions of Associate Members were discussed and certain questions were referred to Government. The Chairman, however, gave an assurance that the Committee would endeavour to give the Associate Members full facilities for offering technical advice in all matters.

2. The second meeting was held on the 8th May and was attended by all the Associate Members of the Committee and also by a representative of the Model Mills. Certain information relating to the Empress Mills, which had been prepared in the meantime by Mr. Batliwala, were supplied to the Committee together with published balance sheets since 1901. Balance-sheets for the Model Mills were also supplied a day later. Materials relating to the cost of living were examined; and there was a preliminary discussion regarding present level of wages and working conditions of the industry. Certain statements regarding these points were subsequently supplied by Mr. Ruikar.

3. The third meeting was held on the 10th May; representatives of both Empress and Model Mills were present, but Mr. Ruikar was unfortunately unable to attend owing to a slight attack of heat-stroke. Changes in the level of wages were broadly reviewed; and statements relating to working conditions were submitted on behalf of both the Mills. There was also a general discussion on the capacity of the industry to bear any additional burden.



4. The fourth meeting was held on the 11th May; and was attended by both the Associate Members and representatives of the Model Mills. The report of the Nagpur Court of Enquiry was discussed in detail; and portions emphasized by the Mills were noted. Statements relating to working conditions and the capacity of the industry to bear any additional burden were submitted on behalf of both the mills. It was decided that Mr. Ruikar would submit a written statement and the mills would also furnish some information regarding average number of working days and earnings as early as possible. After some discussion it was agreed that no useful purpose would be served by waiting for any fresh materials, and that the writing of the Report might be considered at an early date.

5. The fifth meeting was held on the 13th May and both the Associate Members as well as the representatives from the Model Mills were present. The working condition of the industry since the commencement of the war was discussed in detail, and it was held that the terms should be interpreted on the same lines as in the case of the Ahmedabad dispute; and the period September 1939 to April 1940 would be taken into consideration in this connection. The level of wages was considered on the basis of information supplied by the mills.

6. The sixth meeting was held on the 16th May and was attended by Associate Members and Mr. Registrar from the Model Mills. The draft report (without the recommendations) was read and discussed, and comments were invited from both the Associate Members. It was held that the question of the capacity of the industry to bear additional burden was to be assessed on the financial position of the mills on the lines of the report of the Central Provinces Textile Labour Enquiry Committee of 1938 and subsequent balance sheets of the mills. As regards the recommendations of the Committee it was agreed that it would not be necessary to discuss these with Associate Members who would however, have the right of submitting, through the Secretary of the Committee, their notes and observations for consideration by Government.

7. The seventh meeting of the members of the Committee (at which Associate Members were not present) was held on the 7th May 1940; when the recommendations of the Committee were settled. The eighth and final meeting of the Committee was held on the 18th May when the report was signed.

#### Terms of Reference

8. In accordance with the terms of reference we are required to examine the question of a dearness allowance "in the light of the recent settlement reached in Bombay and Ahmedabad"; and in doing this we are required to take into consideration the cost of living, the present level of wages, the working conditions of the industry at Nagpur since the commencement of the war, and the capacity of the industry to bear any additional burden.

9. As regards the Bombay dispute, by a notification dated the 4th February 1940, a Board of Conciliation with Sir Sajba Rangnekar as Chairman was constituted by the Government of Bombay "for promoting a settlement of the industrial dispute. . . regarding the demand for a change in the scale of wages to neutralise the rise in the cost of living"; and by a subsequent notification "the general issue regarding the dearness allowance raised by the Millowners' Association" was also referred to the Board (*Bombay Government Gazette Extraordinary*, 26th February 1940, page 205). The report of the Bombay Board, dated the 21st February 1940, was published in the *Bombay Government Gazette Extraordinary* of the 26th February 1940 (pages 202-230), and will be referred to in this report as the Bombay decision with page references as mentioned above.

10. The Bombay Board of Conciliation discussed chiefly the question of the dearness allowance, but excluded the question of the restoration of the wage-cut which was raised by the employees on the ground that "it was not expedient to consider the question as the subject-matter of it was actually pending before the Textile Labour Enquiry Committee", without, however, "expressing any opinion on the question as to whether the demand was within the terms of reference" (page 210).

The Board also stated that the position of the industry was not strictly relevant. "The fact remains that the employers are prepared to increase the wages to enable their employees to meet the increase in the cost of living due to the war. Apart from that, no materials have been placed before us so as to enable us to determine the question" (page 223).

11. There was some difference of opinion among the members of the Bombay Board; and two sets of recommendations were made. The majority of the Bombay Board accepted the cost of living index published by the Bombay Labour Office as the basis of their calculations, but made certain allowances for clothing and travelling; and decided "that the cost of maintaining the pre-war standard of living was about 13 per cent higher in January 1940 as compared with the pre-war month August 1939" (page 221) against a rise of about 9 per cent in accordance with the Bombay Labour Office index. According to the minority view there was "a rise of 20 per cent in the cost of living" in January 1940 as compared to August 1939 (page 227).

12. The majority recommended "a total benefit of about 13 per cent increment over the wages prevailing in the month of August (page 214) of which the worker would get about 10 per cent or Rs. 3-4-0 a month, that is, two annas a day for each working day in cash" (page 214) and a benefit of at least 3 per cent in kind by purchasing from cost price grain shops to be established by Mills. The majority of the Board recommended—

- "(1) A dearness allowance at a flat rate of two annas per day be given during the war as an addition to the wages of the cotton textile mill-workers to cover variations in the official cost of living index number between 105 and 123. In the event of the index number falling outside the limits of 105 and 123 for any period of three consecutive months, an adjustment of the proposed dearness allowance would be necessary;
- "(2) That the wage increase be given to all employees drawing under Rs. 150 per month;
- "(3) That the wage increase be given with retrospective effect from the 1st December 1939; and
- "(4) That cost price grain shops be established by the mills at convenient centres to enable the workers to obtain cheaper and better food-stuffs." (B. G. G. E. 26-2-40, pp. 223-224).

The minority recommendation was "a 20 per cent (twenty per cent) increase from November 1939 to continue for a period of six months, and to be re-examined thereafter" (page 228). We understand that the efforts of the Bombay Board of Conciliation to reach a settlement were not successful, and the workers declared a strike; but they ultimately accepted the majority recommendations and went back to work.

13. At Ahmedabad an Industrial Court was set up with the Hon'ble Mr. Justice H. V. Divatia as President; and the Ahmedabad Millowners' Association and the Textile Labour Association agreed "to refer to the arbitration of the Industrial Court the question of dearness allowance due to the rise in the cost of living owing to the European war, the Court had to determine the following points taking into consideration the working condition of the industry after the commencement of the war as a relevant factor for the settlement of the dispute:—

- (1) the quantum of relief to be granted to the workmen in kind and cash;
- (2) the date from which the relief was to commence, and
- (3) the administrative arrangement necessary for the purpose of giving relief in kind as determined above."

The award was published in the Bombay Government Gazette Extraordinary, April 29th, 1940, pages 484—506, and will be referred to as the Ahmedabad award.

14. After a careful consideration of the whole question the Industrial Court decided "that the figure for August 1939 should be taken as basis with reference to which the rise should be computed" (page 490). Weights based on family budget enquiries conducted by the Bombay Labour Office and price data supplied by the same office were adopted for calculating the rise; and

after considering the results given by different methods of calculation the Industrial Court was of opinion that there was a rise of 15 per cent in the cost of living between August and December 1939 (page 491).

15. The Industrial Court made allowance for payments of debt charges and for expenses in connection with marriages, festivals, etc., and was of opinion that the average monthly income and expenditure of a textile worker in Ahmedabad did not leave any surplus which could be utilized towards meeting the rise in the cost of living (page 492).

16. The Industrial Court was not prepared to accept the demand that a rise in the cost of living as such would entitle the workers to ask the employer for a proportionate increase in their wages. The working conditions of the industry after the commencement of the war must be taken into consideration in determining the extent to which the cost of living should be neutralised. Reviewing the general trade conditions based on the trend of price of raw materials and finished products and the figures of production and despatches for which definite date were available, the Court held that the working condition of the industry during the period after the declaration of the war could not justify a rise in the wages of the workers in the same proportion as a rise in the cost of living (page 500). The court, therefore, recommended a dearness allowance of Rs. 3-8-0 for the month of February and decided that the whole of the relief should be given in cash. The cash relief in subsequent months should be adjusted proportionately to the change in the index number from month to month. As we shall have occasion to refer to the Ahmedabad decision in our report it is not necessary to give further details at the present stage.

17. We find then that the cost of living and questions relating to the dearness allowance are common subject matters for consideration at Bombay, Ahmedabad and Nagpur. At Ahmedabad "the working condition of the industry after the commencement of the war" was also a relevant factor; while at Nagpur we have two new items, namely, "the present level of wages" and "the capacity of the industry to bear any additional burden".

18. Although the terms of reference required us to consider the working condition of the industry at Nagpur since the commencement of the war, the reference to the capacity of the industry to bear any additional burden is not specifically limited as to the period of time. We are, therefore, keeping in mind the general position of the Textile Industry at Nagpur as reviewed by the Central Provinces Textile Labour Enquiry Committee of 1938, and as revealed by the information given in the balance sheets of the two Mills at Nagpur.

### CHAPTER III

#### CHANGES IN THE COST OF LIVING AT NAGPUR

We have carefully considered the changes in the cost of living of working class families at Nagpur since the commencement of the war. A monthly index number of the cost of living of industrial workers at Nagpur is issued at present from the office of the Director of Industries. A detailed description of the index is given in Bulletin No. 3 on Index Numbers published by the Department of Industries, Central Provinces, in 1939. The method adopted for its construction was the family budget method and the weights for different commodities were obtained from averages based on 1,002 family budgets collected at Nagpur during the period September 1926 to January 1927 (Bulletin No. 3, p. 3). During this period the prices of commodities were fairly steady and the prices data were believed to be reliable.

2. We have had the opportunity of examining a number of original family schedules which were preserved as specimens in the Department of Industries. We find from the general instructions printed on the first page of the schedules that the enquiry was restricted to workers in mills and factories earning less than Rs. 100 per month. In Bulletin No. 3 it is stated, however, that there were only a very few families earning over Rs. 100 per month; so that this particular restriction did not introduce any serious bias.

3. In the general instructions it was also stated that "in selecting wage earners those normally employed over the whole month should be taken and persons in casual employment should be excluded for the present". The 1927 enquiry, therefore, gives the level of living for families in which the earners were usually gainfully occupied during the whole month. But as a certain amount of absenteeism or "compulsory leave" must have occurred in the case of many families the average earnings of all families must be lower than earnings of the families included in the 1927 enquiry. The level of living determined in this enquiry must have been, therefore, above the average level of living of all families.

4. From our point of view the most serious defect of the enquiry was that it was not based on a random sample method. This makes it quite impossible for us to find out how far the family budgets were truly representative of working class families in general at Nagpur. Apart from this limitation an examination of the original family schedules and papers connected with the enquiry makes us believe that it was carried out with care and the results may on the whole be accepted as reliable.

5. "The items included in the different groups for the Nagpur index number represent about 99.8 per cent of the expenditure on cereals, 99.5 per cent of that on pulses, 91.4 per cent of that on other food articles, 98.9 per cent of that on fuel and lighting and 74.8 per cent of that on clothing and bedding. Instead of omitting the miscellaneous group altogether, three items representing 15.3 per cent of the expenditure on that group have also been included. Thus the items included in the list represent about 82 per cent of the total family expenditure." (Bulletin 3, p. 7.) The omission of 18 per cent of the expenditure from the cost of living index number introduces certain difficulties in making comparisons which we have discussed in the section on the level of wages and also in Note No. 3.

6. We should like to state at this stage that from our examination of the original family schedules we find that data had been collected regarding "payments to dependent members of the family not residing at the address given", "payments on account of debts", travelling expenditure to and from native place", "provident fund contributions", and also regarding house rent, but these items were subsequently omitted at the stage of tabulation.

7. The official Nagpur index number of cost of living is based on the relative weights of commodities determined at the time of the enquiry in 1927; and we have adopted the same relative weights for our calculations. The official index number, which had January 1927 (=100) as its basis, remained practically steady at 60 between January and July 1939, but rose sharply to 64 in August. This rise may no doubt be partly ascribed to anticipations of war; but as we have to assess the rise since the commencement of war we have adopted August 1939 (=100) as our base month. We have already mentioned that the Ahmedabad Court took the same view of the matter.

8. It must be remembered that "in preparation of index numbers no account is taken of changes in the standard of living and habits of consumption. The reason for this is that the ordinary cost of living index number is designed to measure the cost of different periods of maintaining the same standard of living. Consequently it is only the effect of changes in the prices that is taken into consideration". (Bulletin No. 3, p. 1). By using the same weights as the Nagpur index number we are therefore merely considering the changes in the cost of maintaining the same standard of living which formed the basis for the construction of the index number in 1927.

9. As regards prices we have used the material supplied to us from the office of the Director of Industries\*. These price quotations are being regularly collected by the Department of Industries for more than thirteen years, and we have no reason to doubt their general reliability. We may mention here that price quotations other than those supplied from the Department of Industries were carefully considered by the Nagpur

\*The figures are given in Note (1) in the Appendix.

Court of Enquiry (paragraph 13 of the Report) and we agree broadly with the findings of the Court in accepting the official figures as more suitable for our purpose.

10. One of our associate members, Mr. Batliwala, accepted the official price quotations as substantially correct; but the other associate member, Mr. Ruikar, was not prepared to do so, and he supplied us with certain other price quotations the reliability of which could not be checked in any way; and we have not considered it safe to use them for our calculations. Mr. Ruikar also sent us certain price quotations which were published in the vernacular bi-weekly *Maharashtra*, and we had the opportunity of discussing these quotations personally with Mr. P. R. Joshi, of the Nagpur Chamber of Commerce. Unfortunately it is not clear how far these quotations refer to commodities of the same grade and quality at different times; however, we have used these for purposes of comparison along with the prices of a small number of commodities which are published in the *Nagpur Municipal Gazette*.

11. Apart from the question of prices we have also considered the question of relative weights of commodities. At Nagpur, itself a small scale enquiry was conducted some time in the middle of 1930; and 102 working class family budgets were collected at the request of the Royal Commission on Labour. The actual figures are given in the Report of the Commission, Volume XI, Part I, pp. 191-233. As the number of budgets was only 102 we have considered it safer to use the index number based on the results of the earlier enquiry in 1926-27 for our standard calculations. We have, however, used the 1930 weights for purposes of comparison. We have also used for the same purpose relative weights of commodities as determined by family budget enquiries at Jubbulpore in 1927, Ahmedabad in 1926-27 and Bombay in 1933-34, which are being used at present for calculating the respective index numbers for these places.

12. The result of our calculations are shown in table (1) and fuller details are given in Note (1) in the Appendix. In this table (1), column (1) shows the month; column (2) gives the official Nagpur index number [with January 1927 (=100)] issued by the Director of Industries; column (3) gives the Nagpur index number calculated by us using 1927 weights for commodities and Nagpur prices supplied by the Labour Office (with August 1939=100). These index numbers will of course agree broadly with the official index numbers. For example, Nagpur index number for December in column (3) of table (1) is 117 showing a rise of 17 per cent in the cost of living. The values of the official index number for August and December 1939 were 64 and 74 respectively showing a rise of 10 points in 64 or a rise of 16 per cent.\*

\*We need scarcely mention that slight differences are usually made when the base period is changed. In this particular case the difference appears to be of the order of only one per cent.

TABLE (I)—COMPARATIVE TABLE OF INDEX NUMBERS OF THE COST OF LIVING AT NAGPUR:  
AUGUST 1939—APRIL 1940

Prices	Nagpur Official			Municipal Gazette	Maharashtra	Nagpur average	Nagpur Official			
	Weights	Nagpur	Official	1930	Nagpur	Official	(A)—(D)	Jubbulpore	Bombay	Ahmedabad
Symbol	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1939—										
August	..	64	100	100	100	100	100	100	100	100
September	..	64	101	100	103	102	101.5	101	100	101
October	..	63	100	99	103	102	101.0	99	100	99
November	..	67	105	104	108	107	106.0	111	110	104
December	..	74	117	118	114	117	116.5	118	118	115
1940—										
January	..	71	112	113	111	113	112.3	113	114	111
February	..	67	105	107	109	104	106.3	106	109	104
March	..	67	105	105	107	105	105.5	105	108	103
April	..	68	107	107	110	111	108.8	107	109	105
Average	..	...	106.5	106.6	108.1	107.6	107.2	107.5	108.5	105.3

13. A number of auxiliary index numbers are given in other columns for purposes of comparison. Index number (B) is based on weights found in the 1930 budget enquiry and official prices; index number (C) on 1927 or official weights and prices from the *Nagpur Municipal Gazette* for a number of commodities for which such prices were available with official prices for the other commodities; and index number (D) is similarly based on official weights and price quotations published in the *Maharashtra*. Index number (E) is simply the average of (A), (B), (C) and (D). Finally (F), (G) and (H) give the index numbers with official prices and weights as in Jubbulpore, Bombay and Ahmedabad respectively.

14. Although the actual values of individual index numbers differ to some extent depending on the weights and prices used, the changes in the cost of living are in broad agreement. The index number was more or less stationary in September and October but rose sharply in November and attained the peak value in December followed by a gradual decline which continued till March 1940 with a subsequent rise in April 1940. Differences between individual index numbers in the same month are not large; and the averages for the eight months—September 1939—April 1940—all agree, with one exception, within one per cent. In view of the general agreement among the index numbers calculated by different methods, and for reasons already explained we are of opinion that the Nagpur index number (A) calculated by us may be accepted as the standard for our present purposes.

15. One point is worth mentioning at this stage. It will be remembered that the Nagpur family budgets were collected during the period September 1926 to January 1927. The index number was not constant during this period; it fell from 108 in September to 102 in December 1926 and 100 in January 1927 which had been taken as the base period. The average value of the index number during this period was 104. This introduces a marginal uncertainty of about 2 per cent in comparisons based on this index number.

16. Keeping this residual uncertainty of 2 per cent in mind we may conclude that since the commencement of the war there was very little change in the cost of living till October 1939. There was a rise of about 5 per cent in the cost of living in November, and the peak value was reached in December when as compared to August 1939 was of the order of 17 per cent. The cost of living then decreased to about 12 per cent above August in January 1940, and was only about 5 per cent higher than August in February and March 1940. In April it appeared to be going up again and was 7 per cent above August 1939. The average rise in the cost of living since the commencement of war, that is for the eight months from September 1939 to April 1940 was about 6 or 7 per cent above the level in August 1939, so that the total increase in the cost has been roughly about half a month's expenditure spread over eight months.

#### CHAPTER IV

##### THE PRESENT LEVEL OF WAGES IN THE TEXTILE INDUSTRY AT NAGPUR

We shall now consider the second factor in the terms of reference, namely, the "present level of wages". It is clearly necessary to compare the present level with the level either at different points in time at Nagpur or with the level at other places like Bombay or Ahmedabad; and, as we have to do this with reference to the question of a dearness allowance, the level of wages has to be considered in relation to the level or standard of living. In other words, we are required to consider real wages in the textile industry at Nagpur at the present time. In order to do this with scientific precision it is necessary to conduct a fresh enquiry into family budgets. This, however, is not possible as we are required to submit our report to Government before the end of this month. We are, therefore, obliged to have recourse to such indirect comparisons as may be possible with the materials at our disposal.

### Distinction between Basic Wage Rate and Earnings

2. In discussing the present question we have to distinguish carefully between the different senses in which the words "level of wage" is sometimes used. For example, we have first of all the basic wage-rate which means the rate at which payment is made either on the basis of output (piece rate), or on the basis of full time work for all working days in the month. In piece-work, even if the basic rate remains the same, the wages earned in any month will depend on the capacity of individual workers, the amount of work available, and the number of days of the month on which work is done. A distinction must, therefore, be made between average daily earnings and average monthly earnings. Working a short number of days will affect the latter; but, if output is maintained at the normal level, the average daily earnings may remain unchanged. As wages are usually paid on a daily basis the total monthly earnings in the case of time rates also would depend on the number of days on which work is done. Monthly earnings may, therefore, decrease even if basic rates or average daily earnings remain unchanged; in comparing standards of living we must, therefore, consider actual monthly earnings rather than basic wage-rates or average daily earnings. Our first task is to ascertain the level of monthly earnings at the present time as compared with monthly earnings in the past.

#### Earnings in January 1927

3. The basic material for this purpose is furnished by the family budget enquiry of 1927; and we shall first try to ascertain the actual position at the time of this enquiry. From the figures given on page 74 of Bulletin No. 3 we find that the average earnings of the 1,002 families included in the survey were Rs. 34.4 approximately or say Rs. 34.8 per month. From the data given on page 77 of the same Bulletin we also find that the average number of earners per family was about 1.62 which is of the same order as the corresponding figures of 1.53 at Bombay in 1933-34; 1.66 at Ahmedabad in 1926-27; 1.58 at Ahmedabad in 1934-35; and 1.48 at Jubbulpore in 1926-27. We have accepted 1.6 earners per family as the basis of our calculations for Nagpur. The average size of the family at Nagpur was 4.33 consisting of 1.47 men, 1.47 women, 0.78 males and 0.61 female children under 14 (Bulletin page 76); and was larger than the size of family 3.70 at Bombay (1933-34); 3.87 at Ahmedabad (1926-27); 4.05 at Ahmedabad (1933-35); and 3.76 at Jubbulpore (1926-27).

4. From Table No. III on page 20 of the "Report on an enquiry into Unemployment and Wage-cuts in the Cotton Textile Industry in the Central Provinces and Berar" published in 1934 (which we shall refer to in future as the Wage-cuts Enquiry of 1934), we find that average daily earning per worker in January 1937 was 14 (fourteen) annas. As the number of earners per family was 1.6 the average daily earnings were Rs. 1.4 per family. As the total monthly earnings were Rs. 34.44 we easily find that the average number of days worked was 24.6 out of a possible 26 days which shows an average absenteeism of 5.4 per cent. This fits in very well with the view that attempts were made in this enquiry to include wage earners who were "normally employed for the whole month" to which we have already referred to in paragraph 3, Chapter III. From the same Table No. III on page 20 of the Wage-cuts Enquiry we find that average monthly earnings of all workers were Rs. 20-8-0. Multiplying by 1.6 we find that the average earnings of all families were Rs. 32.8 per month with an average attendance of 23.4 days out of 26 days.

#### Expenditure in January 1927

5. It is now necessary to consider the expenditure side. For families covered by the enquiry we find from Table No. VIII of Bulletin No. 3 that the total annual expenditure included in the index number was Rs. 2,69,783 or Rs. 22.48 per month in January 1927. As this represents 82 per cent of the expenditure included in the index numbers, we find that the total expenditure as tabulated was Rs. 27.4 per month. The actual earnings were, however, Rs. 34.4 per month which leaves a residue of Rs. 7 per month. It will be remembered,



however, that expenditure on house-rent, travelling to and from native place, payments on account of debt, expenses for marriages, festivals, social occasions etc., had not been included in the tabulation.

6. It is stated in Bulletin No. 3 that "in Nagpur, although the proportion of persons living in rented houses is greater than at Jubbulpore, there are still a fairly large number of persons in Indora or other localities living in their own houses" (page 6). But, although house rent is not paid in such cases certain expenses must be incurred for payment of the capital cost and for the maintenance of these houses. From the bottom line of Table I on page 16 of Bulletin No. 3 it will be seen that the average expenditure on house-rent spread over all 1,002 families was 1.92 per cent of Rs. 22.48 or say seven annas per month. If we take into consideration the charges for maintaining one's own house the average expenditure for house is not likely to be less than, say, Rs. 1.2 per month on an average\*. To this must be added expenses for bedding and household, utensils, travelling to and from native place, and for payments to dependants. Allowing say a modest sum of Rs. 1.2 for this purpose, we are left with a balance of Rs. 4.6 for payments on account of debts and expenses for marriages, festivals, etc.

7. Certain observations of the Industrial Court on the Ahmedabad dispute are of interest in the present connection. According to the Report on the Enquiry into Working Class Family Budgets at Ahmedabad in 1935 (page 68) "the average earnings of a working class family in Ahmedabad were Rs. 47-14-11 and the average monthly expenditure of a family was Rs. 41-15-2." The Industrial Court observed that the "monthly expenditure of Rs. 41-15-2. . . . is exclusive of instalments and interest on account of debts and occasional expenditure on festivals and marriages, etc. These items were not taken into consideration, in arriving at the figure of the monthly expenditure of the family, not because these items did not exist; but because no accurate figures were available for ascertaining the precise expenditure on these items. The item on account of instalment and interest on debts is by no means a small item. . . . We are not in a position to ascertain the precise extent of the expenditure on account of these items, but we have no doubt that an allowance of Rs. 4-8-0 a month for expenses in connection with marriages, festivals and other social occasions, etc., is by no means an excessive item" (Pages 491-492). We are in entire agreement with these observations. As the average income at Nagpur was Rs. 34.4 and much lower than the income at Ahmedabad the possibility of any surplus remaining at Nagpur is even more remote. We are, therefore, of opinion that the whole of the balance in the case of Nagpur families must be considered to have been utilized for the various charges mentioned above.

#### "Absenteeism" and Compulsory Leave

8. Before we can compare monthly earnings at different times it is necessary to take into consideration the fact that, average daily earnings remaining constant, monthly earnings depend on the total number of days on which the earner actually works in the mills. It is well known that Nagpur workers do not always work to their fullest capacity. On an average 17 per cent of the Nagpur workers stay away from the mills. This "absenteeism" of about 17 per cent has been remarkably steady for at least 27 years. From the evidence submitted by Sir Sorabji B. Mehta, Manager of the Empress Mills, before the Royal Commission on Labour (Report, Volume III, Part I, Appendix S, page 104), we find that absenteeism stood at the level of 16 or 17 per cent from 1914 to 1928; and from figures supplied to us by Mr. Batliwala it appears that "absenteeism" still stands at the same figure at the present time.

9. Mr. Ruikar pointed out the difficulties of distinguishing between compulsory leave and absenteeism. Making allowance for these difficulties we are, however, still of opinion that absenteeism is much higher at Nagpur as compared to Bombay and Ahmedabad and that about 17 per cent absenteeism or an attendance of 21.6 days per month (out of 26 days) on an average may be accepted as a normal figure for Nagpur.

\*The actual average house-rent for families paying house-rent was found to be Rs. 1-3-9 in 1930 at the time of the visit of the Royal Commission on Labour (Report Volume XI, Part I, Pages 192-239).

10. At first sight it may appear as if the Nagpur worker can easily increase his earnings by reducing his "absenteeism". In fact the mill-owners have laid considerable stress on this point; and the Nagpur Court of Enquiry observed that the workers "to a great extent have the means of supplementing their earnings by greater punctuality and deliberate abstention from work (paragraph 28, page 118)."

#### Short Working of the Mills

11. The problem, however, is in fact far more complicated. When the mills are working at high pressure and are short of labour it is possible for a large number of families to increase their earnings by increasing their average number of days of work in the mills. When, however, the mills are not working to their full capacity it is usually not possible to find employment for all the workers. In this situation a particular family may increase its earnings to some extent by reducing its absenteeism, but this will have to be done at the cost of other families. In other words, when the total wage bill is kept constant, and there is no possibility of increasing it for lack of orders, the total earnings of all the families which participate in the work will necessarily remain constant. The actual share of individual families may differ or may be increased or decreased depending on the relative degree of absenteeism. But the workers as a whole are helpless in this matter and it is not correct to think that the remedy for this state of affairs is in the hands of the workers themselves.

12. In times of depression when the mills are unable to work to their full capacity a reduction in the total wage bill may become unavoidable. If the depression persists and if there is a continuous shrinkage in the margin of profit a decrease in wages of labourers also becomes inevitable. In this situation, when the total wage bill has to be kept constant or has to be reduced it is possible to follow either of two alternative policies. The level of earnings may be maintained by reducing the number of workers or the same total amount of wages may be distributed among larger number of workers by reducing the level of earnings. We recognise that in certain circumstances the second policy may be more desirable from the point of view of the society as a whole, especially in a country like India where there is no unemployment insurance. We are, therefore, not suggesting that the level of earnings of real wages must be maintained at all costs for we know that this is not always possible. We are merely trying to assess the level of real wages at the present time as determined by the joint influence of all relevant factors; and secondly to disentangle the influence of the different factors as far as this may be possible.

13. We find that apart from changes in basic or nominal wage-rates, there may be a fall in the actual earnings on account of "absenteeism" or compulsory leave granted by the authorities for unpunctuality for which the responsibility definitely lies on the workers themselves. Earnings may, however, also decrease on account of a reduction in the total wage-bill due to averse trading conditions, or on account of the same wage-bill being distributed among a larger number of workers. In the latter case the workers as a whole cannot possibly increase their earnings by reducing their absenteeism or by becoming more punctual.

#### Monthly Earnings at Different Levels of Absenteeism

14. We can easily calculate the monthly earnings per family at other level of absenteeism. From the chart given opposite page 16 of the "Report of the Textile Labour Enquiry Committee of Central Provinces and Berar" of 1938 we find that the average level of absenteeism may be taken in round figures as 7 per cent at Bombay, and 3 per cent at Ahmedabad. The absenteeism of 1,002 families included in the 1927 enquiry was 5.4 per cent which was only slightly below the Bombay level; and we may treat these families (which we shall call the 1927 budget families) as roughly representing the Bombay level of absenteeism. For 17 per cent of absenteeism, or attendance on 21.6 days per month monthly earnings were Rs. 30.2; and for 3 per cent (or Ahmedabad level of) absenteeism monthly earnings were Rs. 35.3 per family in January 1927.

### Adjustments for Changes in the Cost of Living

15. Finally, even if nominal earnings in terms of rupees, annas and pies remain constant, the real wage may decrease or increase owing to a change in the purchasing power of the rupee. Before comparing earnings at different times the effect of changes in purchasing power must, therefore, be eliminated with the help of the index number of the cost of living. In doing this we have to remember, however, that the whole of the expenditure is not susceptible to short period changes in the cost of living. There are certain items, such as house-rent, payments on account of debts, payments to dependants, travelling expenses, newspapers, amusements, services from barbers, etc., which are not usually affected by short period fluctuations except in times of abnormal or violent changes. Expenditure on these items represents more or less a fixed charge; and in making adjustments for the cost of living it is reasonable to leave out this fixed portion. It is difficult to make an accurate estimate of its actual amount. In the case of the 1927 budget families we know that Rs. 22.48 was included in the cost of living index number out of the total income of Rs. 34.4. This means that 35 per cent of the total income was left out of the index number. But we think an additional portion of the expenditure can probably be included under the index number. We have, therefore, tentatively adopted 30 per cent of the total expenditure as a fixed charge and have left this out from the adjustment for the cost of living. The procedure for the adjustment is straightforward, and has been explained in Note (2).

### Level of Real Wages

16. We may now consider the present level of real wages as compared with the level in January 1927. Relevant figures for this purpose are given in Table (2) in which column (1) gives the year and month for which the comparison is made; column (2) the Nagpur index number of cost of living with January 1927 as 100; and column (3) the number of days on which the mills were open. Column (4) shows the average number of days worked, and column (5) the average daily earnings per earner; multiplying this by 1.6 we get the average daily earnings per family shown in column (6); and multiplying again by the number of days worked we get in column (7) the average monthly earnings per family for all families working in the mills. The figures for January 1927, December 1932, and December 1933 have been taken from Table III on page 20 of the Report of Wage Cut Enquiry of 1934; the figures for July 1938 were supplied from the office of the Director of Industries. The material for the period August 1939 to March 1940 was kindly supplied at our request by the authorities of the Empress and the Model Mills.

TABLE (2).—COMPARISON OF REAL WAGES IN DIFFERENT PERIODS

Year and month	Nagpur Cost of Living Index No.	Number of days mills open	Average of all families				Families working the same number of days as in column (4)		Normal families 17 per cent absenteeism			
			Daily earnings		Monthly earnings per family	Equivalent earnings at the rate of January 1927	Percentage difference (7) — (8)	Earnings at same rate as in column (6)	Equivalent earnings at the rate of January 1927	Percentage difference (10) — (11)		
(1)	(2)	(3)	(4)	(5)							(6)	(7)
				Per worker	Per family = (5) × 1.6							
				Rs.	Rs.	Rs.	Rs.	Per cent	Rs.	Rs.	Per cent	
1927 January ..	100	26	23.4	0.88	1.40	32.8	32.8	0	30.3	30.3	0	
1932 December	60	26	22.8	0.85	1.36	31.0	23.0	+35	29.4	21.8	+35	
1933 December	58	26	20.0	0.73	1.17	23.3	19.8	+18	25.2	21.4	+18	
1938 July ..	60	26	20.4	0.66	1.06	21.7	20.6	+5	23.0	21.8	+6	
1939 August	64	27	21.4	0.64	1.03	22.0	22.4	—2	23.0	22.7	+1	
1939 September	64	25	19.1	0.67	1.07	20.4	20.0	+2	22.3	22.7	—2	
1939 October	63	27	21.2	0.64	1.02	21.6	22.0	—2	22.7	22.5	+1	
1939 November	67	25	19.4	0.68	1.08	21.0	20.9	0	22.5	23.3	—3	
1939 December	74	26.7	21.3	0.66	1.05	22.3	24.4	—9	23.3	24.8	—6	
1940 January ..	71	26.2	20.9	0.67	1.07	22.4	23.3	—4	23.2	24.2	—4	
1940 February	67	24.1	18.8	0.69	1.10	20.7	20.2	+2	22.0	23.3	—6	
1940 March ..	67	25.7	19.6	0.67	1.07	21.0	21.1	0	22.8	23.3	—2	

17. Let us now compare these earnings with those in the month of January 1927. In doing this we must remember that the actual number of days worked varies from month to month depending on the combined influence of absenteeism, compulsory leave, and short working of the mills. We know that the daily earnings per family in January 1927 were Rs. 1.4; so that if we multiply the average number of days worked given in column (4) of Table (3) by Rs. 1.4 we shall get the corresponding monthly earnings in January 1927. For example, in December 1932 the average number of days worked was 20; the corresponding monthly earnings in January 1927 would have been therefore Rs. 28. We now make adjustments for the change in the cost of living (as explained in paragraph 15 and described in greater detail in Note (2)) and find the equivalent value to be Rs. 23.0 in December 1932 as shown in column (8).

18. Equivalent earnings to maintain the same standard of living as in January 1927 for families which worked the same number of days as shown in column (4) were calculated in this way; and are given in column (8). The actual monthly earnings, on the other hand, are given in column (7). It will be remembered that the number of days worked is identical in both cases. The difference between these two columns (7) and (8) thus represents the difference in real wage between January 1927 and the period under consideration. Expressing these differences as percentages of equivalent earnings we get in column (9) the percentage change in real wages between January 1927 and the month under review for families which worked the same number of days as shown in column (4) in each case. For example, in December 1932 the actual earnings were Rs. 31.0 as shown in column (7) against equivalent earnings of Rs. 23.0 required to maintain the same standard of living as in January 1927 as shown in column (8). The difference between these two figures, namely, Rs. 8 then represents the rise in real wage; expressing this as a percentage of equivalent earnings Rs. 23.0 we get the percentage increase of 35 per cent in real wages in December 1932 shown in column (9).

#### Average Number of Days worked

19. We should like to emphasize the fact that in the above comparison we have equalised the average number of days worked in both the periods under comparison. We know, however, that this average number is determined by the fact whether the mills are working at full or below capacity.

20. We know that the usual level of absenteeism may be taken as 17 per cent, i.e., the usual "presence" is 83 per cent of working days on an average. So long as the actual number of days worked stands at this level of 83 per cent we may consider the position to be more or less normal. When the average number of days worked is less than 83 per cent the mills must be considered to be working below their full capacity; and the lowering in wages must be partly ascribed to the reduction in production. This may, of course, be unavoidable under adverse trade conditions; but this portion of the lowering cannot be ascribed to the laziness or unpunctuality of the workers. On the other hand, when the average number of days worked is appreciably greater than 21.6 days for a full working month of 26 days or higher, than 83 per cent in other cases, it is reasonable to infer that the workers are attending the mills more regularly under some increased incentive probably in the way of increased wages. A higher average number of days worked may, therefore, be considered to be characteristic of comparatively prosperous times.

21. It will be noticed from column (4) of table (2) that the average number of days worked was 23.4 in January 1927, and 22.8 in December 1932 showing a comparatively high level of production. The average number of days worked was distinctly lower in December 1933 (20) and July 1938 (20.4). It reached practically the normal level in August (21.4), October (21.2) and December 1939 (21.3), but was lower in September (19.1) and November 1939 (19.4); and has continued to be below normal in January (20.9), February (18.8) and March 1940 (19.6). This probably gives an indirect and rough idea of working conditions in the mills.

### Real Wages of "Normal" Families

22. We have accepted 17 per cent absenteeism as a normal characteristic of the average working class family in Nagpur; and we may now compare the monthly earnings of such families in different periods. We have already calculated the monthly earnings of such families in January 1927, and found that this was Rs. 30.3. We can easily calculate the earnings in the different periods under review with the help of the daily rates of earnings shown in column (6); these values are given in column (10). The equivalent earnings in different months which correspond to Rs. 30.3, and which would enable the same standard of living being maintained as in January 1927, are shown in column (11). The difference between columns (10) and (11) gives the change in real wage; and this difference expressed as a percentage of the equivalent earnings is shown in column (12).

23. It will be seen that the change in real wages for normal families with absenteeism of 17 per cent follow the same general course as the change in real wages for the other families shown in column (9). We find that real wage was practically at the same level as January 1927, during August and the first two months of the war; began to fall from November and was below normal by 6 per cent in December 1939; and has continued to be below normal in recent months.

### Real Wages at different Levels of Absenteeism

24. Instead of considering families with an absenteeism of 17 per cent we may also consider our 1927 budget families with 5.4 absenteeism which is roughly of the same order as the average level of absenteeism in Bombay. Earnings calculated at current rates are shown in column (13) of Table 2 (A) for such families together with equivalent earnings in column (14); and the differences expressed as percentages of equivalent earnings are given in column (15). In the case of these families also the real wage has followed an almost identical course. It was more or less at par with January 1927 in August and also in the first two months of the war, but then began to fall appreciably.

25. Finally we may consider families with 3 per cent or the Ahmedabad level of absenteeism for which relevant earnings calculated at current rates, the equivalent earnings required to maintain the same standard as in January 1927, and the differences between these two expressed as percentages of equivalent earnings are given in columns (16), (17) and (18), of Table 2 (A), respectively. Real wages in this case also have changed practically in the same way as in the case of other families, and have fallen below the January 1927 level at the present time.

26. Without attaching too much significance to the details of the fluctuations shown in Tables (3) and (2A), we may conclude generally that, as compared with January 1927, real wages were roughly 35 per cent higher in December 1932, 18 per cent higher in December 1933, and 5 or 6 per cent higher in July 1938; and were practically at the same level as January 1927, in August 1939, just before the declaration of the war, and continued to be more or less normal during the first two months of the war. Real wages, however, began to fall in November; were appreciably below the 1927 level in December 1939; and have remained below normal since then.

TABLE 2—(A). COMPARISON OF REAL WAGES IN DIFFERENT PERIODS.

Year and Month.	Nagpur Cost Living Index number.	Number of days Mills open.	Daily earnings.		1927—Families with 5.4 per cent absenteeism.			Families with 3 per cent absenteeism (Ahmedabad level).		
			per earner	per family =(5) × 1.6.	Earnings at same rate as column (6)	Equivalent earnings at the rate of January 1927.	Percentage difference (13)-(14)	Earnings at same rate as column (6)	Equivalent earnings at the rate of January 1927.	Percentage difference (16)-(17)
(1)	(2)	(3)	(4) Rs.	(5) Rs.	(6) Rs.	(7) Rs.	(8) Per cent.	(9) Rs.	(10) Rs.	(11) Per cent.
1927, January	100	26	0.88	1.40	34.4	34.4	0	35.3	35.3	0
1932, December	60	26	0.85	1.36	33.4	24.8	+35	34.3	25.4	+35
1933, December	58	26	0.73	1.17	28.7	24.3	+18	29.4	24.9	+18
1938, August	60	26	0.66	1.06	26.1	24.8	+5	26.8	25.4	+6
1939, August	64	27	0.64	1.03	26.2	25.7	+2	26.9	26.4	+2
1939, September	64	25	0.67	1.07	25.4	25.7	-1	26.0	26.4	-2
1939, October	63	27	0.64	1.02	26.0	25.5	+2	26.7	26.2	+2
1939, November	67	25	0.68	1.08	25.6	26.5	-3	26.2	27.2	-4
1939, December	74	26.7	0.66	1.05	26.6	28.1	-5	27.2	28.9	-6
1940, January	71	26.2	0.67	1.07	26.5	27.4	-3	27.2	28.1	-3
1940, February	67	24.1	0.69	1.10	25.1	26.5	-5	25.7	27.2	-6
1940, March	67	25.7	0.67	1.07	26.0	26.5	-2	26.6	27.2	-2

TABLE (3).—COMPARISON OF THE LEVEL OF LIVING AT NAGPUR, BOMBAY AND AHMEDABAD IN AUGUST 1939

Items	Prices Families									
	Nagpur prices			Bombay prices			Ahmedabad prices			
	Nagpur	Bombay	Ahmedabad	Nagpur	Bombay	Ahmedabad	Nagpur	Bombay	Ahmedabad	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Food ..	11.4	18.1	13.9	17.4	24.4	19.4	12.7	16.8	15.3	
Fuel and lighting.	1.6	4.1	2.0	1.5	3.2	1.7	2.2	6.1	2.4	
Clothing ..	1.8	2.2	4.5	2.2	3.1	6.5	1.1	1.5	3.1	
Sub-total (A)	14.8	24.4	20.4	21.1	30.7	27.6	16.0	24.4	20.8	
Variable Misc.	0.5	5.2	1.2	0.6	8.6	1.6	0.6	3.7	1.2	
Total variable (B).	15.3	29.6	21.6	21.7	39.3	29.2	16.6	28.1	22.0	
House rent ..	1.2	1.2	1.2	5.8	5.8	5.8	4.8	4.8	4.8	
Fixed charge	7.6	4.3	8.9	7.6	4.3	8.9	7.6	4.3	8.9	
Grand Total	24.1	35.1	31.7	35.1	49.4	43.9	29.0	37.2	35.7	
				Percentage						
Sub-total (A)	100	165	138	100	145	131	100	152	130	
Total variable (B).	100	193	141	100	181	135	100	169	133	
Grant Total ..	100	146	132	100	141	125	100	128	132	
Grand Total (Bombay scale):	69	100	90	71	100	89	78	100	96	

27. Two or three most important facts have emerged from the above discussion. Accepting January 1927, as our base period (and we have no other alternative as this is the only period for which we possess information regarding the level of consumption), we find that the level of real wages was more or less normal at the beginning of the war; so that subsequent changes in the real wage can be most conveniently studied with the help of index numbers of the cost of living with August 1939 as 100. Secondly, real wages began to fall from November 1939, and have continued to remain below normal. Finally, as judged by the families with the Ahmedabad (3 per cent) level of absenteeism, this fall in real wages cannot possibly be remedied by the workers themselves as there is no further scope for reduction in absenteeism. In other words even if workers attend the mills practically on all possible working days, real wages will still remain below the level of January 1927.

28. We may, however, point out that, although the analysis given here does succeed in bringing out the general features of the position regarding real wages, since 1927, more accurate results will naturally be obtained by using a recent base month like August 1939 (=100) than by adopting a thirteen year old base period like January 1927.

#### Indirect Additions to Real Wage.

29. We have been much impressed by the substantial contributions made by the Empress Mills towards provident fund, pensions, and various welfare schemes, and other benefits given to the workers in the form of twelve days' holiday on full pay per year to workers who have served the mills for twenty years or more, and credit support given to the Co-operative Society—etc. We agree that these benefits add indirectly to the real wages of the workers. On the basis of the statement supplied by the Empress Mills we understand that annual expenditure incurred by the Mills for this purpose amounts to over two lakhs per year and comes to an expenditure of a little less than two rupees per head per month taking all benefits into consideration. This benefit is however limited to permanent workers in the Empress Mills.

#### Comparison of the Standard of Living at Nagpur, Bombay and Ahmedabad.

30. In considering the level of real wages in Nagpur at the present time it is of some interest to enquire how this compares with the corresponding level at Bombay and at Ahmedabad. We are giving certain results of our calculations in Table (3), details of which are explained in Note (3). Let us



consider, for example, Nagpur families; the expenditure for the different group items of food, fuel and lighting and clothing, at prices ruling at Nagpur in August 1939 is shown in column (2) of Table (3). The variable expenditure for miscellaneous items is the portion included in the Nagpur index-number which is susceptible to changes in the purchasing power of money. For house rent we have used a nominal figure of Rs. 1.2 which leaves Rs. 7.6 as the expenditure for miscellaneous items not susceptible to short time changes in the cost of living; this includes the expenditure for payments on account of debts, payments to dependants, etc., so that the total expenditure of the Nagpur family at Nagpur is Rs. 24.1 per month in August 1939.

31. In column (3) we have shown the corresponding expenditure which would be incurred by a Bombay working class family which migrates to Nagpur and which continues to consume the same quantities of commodities which it used to consume at Bombay but which it now purchases at Nagpur price. It will be noticed that for house rent we have allowed the same amount as in the case of the Nagpur families. The total expenditure which a Bombay family migrating to Nagpur would have to incur in order to maintain its own standard of consumption comes out as Rs. 35.1 against an expenditure of Rs. 24.1 for the Nagpur family. The comparison must be, of course, to some extent approximate as certain adjustments had to be made details of which are explained in Note (3). But a glance at the two sets of figures leaves no doubt that the standard of living of Bombay families is much higher than that of Nagpur workers.

32. In the same way the cost, at Nagpur price, of maintaining the standard of living of Ahmedabad families in 1926-27 is shown in column (4). Here also we find that the Ahmedabad level is much higher than the Nagpur level.

33. We may look at the problem from a different point of view. Instead of considering what happens when the Bombay or the Ahmedabad family comes to Nagpur let us suppose that the Nagpur family moves to Bombay but keeps to its own standard of consumption. We find that, at Bombay prices, the cost of maintaining the Nagpur standard of living would be Rs. 35.1, as shown in column (5). The corresponding cost of the Bombay family would be Rs. 49.4 and of the Ahmedabad family Rs. 43.9 as shown in columns (6) and (7), respectively.

34. Finally if the Nagpur family migrates to Ahmedabad we find from the figures given in column (8) that the cost of maintaining its own standard would be Rs. 29.0 against Rs. 37.2 of the Bombay family and Rs. 35.7 of the Ahmedabad family as shown in columns (9) and (10), respectively.

35. For convenience of comparison we are showing the same results in the form of percentages. Adopting the expenditure of the Nagpur family as 100 we are giving the corresponding expenditure of the Bombay and the Ahmedabad family at all three places. It will be seen from the line for Grand Total that the expenditure of the Bombay family to maintain its own standard of living would be higher than the Nagpur family by 46 per cent at Nagpur, 41 per cent at Bombay, 28 per cent at Ahmedabad. In the same way we find that the level of living of the Ahmedabad is higher than that of the Nagpur family by about 32 per cent at Nagpur, 25 per cent at Bombay and 32 per cent at Ahmedabad. If we confine our attention to sub-total (A) for food, fuel and lighting, and clothing for which price adjustments can be made with greater accuracy, we find that the Bombay standard is higher than the Nagpur scale by 65 per cent, 45 per cent and 52 per cent; and the Ahmedabad scale is higher than the Nagpur scale by 38 per cent, 31 per cent and 30 per cent at Nagpur, Bombay and Ahmedabad, respectively.

36. If we adopt the scale of consumption of the Bombay family as the standard (=100) we find from the bottom line that the expenditure of the Nagpur family in order to maintain its own standard would be about 68 per cent at Nagpur, 71 per cent at Bombay and 78 per cent at Ahmedabad. The expenditure of the Ahmedabad family (in terms of the Bombay scale) would be 90 at Nagpur, 89 at Bombay and 96 at Ahmedabad.

37. If we accept the Nagpur scale as the standard (=100) we find on the whole (taking the average of the proportionate expenditure at Nagpur, Bombay and Ahmedabad) that the scale of living of the Bombay family is 38 per cent higher and of the Ahmedabad family 30 per cent higher than that of the Nagpur family. Compared with the Bombay standard (=100) we find that the level of living of the Nagpur family is 28 per cent lower than that of the Bombay family.

38. We have pointed out and emphasised in Note (3) the difficulties of such comparisons owing to the lack of standardisation in methods of collection and statistical analysis of family budgets, and much importance should not be attached to the numerical values given above. However, in spite of these limitations, we think that the analysis given here establishes beyond any doubt that after making allowances for differences in price, the standard of living of Nagpur industrial families is much lower than that of Bombay families and appreciably lower than that of Ahmedabad families.

#### Labour Efficiency

39. The above discussions show that even after allowing for differences in the price of commodities at Nagpur, Bombay and Ahmedabad, the effective standard of living of workers in Nagpur is appreciably below that at Bombay or Ahmedabad. Two reasons have been adduced by the mill-owners to explain this. One is that, as yarn and cloth of coarser types form a much larger proportion of manufactures at Nagpur, the relative expenditure on labour wage is necessarily low at Nagpur as compared with Bombay or Ahmedabad. We agree that there is considerable force in this argument; and that a certain difference in the proportion of labour costs between Nagpur and Bombay or Ahmedabad is inevitable owing to differences in the quality of the goods manufactured at different centres.

40. A second reason advanced by the mill-owners has been the inefficiency of Nagpur labour, as compared with textile workers in Bombay and Ahmedabad shown by a higher rate of absenteeism as well as by a lower rate of output per worker. We have already discussed absenteeism and its effect on the wage level in considerable detail. The question of the comparative efficiency of labour is difficult and complicated; and cannot be settled without prolonged investigation of a highly technical nature which we cannot possibly undertake in the short time at our disposal. We find that the question of one or two looms per worker is contested; employers are of opinion that only very few of the workers at Nagpur can look after two looms; workers allege that they are not given proper facilities for improving their output. We understand that in mills at other centres in this Province two looms per worker is quite usual; possibilities of developing this practice at Nagpur do not, therefore, appear to have been fully explored for we find it difficult to believe that the Nagpur worker is intrinsically more inefficient than workers at other centres in this Province.

41. On enquiry from Mr. Batliwala we find that in recent years labour efficiency has increased in case of long frames in spinning department in which payment is made by time-rates; while there has been no such increase in efficiency in departments in which piece-rates of payments are in force. An increase in the efficiency of workers receiving fixed wages by time-rates is bound to be of advantage to the mills; while an increase in the output of piece-work is immaterial so far as the interests of the mills are concerned. This makes us believe that the question of relative inefficiency of labour is, at least to some extent, bound up with the labour policy of the management. Questions of relative efficiency of plants, and machinery, working conditions, and other details of management and supervisions are also involved.

42. We believe that on the whole it will be safer to rely on the over-all condition of the industry as reflected in the profit and loss account rather than on a detailed examination of the question from a technical point of view. It has been argued that if labour efficiency were greater profits would be higher which would enable higher wages being given to labour; but in actual fact wages are low owing to the inefficiency of local labour. We do not think it necessary to discuss this point in detail. For our

present purposes the real question is whether the margin of profit is sufficiently great to enable a dearness allowance being granted at the present time; and we have considered this in a later section.

#### Consolidation of Wages in October 1924

43. We may now consider certain questions connected with the level of wages. Before the Nagpur Court of Enquiry much emphasis was laid on behalf of the Empress Mills on the consolidation of wages as from 1st October 1924, and this was made the subject matter of Issue II-A on which the Court came to the findings: "That the present rate of wages is based on the cost of living as it stood on the 1st October 1924."

44. We have already mentioned that the enquiry into family budgets at Nagpur took place in 1926-27; the index number constructed on the basis of this enquiry was carried back to January 1925 and is given in Table III of Bulletin No. 3. Information regarding the "cost of living as it stood on 1st October 1924" is therefore not available.

45. The Nagpur Court also observed that the cost of living "for January 1927 is itself 5 per cent lower than what it was in 1924". We have already pointed out in an earlier section that as the family budgets were collected during the period September 1926 to January 1927 and the average index number during this period was 104, the standard of consumption of the families included in the enquiry should be considered to be that appropriate to a index number of 104 rather than to an index number of 100. We also find that the average value of the index number for the whole of the earlier period January 1925 to August 1926 was 104; so that the level of living represented in the family budget enquiry of 1926-27 was about the same as the level of living during the two years 1925 and 1927. Assuming further that there was no appreciable change in the cost of living between October 1924 (when the wages were consolidated) and in 1925-26 all we can say is that the effective level of living at the time of enquiry had become adjusted to the actual scale of wages settled in 1924. This would have, of course, happened in any case, even if the scale of wages had been consolidated at a much lower rate. The fact of such adjustment does not, therefore, give any information regarding the adequacy of otherwise of the level at which wages were consolidated in 1924. To put the matter in a slightly different way, we find that certain scales of wages were consolidated in 1924, and naturally and inevitably the scale of living in the course of the next two years become adjusted to it. The question of its being sufficient or otherwise to meet any particular scale of living has, therefore, no meaning. The finding of the Nagpur Court of Enquiry, namely, that "the present rate of wages is based on the cost of living as it stood on the 1st October 1924" is, therefore, based on misconceptions.

#### Restorations of Wage-cut in 1938

46. It is now necessary to consider the restoration of wage-cut in 1938 on which also much emphasis was laid by the mill-owners as well as by the Nagpur Court of Enquiry as this question is intimately connected with the level of wages. We find that a certain amount of confusion of thought exists in this connection. For example, it has been claimed by the mill-owners that in Nagpur in 1938 they restored 80 per cent of the wage-cut that had been effected in 1933 while the Bombay mills restored only 50 per cent of the wage-cut; so that the latter still had some margin in reserve from which they were now giving an increase in wages in the form of dearness allowance. In other words, Bombay is now doing what Nagpur had already done in 1938. This claim, we believe, is based on Table 3 given on page 13 of the Central Provinces Textile Labour Inquiry Committee of 1938. In this table the heading of column 2 is printed as "wage reduction since 1933"; and the figure 25.4 per cent for Bombay given in this column is evidently taken from Table VIII of pages 24-25 of the Interim Report of the Bombay Textile Labour Inquiry Committee of 1937-38. It is clearly stated in the Bombay Report that the figure 25.4 per cent represents the "percentage decrease in July 1937 as compared with July 1926", and not since 1933 as stated in the column heading in Table 5 of

the Central Provinces Report. The reduction of 25.4 per cent in Bombay is in fact not the actual wage-cut effected in 1933 but the cumulative reduction in wages since July 1926. The wage reduction of 16 per cent and 14 per cent respectively shown against the Empress and the Model Mills in Table 5 on the other hand are actual wage-cuts effected in 1933 as worked out from the fall in the weighted average daily earnings between December 1932 and December 1933; we have verified this from the original calculations in the files relating to the Central Provinces Enquiry Committee which were placed at our disposal by the Department of Industries.

47. As no wage figures for 1926 are available for Nagpur it is not possible to calculate the "wage reduction in 1937 as compared with July 1926" as in the case of Bombay. The figures given for Nagpur in Table 5 of the report of the Central Provinces Committee is thus not comparable in any way with the figure for Bombay given in Table VIII in the Report of the Bombay Committee. It is unfortunate that a printing mistake in the Central Provinces Report has given rise to a great deal of misunderstanding on the subject.

48. The restoration of 80 per cent of the wage cut claimed by the Nagpur Mills also required consideration. This figure has been calculated by expressing the amount paid by increase in wages due to restoration in 1938 as a percentage of the amount saved by the wage cut in 1933. Two factors, namely, that a considerable number of employees have been employed at lower scales of wages in the intervening five years, and secondly, that a large number of old employees have not received increments which they were formerly receiving, have been lost sight of in this calculation. In fact the character of employment had changed in the intervening five years; and the two amounts used for the calculation are not comparable. If the above factors are taken into consideration the restoration amounts to 60 per cent as calculated and recommended by the Central Provinces Committee in 1938 and not 80 or 75 per cent as claimed by the Mill—The Nagpur Court of Enquiry in Issue II-F stated that "the mills restored 78 per cent of the wage cut in 1938". For reasons explained above this statement can only be accepted in an extremely restricted sense.

49. The increase in wages granted in 1938 by the Bombay schedule is 11.9 per cent against the wage reduction of 17 per cent in 1933 and 25.4 per cent in 1937. This works out to 70.5 per cent restoration of the wage reduction in 1937 in Bombay. Similarly the increase in wages given by the Nagpur schedule is about 10 per cent against the wage cut of 16 per cent in 1933 and 28 per cent in 1937, which works out to 62.5 per cent restoration of the cut in 1933 and 35.7 per cent restoration of the wage reduction up to 1937. It cannot, therefore be said that the Bombay mills had anything up their sleeves to enable them to meet the dearness allowance recently granted by them.

#### The Subsistence Level

50. We find that in the Nagpur Court of Enquiry a question was raised regarding the subsistence level; and it was stated that "there is no evidence to show that the wages of the textile workers are below subsistence level as a result of the war (page 118)". The subject is full of difficulties; the determination of a subsistence level depends on many factors and there is no accepted objective method of achieving this. The question was considered at the time of constructing the Nagpur index number and was rejected in favour of the family budget method. It was noted on page 3 of Bulletin No. 3 that "quantities of the different articles of food necessary to maintain an individual of a particular community in health and efficiency are found by taking into account their nutritive values based on the chemical analysis and the detailed cost for these quantities at different periods are calculated. The serious defect of this method is that its application is limited to food group only".

51. The question has been discussed recently in an International Labour Office publication on the "Workers Standard of Living" in 1938; and the difficulties of setting up standards of living in terms of subsistence level have been emphasised. It has been pointed out in this report that "in most countries the tendency is to regard the actual cost of living of the ordinary labourer as the subsistence level and

the level of living of the skilled workers as the decency or comfort level" (page 58). On page 36 of the same publication it is stated, on the basis of the "Report on the Enquiry into the Working Class Family Budget in the Bombay City" published in 1937; that "food expenses per month fall below the cost of the recommended well balanced diet in Bombay with the exception of the higher income groups". We have already seen that the level of earnings as well as the standard of living in Nagpur is much below the Bombay standard. If the average level in Bombay fails to come up to the subsistence level it is clear that the Nagpur level cannot possibly be considered to have reached the standard accepted by the International Labour Office. In passing we may also point out that a comparison between the rural and urban populations is not valid in terms of money values. The International Labour Office Bulletin states, for example, that "nutrition statistics in South India serve to indicate that in general the poor in the villages are often better fed and suffer less severely from malnutrition than do the urban workers" (page 86).

52. The question of subsistence level is, however, a matter in which a wide divergence of opinion is possible. The Nagpur Court of Enquiry observed that workers at Nagpur "would appear to be a great deal better paid than persons in a great many other walks of life" (page 118). This is absolutely correct. On the other hand it may be stated with equal accuracy that there are large groups of people with higher earnings both at Nagpur and at other places. No useful purpose will be served by discussing these rival contentions, as we do not think there is any likelihood of the subsistence level being settled with scientific precision in the near future. The question of the level of wages or of a dearness allowances will have to be decided independently of the theoretical subsistence level for a long time to come. We agree with the Industrial Court in concluding that "the theoretical question as to what constitutes the minimum wage or the living wage is not relevant" for our present purpose.

## CHAPTER V

### THE WORKING CONDITIONS OF THE INDUSTRY

We have now to consider the working condition of the industry since the commencement of the war. This was included as one of the relevant factors in the terms of reference in the industrial Court presided over by the Hon'ble Mr. Justice Divatia, and we have been guided to a great extent by the principle laid down in the decision of the Ahmedabad Court.

2. The Industrial Court interpreted working condition to mean "the trading conditions of the industry after the declaration of war which would include all the transactions which took place since then. This would not mean that we have to take into consideration only the prices of cotton, stores and cloth during the period under review but we must also consider, so far as the material supplied to us permits, the actual transactions which took place during that period. These transactions would necessarily include the sale, during this period, of cloth and yarn which had accumulated and were in existence on 1st September. We should also have to take into consideration the cloth manufactured out of cotton which had been purchased and stored before the war was declared." (Ahmedabad Report, page 495).

3. The Empress and the Model Mills have supplied us with certain information regarding the stock of cotton, cloth and yarn on the 1st September 1939 and on the 30th April 1940 as well as certain statements regarding sales. We have ourselves gathered certain information regarding the market price of cloth and yarn as the statements supplied by the mills in this respect were not complete.

4. We had enquired whether it was possible to prepare Profit and Loss Account for the period September 1939 to 30th April 1940, but were informed that this would be difficult and would in any case take a long time. The Empress Mills, which usually prepares six monthly accounts, supplied us with a provisional Profit and Loss Account for the period of six months ending 31st December 1939. As the Model Mills do not have any half-yearly audit it was not possible for them to give us a similar statement.

5. As much of the information supplied by the mills is of a confidential nature we are unable to quote actual figures; but we see no objection in giving the results of our calculations in general terms. In Nagpur cotton is purchased during the earlier part of the season for practically the whole year; and we are in a position to make a fairly reliable estimate of the average price paid since the declaration of war. We had from figures supplied by both the mills for the quantity and value of stock of cotton held on the 1st September 1939 and for both quantities and prices of cotton purchased since then that the cost of cotton was on an average about 40 per cent above the pre-war level. As cotton accounts for nearly 50 per cent of the total cost of manufacture this rise in price would mean an increase of about 20 per cent in manufacturing costs on account of rise in price of raw cotton.

6. The position is more difficult in regard to stores and other charges. We have been supplied with a large number of price quotations, but as we do not have complete information regarding the quantities purchased at these prices we are unable to calculate the weighted average of the increase in price. The Industrial Court discussed this point in considerable detail and after reviewing all available evidence was of opinion that there was a rise of 25 to 30 per cent in the price of stores. As there is no reason why the rise in prices should be greater in Nagpur we may accept 30 per cent as a reasonable estimate of the increase in the cost of stores and other manufacturing charges. As stores amount to roughly 7 per cent of the total cost, the increase in total cost on account of this item would be of the order of 2 per cent. We find then that manufacturing costs since the commencement of war may be considered to have risen by roughly 22 or 23 per cent.

7. We can fortunately check this estimate in another way. The Model Mills in a statement submitted before the Nagpur Court of Enquiry on the 5th March 1940, had estimated the increase in the cost of stores as 40 per cent, of coal as 10 per cent, and in insurance and interest as 25 per cent. We have ourselves calculated the proportionate cost on account of cotton, stores, coal and interest, on the basis of actual expenditure incurred by the two mills in the two years 1937-38 and 1938-39 as given in the Profit and Loss for these two years. The relevant figures which are given in Table 4, show that proportionate cost on stores, coal, interest etc., were 7.3 per cent, 2.0 per cent, and 2.2 per cent respectively of the total cost. As the increase in cost of these items were estimated to be 40 per cent, 10 per cent and 28 per cent, respectively, the increase in total costs would come to 2.8 per cent, 0.2 per cent and 0.5 per cent as shown in column (3) of Table 4. To this we must add the increase due to the rise in the price of cotton which we have already found to be 40 per cent. As the proportionate cost on cotton is 49.5 per cent, the increase in total cost is 19.8 per cent on account of cotton. The total increase in manufacturing cost would thus come to 23.7 per cent against 22 per cent as calculated on the basis adopted by the Industrial Court. The agreement is sufficiently close to enable us to accept 23 per cent as a reasonable estimate of the increase in manufacturing costs since the commencement of war. We do not wish to attach undue importance to this particular figure but we think that this gives us a good idea of manufacturing conditions during the last seven or eight months.

TABLE (4).—ESTIMATED INCREASE IN MANUFACTURING COSTS

Items	Proportionate costs based on balance-sheets for 1937-38 and 1938-39	Increase in cost estimated by Nagpur owner	
		Cost of item	Total cost
(1)	(2)	(3)	(4)
Labour ..	17.2	Nil	..
Other charge <sup>a</sup> ..	13.7	Nil	..
Profit ..	8.1	Nil	..
Stores ..	7.3	40	2.9
		per cent	Per cent
Coal ..	2.3	10	0.2
Interest, etc. ..	2.2	25	0.8
Cotton ..	49.5	40*	19.8
<b>Total ..</b>	<b>100.0</b>	<b>..</b>	<b>23.7</b>

\*Directly calculated from statements supplied by the Empress and Model Mills.

8. We have now to consider the rise in the price of cloth and yarn. We find from Bombay quotations published in the *Indian Trade Journal* that prices of yarn during the period from September 1939, to April 1940 stood on an average 50 per cent above the level in August 1939 for 10½'s and 50 per cent above the pre-war level from 20½'s. As 12½'s are usually considered to be the staple production in Nagpur it would be quite safe to accept say 35 per cent as the average rise in the prices of yarn. This is fully confirmed by the statement dated the 5th March 1940 submitted by the Model Mills before the Nagpur Court of Enquiry.

9. It is more difficult to judge the price position of cloth. We find from Bombay quotations that the price of grey unbleached long-cloth of standard quality stood about 30 per cent higher than the pre-war level during the period September 1939 to April 1940. The wholesale index number of prices of cotton manufactures published in the *Bombay Labour Gazette* stood roughly 25 per cent higher than the pre-war level during the five months September 1939 to January 1940. The Mill managers told us, however, that Bombay quotations are not applicable to Nagpur. Unfortunately there are no regular market quotations available in Nagpur. The Mills contend that the rise in the price of cloth of their own manufacture has been only about 15 per cent above the pre-war level. However, keeping the Bombay quotations in mind, we are of opinion that an average rise of 20 per cent in the price of cloth would be probably a reasonable estimate.

10. We admit, however, that the average level of price quotations is not an infallible criterion. Some of the transactions might have taken place on unfavourable terms; on the other hand, other transactions might have taken place at particularly favourable prices. It is impossible to arrive at a correct estimate without preparing a complete statement of all transactions or, what comes to the same thing, without preparing a profit and loss account. As we have no material to do this we have to rely on general considerations as well as general tendencies in the textile market. Broadly speaking we are of opinion that yarn prices may be considered to have stood roughly 35 per cent above pre-war prices, and cloth prices roughly 20 per cent above the pre-war level since the commencement of war.

11. We find from the balance-sheets of the two mills for 1937-38 and 1938-39 that the proportion of cloth and yarn was about 52 per cent and 48 per cent respectively. On the basis of an increase in price of 20 per cent and 35 per cent, respectively for cloth and yarn the total increase in price comes to 27.2 per cent; deducting 23.7 per cent as the increase in the cost of production we obtain a widening in the margin of profit by about 4 per cent. On the other hand, if we accept 15 per cent as the average rise in the price of cloth as estimated by the mill-owners the total increase in receipts amounts to 24.6 per cent giving an increase in the margin of profit of about one per cent.

12. From the above discussion it will not be unreasonable to conclude that the profit margin has probably widened to some extent since the commencement of war: in any case, on the basis of figures submitted by the mill-owners themselves there is no reason to apprehend that there has been any shrinkage in profits. On the other hand, there is no evidence to show that excessive profits have been earned by the Nagpur mills since the declaration of war.

13. We have noted the general position as shown by the half yearly Profit and Loss Account of the Empress Mills for the period ending December 1939. We admit that over a short period a balance sheet does not necessarily give a correct view of the situation; and also that the present balance sheet includes transactions for two months before the declaration of the war. We believe, however, that the Profit and Loss Account gives certain indications of the position of the industry which, we are of opinion, are in broad agreement with the view we have taken of the matter, namely, that the margin of profit has not deteriorated on the whole.

14. We find from statements relating to productions as well as such other information as we could gather, that on the whole conditions were improving up to December 1939 or January 1940; but since then there has been a set-back. We find that

in recent months stocks have accumulated to a larger extent; and there has been an appreciable fall in demand in March and April. The present position of the market is to some extent uncertain.

15. We are aware that the Nagpur Mills are obliged to purchase their cotton during the earlier months of the season which places them at a certain disadvantage as compared with mills in Bombay and Ahmedabad. Owing to the comparatively high prices at which cotton had to be purchased this year we agree that there is a certain amount of risk so far as the future is concerned. In case cloth and yarn prices go down appreciably, or in case there is a serious fall in the demand for Nagpur manufactures the possibility of the profit margin being lowered during the latter part of the year cannot be denied.

16. We are, however, of opinion that the findings of the Industrial Court are on the whole applicable to Nagpur. The industry made larger profits during the earlier months of the war. This has been, however, followed by a downward trend which to some extent offsets the comparative prosperity during the first three or four months after the commencement of the war. We find that the stock position shows some accumulation which however we do not yet consider to be very serious or unprecedented, but coupled with the recent fall in demand it is apparently causing some anxiety to the mill-owners. It is difficult and indeed hazardous in view of the rapidly changing war situation in Europe to try to make any forecast regarding future trends in the industry. In any case we do not think it necessary for our present purposes to visualize the future. We are concerned only with the question whether a dearness allowance is to be granted or not. We may, therefore, point out that the demand for yarn and cloth especially of the coarser types is closely linked with the price of agricultural commodities and the question of a dearness allowance arises only if agricultural prices remain high.

17. A review of the working condition of the industry since the commencement of the war shows that on the whole the margin of profit has probably been maintained at the same or at a slightly higher level than before the war. Although the future position is to some extent uncertain the outlook cannot be considered so gloomy as to exclude the possibility of granting a dearness allowance. As the Industrial Court observed, the working condition is not the sole but one among other relevant factors which have to be kept in mind in reaching a decision; and the capacity of the industry to bear on additional burden still requires to be considered.

## CHAPTER VI

### FINANCIAL POSITION OF THE INDUSTRY

In considering the working condition of the industry we restricted our review to the period after the declaration of war; but in discussing the capacity of the industry to bear any additional burden it is necessary to take a wider view extending over a longer period of time into consideration. The general principles in this regard were considered in connection with the question of restoration of the cut in wages in the Interim Report of the Bombay Textile Labour Committee of 1937-38; and the position of the textile industry in the Central Provinces was carefully reviewed in the Central Provinces Textile Labour Enquiry in 1938. It is therefore unnecessary to examine in detail the special features of the industry in Nagpur as these have been fully discussed in the Report of the Central Provinces Committee.

2. The Empress Mills which was started in 1877 has a paid-up capital of a little over Rs. 96 lakhs, a block value of Rs. 183 lakhs against which it has a depreciation fund of Rs. 96 lakhs. It gave very high dividends at one time and even during the depression years it continued to give dividends of the order of 8 per cent by drawing upon its dividend equalisation fund. It is recognised to be one of the strongest industrial concerns in the whole of India.



3. The Model Mills, however, is in a different position. The Central Provinces Textile Committee noted that "the Model Mills was floated as a Company in 1920 and began to produce goods in 1924 just at the end of the post-war boom. In consequence the value of its block which is Rs. 120.5 lakhs is unduly inflated. The mill is well equipped, but the only dividend that it paid was 2 per cent in the year 1930. It is evident that the financial position of the mill is weak." (page 22.)

4. The material facts on which we have to assess the financial position of the mills at the present time are available in the balance sheets and profit and loss accounts. We have prepared certain statements on the basis of this material which are given in Tables (5) and (6) for the Empress Mills; and in Tables (7), and (8) for the Empress and Model Mills taken together.

TABLE (6) EXTRACTS FROM PROFIT AND LOSS ACCOUNTS OF THE EMPRESS MILLS, NAGPUR

(Figures are given in thousands of rupees.)

Year ended 30th June	(1)	(2) Total income Rs.	Profit in excluding depreciation but excluding agents commission.		(3) Rs.	Agents commission charges.		(4) Rs.	Gross profit in- cluding depreciation & agents commission.		(5) Rs.	(6) Rs.	Deprecia- tion.		(7) Rs.	(8) Rs.	(9) Rs.	(10) Rs.	(11) Rs.	(12) Rs.
			(3)	(4)		(5)	(6)		(7)	(8)			(9)	(10)						
1924-1927	..	68,945	9,126	1,026	10,152	800	1,026	9,352	8,326	7,982	8,547	800	8,547	7,982	16,529	798				
1928-1931	..	52,123	6,741	751	7,492	800	751	6,692	5,941	8,334	5,828	800	5,828	8,334	14,162	997				
1932-1935	..	30,606	1,671	185	1,856	..	185	1,856	1,671	6,289	3,250	..	3,250	6,289	9,539	933				
1936	..	9,601	395	44	438	..	44	438	395	1,694	625	..	625	1,694	2,319	215				
1937	..	10,565	634	70	705	50	70	655	584	1,715	578	50	578	1,715	2,293	222				
1938	..	12,050	1,586	176	1,762	540	176	1,222	1,046	1,944	625	540	625	1,944	2,569	219				
1939	..	11,958	1,104	123	1,227	400	123	827	704	2,301	766	400	766	2,301	3,067	215				
1936-1939	..	44,174	3,719	413	4,132	990	413	3,142	2,729	7,654	2,594	990	2,594	7,654	10,248	871				
Total for 1924-1939	..	1,95,849	21,257	2,375	23,633	2,590	2,375	21,043	18,667	30,259	20,219	2,590	20,219	30,259	50,478	3,599				

TABLE 6.—PROPORTION OF PROFIT, DIVIDEND AND LABOUR WAGES : EMPRESS MILLS, NAGPUR

Year ended 30th June	Percentage of total income						Percentage of paid up capital (Rs. 96, 87, 500)					Share of dividend and wages	
	Gross profit	Net profit plus commission	Net profit	Dividend	Wages	Provident fund contribution	Gross profit	Net profit plus commission	Net profit	Dividend	Wages	Dividend	Wages
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1924—1927 ..	14.72	13.56	12.08	12.40	11.58	1.16	26.20	24.13	21.49	22.06	20.60	51.71	48.29
1928—1931 ..	14.37	12.84	11.40	11.17	15.99	1.91	19.33	17.27	15.33	15.04	21.51	41.15	58.85
1932-35. ..	6.06	6.06	5.46	10.62	20.55	3.05	4.79	4.79	4.31	8.39	16.23	34.07	59.93
1936 ..	4.57	4.57	4.11	6.51	17.64	2.24	4.53	4.53	4.07	6.45	17.49	26.95	73.05
1937 ..	6.67	6.20	5.53	5.47	16.23	2.09	7.27	6.76	6.03	5.97	17.70	25.21	74.79
1938 ..	14.62	10.14	8.68	5.19	16.13	1.82	18.19	10.62	10.80	6.45	20.07	24.33	75.67
1939 ..	10.26	6.91	5.89	6.40	19.24	1.80	12.66	8.53	7.27	7.90	23.75	24.98	75.02
1936-1939 ..	9.35	7.11	6.18	5.87	17.33	1.97	10.66	8.11	7.04	6.69	19.75	25.31	74.69
1924—1939 ..	12.07	10.75	9.53	10.32	15.45	1.84	15.25	13.58	12.04	13.04	19.52	40.06	59.94

TABLE (7).—EXTRACTS FROM PROFIT AND LOSS ACCOUNT : COMBINED EMPRESS AND MODEL MILLS, NAGPUR

(Figures are in thousands of rupees)

Year ended 30th June	Total income	Profit including depreciation but excluding commission	Agents' commission charged	Gross profit (including depreciation and Agents' commission)	Depreciation	Commission plus net profit	Net profit	Dividend	Labour wages	Dividend plus wages
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1936	1,34,46	4,07	70	4,77		4,77	4,07	6,25	23,16	29,41
1937	1,37,86	6,16	96	7,12	50	6,62	5,66	5,78	22,09	27,87
1938	1,67,27	20,96	2,23	23,19	5,40	17,79	15,56	6,25	26,58	32,83
1939	1,61,39	15,08	1,62	16,70	6,45	10,25	8,63	6,77	30,04	37,70
1936—1939	6,00,98	46,27	5,51	51,78	12,35	39,43	33,92	25,94	1,01,87	1,27,81

TABLE (8).—PROPORTION OF PROFIT, DIVIDEND AND LABOUR WAGES : COMBINED EMPRESS AND MODEL MILLS, NAGPUR

Year ended 30th June	Percentage of total income					Percentage of paid up capital (Rs. 1,91,79,350)					Share of dividend plus wages	
	Gross profit	Net profit plus commission	Net profit	Dividend	Wages	Gross profit	Net profit and commis- sion	Net profit	Divi- dend	Wages	Dividend	Wages
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1936 ..	3.55	3.55	3.03	4.65	17.22	2.49	2.49	2.12	3.26	12.08	21.25	78.75
1937 ..	5.16	4.51	4.10	4.19	16.02	3.71	3.45	2.95	3.01	11.52	20.74	79.26
1938 ..	13.86	10.64	9.30	3.74	15.89	12.09	9.28	8.11	3.26	13.86	19.04	80.96
1939 ..	10.35	6.35	5.35	4.75	18.61	8.71	5.34	4.50	3.99	15.66	20.32	79.68
1936—1939	8.62	6.56	5.64	4.32	16.95	6.77	5.14	4.42	3.38	13.26	20.32	79.70

5. It will be noticed from column (10) of Table (5) that in the case of the Empress Mills the expenditure on account of labour wages increased from Rs. 17.15 lakhs in 1936-37 to Rs. 19.44 lakhs in 1937-38 on account of a partial restoration of the wage-cut from February 1938. The full effect of the restoration was, however, felt in the next year when labour wages went up to Rs. 23.01 lakhs. In order to get a proper perspective we have, however, also to consider the profit and dividend position. From Table (6) we find that, taking the total income as the basis of comparison the gross profit was 10.6 per cent in 1938-39 against 14.62 per cent in 1937-38 and 6.06 per cent in 1936-37. After deducting agents' commission and depreciation the net profit was 5.53 per cent, 8.06 per cent and 5.89 per cent in 1936-37, 1937-38 and 1938-39 respectively. The dividend given was 5.47, 5.19 and 6.4 per cent in these years against labour wages of 16.23, 16.13 and 19.24 per cent, respectively. If we consider the respective share of dividend and labour wages we find from columns (13) and (14) of Table (6) that in all three years dividend absorbed about 25 per cent, while the share of labour was roughly 75 per cent.

6. Broadly speaking we find then that the profit in 1939 was lower than that in 1938, but appreciably higher than the profit in 1937. Dividend on the basis of paid-up capital was slightly below 6 per cent in 1936-37, 6.45 per cent in 1937-38, and was appreciably higher, namely, 7.90 per cent, in 1938-39. It should be pointed out, however, that this is much lower than the dividend which the Empress Mills had paid at one time. In fact during the four-year period 1924-27 the average dividend was about 22 per cent of the paid-up capital; 15 per cent during 1928-31; and during 1932-35 still stood at 8.39 per cent. Compared with earlier periods the dividend has decreased appreciably in recent years; and during the latest four-year period 1936-39 it was 6.69 per cent.

7. The position of the Empress Mills by itself is, however, not sufficient to reach any decision as we are required to consider the textile industry in Nagpur as a whole. The position of the two mills taken together is shown in Tables (7) and (8). We find from column (10) of Table (7) that the expenditure on account of labour wages was Rs. 22.09 lakhs, Rs. 26.58 and Rs. 30.04 lakhs in 1936-37, 1937-38 and 1938-39, respectively showing the effect of the partial restoration of the wage-cut in the two latter years. Taking the total income as the basis for comparison, we find that gross profit was 5.16 per cent, 13.86 per cent and 10.35 per cent in 1936-37, 1937-38 and 1938-39 respectively, while the net profit in these three years was 4.10, 9.30 and 5.35 per cent respectively. On the whole, profit in 1939, was much higher than profit in 1937, but was below the level of 1938. Dividend, on the basis of the paid-up capital, was 3.01, 3.26 and 3.99 in these three years, respectively. As regards the share of capital and labour dividend stood at about 20 per cent, while labour got 80 per cent. In Bombay we find that the respective shares of dividend and labour wages were less than 10 per cent and 90 per cent (Interim Report, Bombay Committee, page 54).

8. From table (7) we find that the gross profit earned was Rs. 6.16 lakhs, Rs. 20.96 lakhs and Rs. 15.08 lakhs in 1936-37, 1937-38 and 1938-39 and after deducting agents' commission and depreciation, the net profit was Rs. 5.66 lakhs, Rs. 15.56 lakhs and Rs. 8.63 lakhs in these three years. The financial position of the industry taking both the Empress and Model Mills into consideration was much better in 1938-39 as compared with 1936-37 but showed a falling-off as compared with 1937-38.

9. We have taken note of the fact that the market value of shares of the Empress Mills (of the face value of Rs. 100) went up from 194 in August 1939 to 291 in September and to 384/8 in January; the latest quotation on the 7th May 1940 was 321; and since September the value has not fallen below Rs. 271. In the case of the Model Mills the value of the share went up from Rs. 40 in August to Rs. 100 in December; and has gone down to 72 in May 1940; the lowest value touched since the declaration of war was 52 in October 1939.

10. It has been pointed out that fluctuations in share values usually take place on a speculative basis; and we agree that this is certainly true to some extent, and that too

much importance should not be attached to the sharp rise in the value of shares since the commencement of war. But at the same time we think that as the Bank rate remains substantially steady, the rise in the value of the shares and the maintenance of the high level for more than eight months reflects to some extent expectations of improved industrial conditions and increased profits in the minds of investors.

11. We also find that Nagpur succeeded in maintaining its dividend at a level above 3 per cent even in 1936-37, while the dividend in Bombay fell to such a low figure as 1.1 per cent in 1933 and did not rise above 2 per cent during the period 1928-36 (Interim Report, Bombay Textile Enquiry Committee, page 57). The profit in Nagpur even in 1936-37 was above 5 per cent against 2.1 per cent in Bombay in the same year. Reviewing the position as a whole we find that the industry in Nagpur in 1938-39 was better off than the industry in Bombay at the time of the restoration of the wage-cut.

12. Representations have been made on behalf of Model Mills that their ability to bear any additional burden should be examined separately from that of the Empress Mills. We recognize that the Model Mills is in a much weaker financial position; but in accordance with the terms of reference we are required to consider the position of the industry in Nagpur as a whole. It is not possible for us therefore to make any distinction between the two mills in our enquiry. In this connection we should also like to refer to the remarks of the Special Conciliator in the Bombay dispute (paragraph 16, B. G. G. E., 10th February 1940, page 112) who, after considering the objection that mills which were incurring losses would not be able to bear any additional burden observed that the precarious position owing to the weak financial structure or technical equipment of certain mills could not be made a ground for refusing relief to the workers if a case for the grant of a dearness allowance is otherwise established.

## CHAPTER VII

### CONCLUSIONS AND RECOMMENDATIONS

We are giving below a summary of conclusions arrived at.

#### 1. *Changes in the Cost of Living.*

The official index number of the cost of living is based on an enquiry into the family budgets of industrial workers in 1926-27. The survey was not carried out by the method of random samples; and it is not possible to ascertain how far it was truly representative in character. The material collected during the enquiry however appears to be reliable in other respects. (Paragraph 4,—Chapter III.)

Using August 1939 as the base period (=100) the cost of living was practically stationary in September and October 1939; but began to rise in November when it was 5 per cent above normal. It increased to its peak value of 17 per cent above normal in December 1939; but again decreased to 12 per cent above normal in January 1940. There was fourth fall in February and March when it stood only about 5 per cent higher than the level in August 1939. In April it was going up again and was 7 per cent above normal. (Paragraphs 12 to 16,—Chapter III.)

The average rise in the cost of living since the commencement of war was about 6 or 7 per cent for the whole period of eight months from September 1939 to April 1940. (Paragraph 16,—Chapter III.)

#### 2. *The Level of Wages.*

A detailed analysis of statistics relating to wages showed that the level of real wage was determined by not only the basic wage-rate and the cost of living, but also by absenteeism on the part of industrial workers and short working of the mills on account of adverse trade conditions. (Paragraphs 16-25,—Chapter IV.)

Real wage was roughly 35 per cent higher in December 1932 as compared with January 1927; but appreciably lower in December 1933 when it was about 18 per cent higher than the 1927 level. In July 1938 even after the partial restoration of the wage cut, the level of real wage was only about 6 per cent above that in January 1927. (Paragraph 26,—Chapter IV.)

After making allowances for the changes in the cost of living as well as for absenteeism and short working of the mills, it was found that real wage in August 1939 just before the declaration of war was roughly at the same level as in January 1927. (Paragraph 26,—Chapter IV.)

Since the commencement of war there has been a definite fall in real wages; and this fall was partly due to the rise in the cost of living and partly to short working of the mills. Real wage has decreased even for families with a low rate of three per cent absenteeism showing that the greater part of the fall was not due to absenteeism but to the other causes mentioned above. (Paragraph 27,—Chapter IV.)

When the mills do not work to the full capacity the total amount of work is distributed to some extent among a larger number of workers. This implies a lowering of earnings of individual families; at the same time it distributes the total wage-bill among a larger number of families which is not necessarily undesirable in India as there is no unemployment insurance in this country. (Paragraph 12,—Chapter IV.)

A comparison of the standard of living at Nagpur, Bombay and Ahmedabad, after correcting for differences in prices, showed that the level of consumption of Nagpur families in August 1939 was about 40 per cent below that of Bombay families and about 25 per cent below that of Ahmedabad. This difference is partly due to the fact that manufactures in Nagpur are of coarser grades for which the wage rate per unit of output is necessarily low. (Paragraph 35,—Chapter IV.)

The rate of wages was consolidated on the 1st of October 1924, and in the course of the next two years the standard of living became automatically adjusted to it. There is no ground for thinking that the consolidation of wages in 1924 was based on any considerations of adequacy or otherwise of the existing scale of living. (Paragraph 45,—Chapter IV.)

The restoration of the wage-cut in 1938 amounted to 60 per cent of the original cut as calculated and recommended by the Central Provinces Textile Labour Enquiry Committee. The estimate of 75 or 80 per cent claimed by the mill-owners, which is based on the total wage bills before and after the restoration, does not give a correct picture of the situation in the intervening five years. (Paragraph 48,—Chapter IV.)

The average level of wages in Bombay is considered by the International Labour Office to be below the subsistence level adopted by it. The level of living in Nagpur being lower than that at Bombay is necessarily much below the International standard. Necessary material however is not available to enable the subsistence level being determined on an objective basis. (Paragraph 51,—Chapter IV.)

### 3. *Working condition of the Industry.*

The Industry made larger profits during the earlier months of the war which was however offset to some extent by a downward trend since February 1940. (Paragraph 14,—Chapter V.)

The margin of profit since the commencement of the war has on the whole been maintained probably at the same or at a slightly higher level than the pre-war level. However the future of the industry is to some extent uncertain owing partly to a fall in the price of cotton, a decrease in demand since March, and the general uncertainty on account of the war situation in Europe. (Paragraph 17,—Chapter V.)

### 4. *Financial Position of the Industry.*

The profit of the industry was fairly high in 1938, but decreased to an appreciable extent in 1939. The financial position in 1939 was, however, much better than that in 1936-37. (Paragraphs 7 and 8,—Chapter VI.)

One of the mills in Nagpur is in an extremely strong position, while the financial position of the other mill is weak. The position of the two mills taken together is, however, not worse than that of mills in Bombay. (Paragraphs 2-7,—Chapter VI.)

The respective shares of dividend and labour wages were roughly 20 per cent and 80 per cent in recent years in Nagpur as compared with less than 10 per cent and 90 per cent in Bombay. (Paragraph 7,—Chapter VI.)

The margin of profit has not widened to any appreciable extent, and trade conditions in recent months have deteriorated. The capacity of the industry to bear an additional burden is, therefore, limited. (Paragraph 14,—Chapter V and paragraph 6,—Chapter VI.)

5. Before discussing the question of a dearness allowance we may mention we have given due consideration to the representations of the mill-owners, regarding the disadvantages arising from the geographical position of Nagpur, the competition from mills located in the Indian States, difficulties arising from the need of purchasing cotton at specified seasons, the difficulties of manufacturing goods of better class and higher counts, the shyness of capital, etc. These questions were reviewed by the Central Provinces Textile Labour Enquiry Committee in 1938. We accept generally the findings of this Committee so far as they are relevant to our enquiry and we have made necessary adjustments for the intervening period of two years (April 1938—April 1940) on the basis of materials placed before us.

6. We have noted carefully the points submitted by the two mills before the Nagpur Court of Enquiry. The question of consolidation of wages in 1924 as also the comparative level of wage-cuts at Bombay and Ahmedabad have been already discussed. We have considered the question of comparative inefficiency of labour in an earlier section. In any case this cannot be considered to be a factor of importance so far as the present enquiry is concerned, as we have no reason to believe that there has been any special deterioration in the efficiency of labour since the declaration of war.

7. We have noted the claim on behalf of the Empress Mills that the wages paid by them are highest in the Central Provinces. We are aware that the Empress Mills make substantial contributions towards the provident fund, pension and other welfare work, and we have taken this factor into consideration in making our recommendations.

8. Statements have been submitted on behalf of both the mills claiming that the trade depression is more acute at present at Nagpur than at other places; and it may be necessary for both the mills to close down even if no dearness allowance is recommended. We have no material evidence to enable us to offer any opinion on this point. We admit that different business concerns may be affected in different degree by a trade depression; but we find it difficult to believe that conditions in Nagpur would remain appreciably different from other places for any considerable length of time. In the case of a highly organized industry like textiles, conditions are likely to change broadly in the same way all over India.

9. We have been informed of the possibility of night shift being discontinued in the Empress Mills, and also of the possibility of both the Empress and the Model Mills having to be closed down on account of the alleged trade depression. Although we do not deny that industrial conditions may deteriorate in future to such an extent as to make this inevitable we are not prepared to take such a gloomy view of the matter. We think there has been some setback in the textile industry at Nagpur during the last two or three months; but we think that a part of this may be due to seasonal trends. Heavy fluctuations in the price of raw cotton have made the textile market a little uncertain, but as the end of the cotton season draws near, conditions are likely to become more steady.

10. We have also carefully considered the representations submitted on behalf of the workers. Mr. Ruikar suggested that greater emphasis should be given to the Bombay settlement on the ground that it was mentioned in the official communiqué of the 20th April 1940 on the publication of which the strike was called off. We do not think the question of giving more or less emphasis on either the Bombay or the Ahmedabad settlement arises at all, the terms of reference require us to keep in view the settlements reached at both the places. He drew our attention to the Director's report and the balance sheet of the Model Mills for 1939 to point out that there was a clear profit even though the production was restricted. We are aware that under certain conditions a restriction of output may not only not decrease profits but may lead to increased profits. We are, however, of opinion that under existing trade conditions this is



not likely to happen at present in the textile industry. Mr. Ruikar also raised the question of complete neutralisation of the rise in the cost of living as this was the basis of settlement in the Bombay dispute; but in our case the terms of reference leave our hands free in this matter; and in submitting our recommendations we have kept in mind the level of wages as well as the capacity of the industry to bear any additional burden.

11. We have given careful consideration to certain views expressed by the Nagpur Court of Enquiry. For example, it had been stated that the workers had no claim to "an increased rate of wages by reasons of the mills earning increased profit out of the war until the profits reach a figure in excess of those which were being earned in early twenties" (page 117). The Industrial Court of Ahmedabad referred to this statement but was unable to agree to it. We, therefore, do not think it necessary to discuss it in detail beyond mentioning that in the early twenties not only the profits but the dividends distributed were in excess of 100 per cent on more than one occasion. The Nagpur Court had also discussed economic principles relating "to the vicious spiral of wages and prices chasing each other up the scale" (page 118). The fact that this has not prevented wages being increased at the time of abnormal rise in prices, so far as we are aware, in any country of the world, makes it unnecessary to consider the question at length in the present connection.

12. We may, however, point out that in a country like India the quantum of money distributed in the form of labour wages is only a very small fraction of the total circulation so that the general level of prices is determined to a far greater extent by the price of agricultural commodities rather than by the wage level of industrial workers.

#### Recommendations

13. After reviewing the whole position we are of opinion that a dearness allowance should be granted to cotton operatives in Nagpur. This dearness allowance should, in our opinion, be restricted to workers in cotton mills receiving Rs. 100 per month or less. We have seen in paragraph 16, Chapter III, that the average rise in the cost of living at Nagpur has been a little over six per cent (with August 1939 as base = 100) during the period September 1939 to April 1940. In view of the working condition since the commencement of the war and the financial position of the industry we believe that a dearness allowance at a basic rate of six pies or half anna per day per worker will be appropriate.

14. In the Bombay dispute the allowance was fixed in the form of a flat rate of payment in cash which would remain constant so long as the cost of living index stood between 105 and 123 during three consecutive months. In the case of the Ahmedabad dispute, on the other hand, the amount of the compensation was linked to the monthly change in the index number of the cost of living. We are of opinion that the latter plan is more scientific as it allows for automatic adjustment for changes in the cost of living in the course of time. As the index number is likely to fluctuate rapidly from month to month in abnormal time, we think it will be more convenient and desirable to adjust the compensation not on monthly values of the index number but on three-monthly moving averages. In this plan the average of the index numbers in three consecutive months will be calculated; and the amount of the dearness allowance two months later will be adjusted on the basis of this three-monthly average. As we are recommending six pies per day per worker against an average rise of about six per cent in the index number since the commencement of the war, we think it will be both convenient and appropriate if the dearness allowance is changed by one pie (one-twelfth anna) per day per worker for a change of one per cent in the three-monthly moving average in the index number of the cost of living with August 1939 as the base month (=100). This will smooth down to a considerable extent the fluctuations from month to month, and will also compensate for slight errors due to price quotations being collected only once in the middle of each month.

15. The calculation is simple; but it will be convenient if an auxiliary series of index numbers is published from the Labour Office with August 1939 as the base month (=100) along with

the old series with January 1927 as basis. If this plan is adopted when all that will have to be done is to find the three-monthly moving average, and adjust the dearness allowance in the second succeeding month on the basis of one pie per day per worker for a rise of one per cent or one point in the cost of living. We think that no useful purpose will be served by calculating the three-monthly average beyond three significant figures; and we think it will be appropriate if the three-monthly average be rounded off to the nearest whole number.

16. We have also to decide the date from which the dearness allowance should be paid. Having regard to the fact that the rise in the cost of living reached its peak in December 1939 we think it appropriate that the dearness allowance should be paid as from January 1940. We are giving below the details of the calculations on this basis.

TABLE (9)—RECOMMENDED RATES OF DEARNESS ALLOWANCE

Year and month	Index number of cost of living	Three consecutive months		Dearness allowance	
		Total	Average	Month of payment	Rate in pies per day per worker
(1)	(2)	(3)	(4)	(5)	(6)
1939—					
August	100	..	..	..	..
September	101	..	..	..	..
October	100	..	..	..	..
November	105	306	102	January	2
December	117	322	107	February	7
1940—					
January	112	334	111	March	11
February	105	334	111	April	11
March	105	322	107	May	7
April	107	317	106	June	6

Total for six months, January 1939—June 1940=44 pies.

17. The calculations shown in Table (9) are easy to follow. Adding index numbers 101, 100 and 105 for September, October and November respectively [as given in column (2)] we get 306 the total for three consecutive months as shown in column (3). Dividing by three we get the average for three months or three monthly moving average 102 with November as the end-month. As the index number for any particular month is issued in the second week of the succeeding month, the index number for November was therefore available in the second week of December, and the calculation of 102 shown above would have been possible at that time. We therefore recommend that 102 should be accepted for determining the payment of dearness allowance in January 1940. On the basis of one pie for each rise of one per cent in the index number the rate of dearness allowance in January will be two pies per day per worker as shown in column (6). The rate has been calculated in the same way for the other months up to June 1940.

18. We have pointed out that the dearness allowance need not necessarily be such as to neutralize completely the whole of the rise in the cost of living. We should like to explain, however, that owing to roughly 25 per cent of total expenses being of the nature of a fixed charge, the scale of dearness allowance which we are recommending would, in our opinion effectively compensate for practically the whole of the rise in that portion of the expenditure which is susceptible to short period changes in the cost of living. In other words the dearness allowance recommended would automatically maintain real wages at the level of August 1939, and hence of January 1927.

19. The total amount of dearness allowance for the six months January to June 1940 will amount to 44 pies per day per worker. Using the actual figures for the number of operatives supplied by the mills for the period August 1939 to

March 1940 we find on the basis recommended by us the total additional cost will come to about Rs. 60,000 of which about Rs. 46,000 will be the share of the Empress Mills and about Rs. 14,000 of the Model Mills. These calculations of course are to some extent approximate as the actual amount of dearness allowance to be paid will depend on the number of operatives who work in May and June.

20. It is not possible to forecast what will be the additional cost after June as the rate of payment will depend on the actual value of the index number in subsequent months. On the whole we believe that the rate which we have recommended will be one which will give effective compensation to the textile workers for the rise in the cost of living and yet will not be a heavy burden to the industry. In case agricultural prices are not maintained and prices of yarn and cloth also fall, it is almost certain that the cost of living will decrease so that the additional burden on account of the dearness allowance will automatically fall. On the other hand, if agricultural prices are maintained, prices of cloth and yarn are likely to remain high; and in this case the industry will be well able to bear the additional burden.

21. We think that the dearness allowance recommended by us should be paid entirely in cash. We also recommend that cost-price grain shops on the same lines as in Bombay and Ahmedabad should be opened by the mill-owners as early as possible. This will enable additional relief to the extent of 3 to 5 per cent increase being given to the workers without imposing any burden on the industry.

22. We are recommending the same rate of dearness allowance for operatives working at different rates of wages. This means that workers in lower wage groups will get proportionately a larger share of the benefit. This we consider equitable in view of the fact that the rise in the cost of living affects earners with lower incomes more adversely than workers in the higher income groups. However the relief given by the cost-price grain shops will be greater in the case of workers with higher incomes and larger purchasing capacities.

23. We may mention here that we are in complete agreement with the view expressed by the Nagpur Court of Enquiry, namely, "when a country is at war, in modern times, every member of the community must be expected to suffer to a greater or else degree as a result of the war". But to apply this principle consistently it requires an equitable adjustment of the available surplus distributed in the form of dividends and in labour wages. This is what we have tried to do in recommending a moderate scale of dearness allowance which will compensate the workers for the rise in the cost of living and yet will not affect the dividend rate by more than one per cent.

24. As we have been asked to devise a suitable method for automatic adjustment of the dearness allowance we think it necessary to refer to certain questions regarding the preparation of the index number of the cost of living at Nagpur. We have had occasion to look into the official index number very carefully. We believe that there is an urgent necessity of revising it on the basis of a fresh enquiry into family budgets of industrial workers. We are further of opinion that in case the proposal for a fresh family budget enquiry is accepted by Government the actual work should be done in accordance with recent developments in statistical techniques. In this connection we should specially like to mention the method of replicated random samples which give results of greater reliability than other methods.

25. We are also of opinion that instead of revising the index number at long intervals it will be desirable to adopt a plan of continuous partial re-surveys on a sample basis from year to year. This method will be administratively more convenient, financially less expensive, and scientifically more reliable than periodic revision at the interval of 10 or 15 years. Pending revision of the index number of the cost of living at Nagpur we are of opinion that it would be desirable to explore possibilities of collecting price quotations on a more comprehensive and wider basis.

26. We should like to mention here that we have been much impressed by the argument advanced by the mill-owners regarding the unfair competitive position in which they will be placed if a dearness allowance is to be granted only in Nagpur and not in other centres of the textile industry in this province. As this is outside the scope of our terms of reference we are unable to make definite recommendations; but we commend to the Provincial Government the need of considering the desirability of adopting some kind of uniform procedure in this matter.

*Summary of Recommendations.*

27. After a detailed examination, in the light of the recent settlement reached in Bombay and Ahmedabad, of the cost of living, the present level of wages, the working condition of the textile industry in Nagpur since the commencement of the war and the capacity of the industry to bear an additional burden, and after due consideration of the technical advice given by the Associate Members, we are of opinion:—

- (a) That a dearness allowance should be granted to operatives in cotton mills in Nagpur receiving Rs. 100 per month or less;
- (b) and (d) that the allowance should be calculated on the basis of one pie (one-twelfth anna) per day per worker for each one per cent rise in the three-monthly moving average of the cost of living index number with August 1939 as base (=100);
- (c) that the allowance should be paid as from January 1940.

In order that the automatic adjustment of the allowance in accordance with the rise and fall of the cost of living may be possible on a scientific basis we are of opinion that necessary action on the lines indicated in the report should be taken to revise and maintain the index number of cost of living by up-to-date methods.

*Acknowledgments.*

We have received most valuable help and technical advice at every stage of our enquiry from our two Associate Members Mr. S. H. Batliwala and Mr. R. S. Ruikar. Our thanks are also due to the representatives of the Model Mills, who were present at most of the meetings, for the information which they have promptly and willingly supplied from time to time.

We wish especially to place on record our appreciation of the help we have received from our Secretary Rai Sahib P. K. Sen, whose wide experience and intimate knowledge of earlier enquiries and questions relating to labour problems in Nagpur have been of great service to the Committee. He worked very hard to facilitate the early completion of this Report.

The Chairman, is indebted to the Provincial Government for permitting three members of the staff of the Statistical Laboratory, Mr. V. G. Pendharkar, B.Sc. (Econ.) (London), Statistician, and Mr. N. G. Mukerjee and Mr. G. Adak, Computers, to be brought over from Calcutta to help in the preparation of the Report which involved very long hours of work and attendance on Sundays and holidays. We also thank the office staff placed at our disposal who worked hard to finish the typing of the Report in time.

P. K. SEN,  
*Secretary.*

NAGPUR:  
*The 13th May 1940.*

P. C. MAHALANOBIS,  
*Chairman.*

K. D. GUHA,  
*Member.*

## APPENDIX

NOTE (1) CALCULATIONS REGARDING INDEX  
NUMBERS OF THE COST OF LIVING AT NAGPUR

*Table N. (1.1).*—The actual consumption of different commodities and their relative weights for constructing the Index Numbers of the Cost of Living at Nagpur given in Table (1), which are shown in Table No. (1), are based on official enquiries into family budgets of industrial workers conducted in Nagpur, Jubbulpore and Ahmedabad in 1926-27; and in Bombay in 1933-34. The details are given for Nagpur and Jubbulpore in Bulletin No. 3 on Index Numbers published by the Central Provinces Department of Industries; for Bombay in the "Report on the Enquiry into Family Budgets in Bombay City", and for Ahmedabad in an earlier report published by the Bombay Labour Office.

In Table N (1.1) column (1) gives the serial number, and column (2) the name of the item; column (3) the unit of consumption; columns (3.1), (4.1), (5.1), (6.1), (7.1) and (8.1) the actual consumption per month per family at Nagpur (1927), Bombay (1933-34), Ahmedabad (1926-27), Ahmedabad (1933-35), and Jubbulpore (1927). The relative weights for Nagpur, Bombay, Ahmedabad (1926-27) and Jubbulpore are shown in columns (4.2), (5.2), (6.2) and (8.2) respectively. The size of the family at each of these places is given in terms of men, women, boys and girls at the foot of the table. The last but one row shows the total size of the family and the last row the number of wage earners.

*Table N (1.2).*—Table N (1.2) gives the relative weights for groups of commodities for these places.

*Table N (1.3).*—As prices of the commodities used in the Bombay and Ahmedabad cost of living were not always available in Nagpur, the weights have been redistributed as shown in Table N (1.3).

*Table N (1.4).*—The prices of different commodities at Nagpur as supplied by the Labour Office are given for the period August 1939—April 1940 in Table N (1.4).

*Table N (1.5).*—The prices of commodities published in the fortnightly *Nagpur Municipal Gazette* have been given for the period August 1939—April 1940. The price of a commodity for any month has been taken as the average of the price published at the end of the second week of that month and the price published at the beginning of the next month. As the prices for the official index number are collected on the 15th of each month, the two prices are not strictly comparable. This partly explains the differences between the index numbers based on the two sets of prices.

*Table (1.6).*—The average prices of commodities for the four weeks of a month as published in *Maharashtra* have been given in this table for the period August 1939—April 1940. Here also the prices are not strictly comparable with the official price quotations as they do not refer to the same point in time.

At a time of rapidly changing prices index numbers based on quotations at different times within the same month would differ to some extent. Keeping this point in mind the agreement between the index numbers shown in Table (1) may be considered satisfactory on the whole.

TABLE N (1.1)—CONSUMPTION AND RELATIVE WEIGHTS OF COMMODITIES AT VARIOUS PLACES

Serial No.	Name of item.	Unit of consumption	Average monthly Consumption at					Relative weights			
			Nagpur 1927.	Bombay 1933-34.	Ahmedabad 1926-27.	Ahmedabad 1933-35.	Jubbulpore 1927.	Nagpur	Bombay	Ahmedabad	Jubbulpore
(1)	(2)	(3)	(4.1)	(5.1)	(6.1)	(7.1)	(8.1)	(4.2)	(5.2)	(6.2)	(8.2)
<i>I.—Food.</i>											
1	Rice	.. Seer	41	48	21	25	28	36	28	20	27
2	Wheat	.. Do.	22	4	31	34	34	19	3	23	28
3	Juar	.. Do.	3	8	13	9	..	2	5	9	..
4	Arhar	.. Do.	5.0	4.5	5.5	6.0	5.3	6	1	2	6
5	Gram	.. Do.	2.0	1.4	2.1	7.0	1.2	2	1	2	1
6	Lakhori	.. Do.	2.0	..	..	..	..	2	1	1	1
7	Masur	.. Do.	0.2	..	..	..	1.3	0.2	1	1	1
8	Urud	.. Do.	0.1	..	..	..	0.7	0.1	1	1	1
9	Gur	.. Do.	0.8	1.1	1.6	2.4	1.2	1.4	1	2	2
10	Sugar	.. Do.	0.8	3.9	1.3	2.0	1.3	2	5	3	3
11	Tea	.. Lbs.	0.1	0.7	0.2	0.3	0.1	0.3	7	1	1
12	Fish	.. Seer	0.2	..	..	..	0.1	1	8	1	0.5
13	Mutton	.. Do.	1.3	1.9	1.1	2.5	1.0	6	5	2	4
14	Milk	.. Do.	1.1	4.8	3.6	6.2	3.6	2	7	4	5
15	Ghee	.. Do.	0.3	0.3	1.5	1.9	0.9	4	2	12	8
16	Salt	.. Do.	2.1	1.5	0.4	1.6	1.5	1	1	1	1
17	Chillies	.. Do.	1.2	1.6	1.6	0.6	0.3	4	4	3	2
18	Turmeric	.. Do.	0.2	1.6	..	..	0.2	1	3	1	0.5
19	Potatoes	.. Do.	1.4	1.5	10.3	11.7	1.8	2	6	4	1
20	Onions	.. Do.	1.5	2.6	..	..	0.7	1	6	4	1
21	Mustard oil	.. Do.	0.2	1.6	1.04	2.2	0.4	1	1	1	2
22	Til oil	.. Do.	1.4	..	..	..	0.6	5	1	1	3
23	Coconut oil	.. Do.	0.1	1.3	..	..	0.1	1	2	1	1
								100	100	100	100

<i>II.—Fuel and Lighting.</i>												
24	Charcoal	..	Maunds	..	1.7	..	..	0.1	1	30	18	7
25	Firewood	..	Do.	..	2.7	5.6	2.3	2.8	77	52	60	77
26	Kerosene oil	..	Bottle	..	2.9	4.5	4.8	2.6	100	100	100	10
<i>III.—Clothing.</i>												
27	Dhoties	..	Pair	..	0.2	0.1	0.2	0.2	26	15	23	28
28	Shirting	..	Yard	..	1.3	..	..	1.5	19	15	15	22
29	Drill	..	Do.	..	0.7	3.7	7.8	0.7	11	16	10	13
30	Turban cloth	..	Do.	..	0.3	..	..	0.7	2	2	6	4
31	Saris	..	Number	..	0.2	0.4	1.0	0.2	39	46	40	27
32	Chaddar	..	Do.	..	0.1	..	..	0.1	3	6	6	6
									100	100	100	100
<i>IV.—Miscellaneous.</i>												
33	Tobacco	..	Seer	..	0.3	..	..	0.3	27	22	35	20
34	Bidis	..	Packet of 25.	..	6.3	22.8	57	7.8	42	22	36	52
35	Supari	..	Seer	..	0.2	2.6	..	0.2	31	56	29	28
									100	100	100	100
<i>Size of family.</i>												
	Men	..	..	..	1.47	1.33	..	1.43	1.27	..	..	..
	Women	..	..	..	1.47	1.26	..	1.26	1.17	..	..	..
	Boys	..	..	..	0.78	1.11	..	1.36	0.69	..	..	..
	Girls	..	..	..	0.61	..	..	0.32	0.62	..	..	..
Total				..	4.33	3.70	3.87	4.37	3.75	..	..	..
Earners per family				..	1.60	1.53	1.66	1.58	1.48	..	..	..

TABLE N (1.2).—RELATIVE WEIGHTS FOR GROUPS OF COMMODITIES AT VARIOUS PLACES

Item	Nagpur	Bombay	Ahmed- abad	Jubbul- pore
(2)	(3.1)	(4.1)	(5.1)	(6.1)
1 Food	76.5	52.8	63.6	75.3
2 Fuel and lighting	11.0	8.0	7.7	13.1
3 Clothing	9.4	9.0	11.0	8.5
4 House rent	..	14.6	13.2	..
5 Miscellaneous	3.1	15.7	4.4	3.1
Total	100.0	100.1	99.9	100.1

TABLE N (1.3).—REDISTRIBUTION OF WEIGHTS

Name of item (1.1)	Original weight (1.21)	New weight (1.22)	Name of item (2.1)	Original weight (2.21)	New weight (2.22)
<i>Bombay.</i>					
Rice	22	28	Kerosene	16	18
Patni	6	..	Matches	2	..
Jowar	1	5	Coating	12	..
Bajri	4	..	Shirting	23	15
Arhar	4	1	Cloth for trousers	4	..
Gram	1	1	Drill	..	16
Lakhori	..	1	Turban cloth	..	2
Masur	..	1	Chaddar	..	6
Urad	..	1	Saris	36	46
Tea	2	7	Khans	10	..
Ready-made	5	..	Tobacco	..	22
Chillies	3	4	Supari	25	56
Turmeric	2	3	Other items	53	..
Tamarind	2	..	<i>Ahmedabad.</i>		
Potatoes	1	6	Jowar	..	9
Onions	1	6	Bajri	9	..
Brinjals	5	..	Arhar	5	2
Pumpkins	5	..	Mung	2	..
Mustard oil	..	1	Gram	..	2
Til oil	..	1	Lakhori	..	1
Sweet oil	2	..	Masur	..	1
<i>Ahmedabad</i>			Urad	..	1
Sugar	2	3	Kerosene oil	11	22
Sweetmeats	1	..	Castor oil	8	..
Fish	..	1	Matches	3	..
Mutton	3	2	Dhotis	16	23
Chillies	4	3	Coating	13	..
Turmeric	..	1	Shirting	24	15
Potatoes	8	4	Cloth for trousers	7	..
Onions	..	4	Drill	..	10
Ginjily oil	3	..	Turban cloth	..	6
Mustard oil	..	1	Chaddar	..	6
Til oil	..	1	Saris	17	40
Cocoanut oil	..	1	Cloth for skirts	13	..
Charcoal	..	18	Khans	10	..
Firewood	78	60	Tobacco	..	35
			Bidis	71	36
			Supari	..	29
			Soap	29	..



TABLE N (1.4).—PRICES (IN ANNAS) USED FOR THE NAGPUR COST OF LIVING INDEX AUGUST 1939—APRIL 1940

Serial No.	Name	Unit	1939 Aug.	1939 Sep.	1939 Oct.	1939 Nov.	1939 Dec.	1940 Jan.	1940 Feb.	1940 March	1940 April
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Rice	Seer	1.50	1.55	1.53	1.53	1.77	1.64	1.53	1.64	1.68
2	Wheat	Do.	1.58	1.58	1.49	1.58	2.11	1.95	1.81	1.49	1.58
3	Juwar	Do.	1.33	1.48	1.48	1.48	1.33	1.21	1.03	1.01	1.07
4	Arhar	Do.	1.83	1.83	1.83	1.83	1.98	1.98	1.60	1.83	1.98
5	Gram	Do.	2.17	2.17	2.17	2.60	2.60	2.36	1.99	2.17	2.17
6	Lakhori	Do.	1.42	1.60	1.60	1.83	1.83	1.70	1.60	1.60	1.60
7	Masur	Do.	2.17	2.17	2.17	2.60	2.60	2.60	1.86	2.08	2.17
8	Urud	Do.	1.50	1.59	1.59	1.82	1.97	1.82	1.82	1.82	2.13
9	Gur	Do.	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.00	3.00
10	Sugar	Do.	6.00	6.00	6.00	7.00	6.50	6.00	6.00	6.00	6.00
11	Tea	Lb.	8.25	8.25	8.25	8.75	8.75	8.75	8.75	8.75	8.75
12	Fish	Seer	10.00	9.00	10.00	10.00	10.00	10.00	10.00	8.00	8.00
13	Mutton	Do.	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
14	Milk	Do.	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
15	Ghee	Do.	22.00	22.00	20.00	20.00	23.00	22.00	22.00	25.00	25.00
16	Salt	Do.	1.33	1.33	1.45	1.44	1.45	1.45	1.39	1.33	1.33
17	Chillies	Do.	7.20	7.20	7.20	6.40	7.20	7.20	7.20	8.00	7.20
18	Turmeric	Do.	6.00	6.00	6.00	8.00	9.00	8.00	9.00	8.00	8.00
19	Potatoes	Do.	2.50	2.50	2.50	2.50	2.75	2.50	1.50	1.50	1.75
20	Onions	Do.	1.25	0.96	0.96	0.60	0.96	0.96	0.96	0.60	0.60
21	Mustard oil	Do.	8.00	8.00	8.00	10.00	8.00	8.00	8.00	8.00	8.00
22	Til oil	Do.	6.00	6.00	6.00	8.00	7.00	6.00	6.00	6.00	6.00
23	Cocoonut oil	Do.	6.00	6.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
24	Charcoal	Maund	18.00	18.00	16.00	20.00	20.00	20.00	18.00	16.00	16.00
25	Firewood	Do.	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
26	Kerosene oil	Bottle	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75	3.00
27	Dhoties	Pair	28.50	28.50	28.50	28.50	40.25	40.25	50.00	50.00	50.00
28	Shirtings	Yard	3.33	3.33	3.33	3.33	4.60	4.60	3.85	3.85	3.85
29	Drill	Do.	3.40	3.40	3.40	3.40	5.20	5.20	4.80	4.80	4.80
30	Saris	Number	32.00	32.00	32.00	38.00	40.00	40.00	40.00	40.00	40.00
31	Turban cloth	Yard	1.61	1.61	1.61	1.61	2.33	2.33	1.72	1.72	1.72
32	Chaddar	Number	25.25	25.25	25.25	25.25	30.00	30.00	32.00	32.00	32.00
33	Tobacco	Seer	10.00	10.00	10.00	14.00	16.00	16.00	16.00	16.00	16.00
34	Bidis	Packet of 25	0.50	0.50	0.50	0.75	0.75	0.75	0.63	0.63	0.63
35	Supari	Seer	8.00	8.00	8.00	10.00	11.00	10.00	1.00	10.00	10.00

TABLE N (1.5)—PRICES (IN ANNAS) FROM NAGPUR MUNICIPAL GAZETTE

Serial No.	Name	Unit	1939					1940			
			August	September	October	November	December	January	February	March	April
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Rice	.. Seer	1.45	1.56	1.52	1.45	1.60	1.43	1.60	1.52	1.72
2	Wheat	.. Do.	1.39	1.44	1.49	1.60	1.78	1.83	1.60	1.62	1.52
3	Jowar	.. Do.	1.19	1.26	1.34	1.34	1.46	0.99	1.04	0.96	0.92
4	Arhar	.. Do.	1.60	1.64	1.73	1.78	1.78	1.68	1.60	1.88	1.78
5	Gram	.. Do.	1.42	1.56	1.60	1.68	1.88	1.88	1.60	1.78	1.64
6	Ghee	.. Do.	16.00	17.02	18.18	16.00	16.00	18.18	18.18	18.18	19.76
7	Salt	.. Do.	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
8	Chillies	.. Do.	8.00	7.11	8.00	8.00	6.40	8.00	8.00	6.40	5.34

TABLE N (1.6).—PRICES (IN ANNAS) FROM "MAHARASHTRA"

Serial No.	Name	Unit	1939					1940			
			August	September	October	November	December	January	February	March	April
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Rice	.. Seer	1.42	1.46	1.49	1.51	1.59	1.49	1.38	1.54	1.71
2	Wheat	.. Do.	1.47	1.48	1.52	1.60	1.88	1.88	1.64	1.41	1.50
3	Jowar	.. Do.	1.13	1.23	1.25	1.26	1.11	0.97	0.91	0.88	0.99
4	Arhar	.. Do.	1.47	1.59	1.60	1.61	1.80	1.64	1.45	1.53	1.79
5	Gram	.. Do.	1.69	1.87	1.88	2.11	2.35	2.06	1.76	1.75	1.79
6	Lakhori	.. Do.	0.99	1.06	1.07	1.09	1.28	1.03	0.89	0.93	1.00
7	Urad	.. Do.	1.29	1.42	1.43	1.53	1.61	1.68	1.46	1.59	1.59
8	Gur	.. Do.	3.34	3.53	3.53	3.24	2.83	2.66	2.25	2.35	2.23
9	Sugar	.. Do.	4.80	5.14	5.14	5.63	5.77	5.40	5.35	5.43	5.47
10	Ghee	.. Do.	15.56	14.83	14.49	15.16	17.87	16.00	16.00	17.00	16.67
11	Til oil	.. Do.	5.20	5.50	5.40	5.90	6.42	6.27	5.50	5.27	5.70
12	Ground nut oil	.. Do.	3.50	4.22	4.08	4.80	5.12	4.50	4.22	4.50	4.58
13	Other oil	.. Do.	3.92	4.50	4.42	5.78	6.74	6.10	5.35	5.13	5.58

### NOTE (2) CALCULATIONS OF REAL WAGES IN DIFFERENT PERIODS

Let us consider any particular month, say, August 1939, from column (4) of Table (2) we find that the average number of days worked in this month was 21.4; from column (5) we see that the average daily earnings per worker was Rs. 0.64, multiplying this by 1.6 (the average number of earnings per family) we get the average daily earnings per family of Rs. 1.03 shown in column (6). Multiplying Rs. 1.04 by the average number of days worked, 21.4, we get the average monthly earnings per family, Rs. 22.0, as shown in column (7).

We have now to find the equivalent earnings at the rate of January 1927 for families which worked the same number of days, namely, 21.4 in this case. The earnings for 21.4 at the January 1927 rate of earnings, namely, Rs. 1.4, per day per family, are Rs. 29.96. As explained in the Report 30 per cent of this amount, *i.e.*, Rs. 8.99, is kept fixed, the remaining 70 per cent, that is, Rs. 20.97, is multiplied by the Nagpur Cost of Living Index Number for August 1939 which is 64 as shown in column (2) as 64. The product is Rs. 13.42, to which we add Rs. 8.99 as the fixed charge and get the figure Rs. 22.4 given in column (8). This is the amount which is required in August 1939 to maintain the same standard of living as in January 1927 for families which worked 21.4 days on an average; while actual earnings were Rs. 22.0. The difference, namely, Rs. 0.4, which is negative since actual earnings are less than equivalent earnings required to maintain the standard, represents the fall in real wage. This difference expressed as a percentage of Rs. 22.4 is -2 per cent as shown in column (9) with the appropriate sign.

When calculating the earnings at the same rate for families with 17 per cent absenteeism the first step is to find out from the number of the days mills were open in column (3), the number of days corresponding to 17 per cent absenteeism, *i.e.*, to 83 per cent working days. In August 1939 the mills were open on 27 days; and 83 per cent of this is 22.4 days. The earnings at the average August 1939 rate Rs. 1.03 shown in column (6) for 22.4 days come to Rs. 23.0 which is given in column (10). In calculating the equivalent earnings for this month required to maintain the same standard as in January 1927 we use the total number, days the mills were open in January 1927, namely, 26, to find out the number of days that corresponds to 17 per cent absenteeism. Multiplying 26 by 0.83 we get 21.6 as the number of working days in January 1927 at the level of 17 per cent absenteeism. Next we multiply this number 21.6 by Rs. 1.4 the average daily earnings per family in January 1927 giving us Rs. 30.3 as the average monthly earnings of a family with 17 per cent absenteeism in that month. Out of this amount of Rs. 30.3 we set aside 30 per cent, *i.e.* Rs. 9.1 as a fixed charge and the remaining 70 per cent, *i.e.* Rs. 21.2 is multiplied by 64, the Nagpur Cost of Living Index Number for the month of August 1939. The product is Rs. 13.6 to which is added the fixed amount Rs. 9.1 and the resulting figure Rs. 22.7 is entered in column (11) as the earnings in August 1939 required to maintain the same standard of living as in January 1927 for families with 17 per cent absenteeism. The difference between these two columns expressed as a percentage of column (11) is 2 per cent as shown in column (12). These percentage charges give a measure of the improvement or deterioration in the real wages of families with 17 per cent absenteeism in columns (16), (17) and (18) respectively.

The results of similar calculations have been given in Table 2 (A) for families with 5.6 per cent of absenteeism in columns (13), (14) and (15) and for families with 3 per cent of absenteeism in columns (16), (17) and (18) respectively.

### NOTE (3) COMPARISON OF THE LEVEL OF LIVING AT NAGPUR, BOMBAY, AND AHMEDABAD IN AUGUST 1939

In Nagpur we have detailed information regarding consumption for the families included in the budget-enquiry of 1926-27. It will be remembered that the total earnings in this case were Rs. 34.4 in January 1927 as shown in column (7) of Table 2 (A); of this we have treated Rs. 24.1 as the variable expenditure

(susceptible to adjustment by the cost of living index number) and Rs. 10.3 as a fixed charge. We know, however, that these families have higher earnings (owing to their working a large number of days in the mills) than average families whose earnings in January 1927 were Rs. 32.8 as shown in column (7) of Table (2). It is better to use the "average" families with earnings of Rs. 32.8 as we shall be comparing them with "average" families elsewhere. Allowing Rs. 24 in round numbers as the variable portion of the expenditure we thus get Rs. 8.8 as the fixed charge in the case of these average families; and this is the portion shown as the fixed charge in the case of Nagpur families.

The greatest difficulty in making inter-city comparisons (in the same period) arises from the way the miscellaneous group is treated at different places. For example, in the variable portion of miscellaneous expenditure included in the cost of living index number (at Nagpur prices) is only Rs. 0.5 for Nagpur families; Rs. 1.2 for Ahmedabad families and Rs. 5.2 for Bombay families. Also certain other expenses like payments on account of debt, expenses for marriages, festivals, etc., are usually left out or not explicitly stated. In the case of the Nagpur family we have included the whole of the expenditure. In the case of Ahmedabad in 1926 the total average earnings were Rs. 44.7.2 (Report on an Enquiry into Working Class Family Budgets in Ahmedabad published by the Bombay Labour Office in 1928, page 13) of which Rs. 39.5.8 had been included in total expenditure leaving a balance of Rs. 5.1.4 for payments on account of debts, marriages, etc. As Rs. 5 was included in the expenditure under the miscellaneous head (Report on an Enquiry into Working Class Family Budgets in Ahmedabad in 1933—35 and published in 1937, page 30) we find that the total miscellaneous expenditure was Rs. 10.1.4 or say, Rs. 10.1; of this amount we are including Rs. 1.2 under variable miscellaneous which leaves Rs. 8.9 as the fixed charge as shown in Table (3).

*Table N (3.1).*—The quantities and prices used in columns (2), (3) and (4) of this have already been given in Table (1), columns (4.1) (5.1) and (6.1), and Table (1.4) under columnar heading August, 1939. The prices for Bombay and Ahmedabad were taken from the September 1939 issue of the *Labour Gazette* published by the Bombay Labour Office. As, however, the commodities included in the Nagpur index number of the cost of living are different from those in Bombay and Ahmedabad and certain adjustments were made as regards the prices and quantities when calculating the cost of living in Bombay and Ahmedabad at the Nagpur standard of living. These adjustments are set out in Table (3.1).

*Table N (3.2).*—The expenditures in the various groups as obtained by utilising these prices and quantities have been increased in the appropriate ratios as the expenditure on the commodities in various groups is only a fraction of the expenditure on that group. These fractions are given in Table (3.2) expressed as percentages. The high figures for Ahmedabad are due to the fact that the quantities were indirectly calculated as published in the *International Labour Review*, November 1933, page 65, from the distribution of the total expenditure *et seq.* and the weights and average prices for 1927 as published in *Labour Gazette*, Labour Office, Bombay, since a copy of the Report on this particular inquiry was not readily available.

*Table N (3.3).*—The fixed miscellaneous in the case of Nagpur has been explained in the main Report, Chapter IV, in the section on the Comparison of the Standard of Living at Nagpur, Bombay and Ahmedabad. The composition of the fixed miscellaneous for Bombay and Ahmedabad has been given in Table (3.3). The information for Bombay has been extracted from the Report on an Enquiry into Working Class Family Budgets in Bombay (1935), page 28, and for Ahmedabad from the Report for Ahmedabad (1937), page 45.

TABLE N (3.1).—ADJUSTMENTS OF PRICES

Nagpur at Bombay		Nagpur at Ahmedabad	
Item	Bombay prices	Item	Ahmedabad prices
(1)	(2)	(3)	(4)
Rice	.. Average of rice and patni.	Juar	.. Price of bajri.
		Gram	.. Price of mung-dal.
Lakhori	.. Omitted	Lakhori	.. Omitted.
Masur	.. Do.	Masur	.. Do.
Urad	.. Do.	Urad	.. Do.
Fish	.. Do.	Fish	.. Do.
Mustard oil	.. Average of til and mustard oil.	Turmeric	.. Do.
		Mustard oil	.. Price of gingily oil.
Til oil	.. Do.	Til oil	.. Do.
Shirting	.. Average of shirting, coating and cloth for trousers.	Coconut oil	.. Do.
		Shirting	.. Average of shirting, coating and cloth for trousers.
Drill	.. Do.	Drill	.. Do.
Turban cloth	.. Do.	Turban cloth	.. Do.
Tobacco	.. Omitted	Tobacco	.. Omitted.
		Supari	.. Do.

TABLE N (3.2).—PROPORTION REPRESENTED BY EACH GROUP TO THE TOTAL OF THAT GROUP

Group	Nagpur	Bombay	Ahmedabad
	Per cent	Per cent	Per cent
Food	.. 95	75	All
Fuel and lighting	.. All	96	89
Clothing	.. 75	80	All

TABLE N (3.3)

Bombay		Ahmedabad	
Item	Average Expenditure	Item	Average Expenditure
	Rs.		Rs.
Barber	.. 0.8	Hair cutting	.. 0.50
Medical fees and medicines.	0.2	Dhobi and washing soap	0.48
Amusements	.. 0.1	Medicine and medical fees	0.12
Postage	.. 0.1	Tobacco, including bidis, hukka and gudaku.	1.17
Payment to dependents	2.1	Bhang, ganja and opium	0.15
Newspapers	.. 0.1	Pansupari	.. 0.42
Others	.. 0.9	Liquor	.. 0.55
		Travelling to and from native place.	0.59
Total	.. 4.3	Remittance to dependents	0.44
		Others*	.. 0.58
		Total	.. 5.00

\*This includes expenditure on education, travelling to and from work, snuff, amusements, postage, bangles, trade union subscription, land revenue, insurance, provident fund, hair oil and other miscellaneous items (but does not include the expenditure of Rs. 5.1 for payments on account of debts, expenses for marriages, festivals, etc.).

## ORDERS OF THE PROVINCIAL GOVERNMENT

### COMMERCE AND INDUSTRY DEPARTMENT

*Nagpur, the 1st June 1940.*

The following errata to the Report of the Nagpur Textile Enquiry Committee, 1940, published in the *Central Provinces and Berar Gazette*, Extraordinary, dated the 25th May 1940, are published for general information.

C. C. DESAI,  
*Secy. to Govt., C. P. & Berar,  
Commerce and Industry Department.*

#### Errata to the Report of the Nagpur Textile Enquiry Committee, 1940

##### PAGE 180

1. Chapter I, paragraph 1.—*Read "Industry" for "Indusry".*
2. Chapter I, paragraph 1.—*Read "Government" for "Govrenment".*

##### PAGE 183

3. Chapter II, paragraph 7.—*Read "17th May" for "7th May".*

##### PAGE 187

4. Chapter III, paragraph 10.—*Read "Vernacular" for "Varnacular".*
5. Chapter III, paragraph 12.—*Read "Table" for "table".*

##### PAGE 189

6. Chapter III, paragraph 16.—*Insert "the rise" after "was reached in December when".*

##### PAGE 192

7. Chapter IV, paragraph 13.—*Read "adverse" for "averse".*
8. Chapter IV, paragraph 14.—*Substitute "levels" for "level".*

##### PAGE 195

9. Chapter IV, paragraph 17.—(1) *Read "Table (2)" for "Table (3)",* and (2) *Insert "[ " before the words "as explained".*

##### PAGE 196

10. Chapter IV, paragraph 26.—*Read "Table (2)" for "Table (3)".*

##### PAGE 197

11. Chapter IV, Table (2-A).—*Column Nos. (4), (5), (6), (7), (8), (9), (10) and (11) should be substituted by Nos. (5), (6), (13), (14), (15), (16), (17) and (18).*

##### PAGE 198

12. Chapter IV, Table (3).—*Column heading—"Prices" indicate Nagpur, Bombay and Ahmedabad prices. "Families" indicate Nagpur, Bombay and Ahmedabad over columns (2) to (10). "Items" indicate articles under column (1).*

##### PAGE 201

13. Chapter IV, paragraph 45.—*Read "became" for "become".*

## PAGE 203

14. Chapter V, paragraph 4.—*Read* "Profit and Loss Account" for "Profit Lnd Account".

## PAGE 204

15. Chapter V, Table (4).—*Substitute* "charges" for charge.  
16. Chapter V, Table (4).—*Read* "Stores" for "Stones".

## PAGE 205

17. Chapter V, paragraph 8, in line fourth.—*Read* "30 per cent" for "50 per cent".  
18. Chapter V, paragraph 8, in line sixth.—*Read* "for" for "from".  
19. Chapter V, paragraph 10.—*Substitute* "roughly" for "orughly".  
20. Chapter V, paragraph 11.—*Read* "per cent" for "percent".  
21. Chapter V, paragraph 12.—*Read* "figures" for "figres".

## PAGE 208

22. Chapter VI, Table (6).—*Read* "share of dividend" for "share of dividnt" (last main column heading).

## PAGE 209

23. Chapter VI, Table (7).—*Read* "dividend plus wages" for "dividend plu wage".

## PAGE 211

24. Chapter VI, paragraph 5.—*Read* "a proper" for "aproper".

## PAGE 215

25. Chapter VII, paragraph 14.—*Read* "moving" for "moveing".

## PAGE 216

26. Chapter VII, paragraph 15.—*Delete* the word "when" after "If this plan is adopted".  
27. Chapter VII, Table (9).—*Read* "January 1940" for "January 1939" after the words "total for six months."

## PAGE 217

28. Chapter VII, paragraph 23.—*Substitute* "less" for "else".

## PAGE 219

29. Appendix, Note (1), Table N (1.3).—*Read* "have" for "hav".

## PAGE 227

30. Appendix, Note (2), paragraph 3.—*Delete* the sentence "miles were open.....is 22.4 days".  
31. Appendix, Note (2), paragraph 3.—*Insert* "of" after the words "we use the total number".

## PAGE 228

32. Appendix, Note (3), Table N (3.1).—*Delete* the word "and" before the words "certain adjustments".

## PAGE 229:

33. Appendix, Note (3), Table N (3.2).—*Substitute* "All" for "Ail" in the second column of the table.



*The 7th June 1940.*

No. 1802-397-VII.—The Chairman of the Nagpur Textile Enquiry Committee appointed under Commerce and Industry Department Notification No. 1472-397-VII, dated the 1st May 1940, has made certain suggestions regarding the revision of the index numbers of the cost of living at Nagpur, which have been embodied in the Chairman's note (No. 4). The note is hereby published as an appendix to the Report of the Committee published in the *Central Provinces and Berar Gazette Extraordinary*, dated the 25th May 1940.

C. C. DESAI,

*Secy. to Govt., C. P. & Berar,  
Commerce and Industry Department.*

**NOTE 4.—THE REVISION OF THE NAGPUR INDEX  
NUMBER OF THE COST OF LIVING**

1. The reliability of an index number of the cost of living depends on two factors, namely, the relative weights assigned to different commodities; and current price quotations. The relative weights are adjusted to be proportional to the average expenditure on different commodities. As habits of consumption change owing to changes in economic conditions the relative expenditure on different commodities also change progressively with time. When the relative weights differ appreciably from the relative expenditure on different commodities, valid comparisons of real wages are no longer possible; and a revision of the weights becomes necessary. The Nagpur index number is based on the enquiry into family budgets which was carried out in 1926-27; since then economic conditions as well as patterns of consumption have changed materially all over India; and a fresh enquiry into family budgets is, therefore, essential for reconstructing the index number. The existence of a state of war is in itself a strong reason for undertaking such an enquiry without any further delay. War conditions usually necessitate frequent and difficult adjustments in wage rates. This need, if anything, becomes even more acute in the post-war period. Unless a fresh enquiry is undertaken in the immediate future it will be difficult to make such adjustments on an objective and scientific basis.

2. In organizing such an enquiry it will be desirable to cover, if possible, about two thousand working class families in Nagpur. In selecting the families included in the sample no special restriction should be imposed in regard to earnings, period of employment, occupation, community, residence or any other factor. In fact it is most important that the families should be selected in a purely random manner.

3. It will be desirable to use the method of replicated random sub-samples for this purpose; and it may be useful to explain here briefly the general principles underlying this method. In this method the whole area is divided into a suitable number of zones which are demarcated, as far as practicable, in such a way that the total number of working class families residing in each zone is approximately equal. Roughly the same proportion of families in each zone is included in the sample which means that the number of families to be surveyed is about the same in each zone.

4. In the replicated sub-sample method it is essential that information relating to each zone should be collected by more than one investigator. For example, in the case of Nagpur, let us suppose, it is decided to divide the whole area into five zones in each of which, say, four hundred families are to be surveyed at random. Let us also suppose that it is decided to do the work with four sets of investigators. The four hundred families in each zone should be then sub-divided into four sub-samples of say, one hundred families each. Each sub-sample of 100 families

is then selected purely at random from over the whole zone. In this way we get four sub-samples each of which may be considered to be equally representative of the zone as a whole.

5. The next important point is to allot each sub-sample to a different set of investigators. As we have got four sets of investigators and four sub-samples, this means that each set of investigators will collect the primary information for one and only one sub-sample in each zone, so that each sub-sample will be collected by a different set of investigators. This is the fundamental principle underlying the method of replicated sub-samples.

6. It is clear that in this way we get four independent estimates for each zone. As each of these estimates may be considered to be equally representative, the differences between the different estimates must be ascribed either to the personal equation of the investigators or to sampling errors due to pure chance. As we shall have similar results for five different zones it becomes possible to eliminate with considerable accuracy the personal equation of the investigators by suitable statistical methods. Secondly, it also becomes possible to make a valid estimate of the marginal error of sampling due to pure chance.

7. It will be noticed that this method depends purely on using a suitable programme for the field work; but does not involve any additional cost or labour in carrying out the sample survey. The analysis of the material has to be carried out, of course, in accordance with appropriate statistical principles; but this does not present any serious difficulties and need not be discussed here. We may observe in passing that it may be desirable to tabulate the material separately, say, for textile workers or for families in different income groups. This will enable separate index numbers being constructed for textile workers or for families in different income groups; so that the adjustments of wage rates can be made with greater accuracy.

8. After a revised index number is constructed it will be still necessary to keep it up-to-date. As we have already pointed out this can be done by a periodic revision at intervals of, say, five or ten years. A more flexible and scientific procedure is however also available. We may arrange for a comparatively small number of families being surveyed each year on a random replicated basis. In the case of Nagpur we may, for example, decide to collect information regarding the family budgets of, say, 300 or 400 families every year. In this case we can calculate the relative expenditure on different commodities and watch how far the relative weights change from year to year. Sometimes spurious or short time fluctuations may occur which however fade out in the course of a few years; this will not require any changes in the weights. On the other hand, if changes in relative expenditure in certain items persist from year to year it may become necessary to revise the weights in an appropriate manner. In this case auxiliary index numbers may be constructed and studied along with the original index number; and, when the divergence becomes appreciable, the new index number may be adopted as the standard.

9. Sudden changes and discontinuities in the index numbers can be completely eliminated in this method. Auxiliary index numbers also become available which enable valid comparisons being made over long intervals of time. Apart from the gradual revision of the index number such an annual survey of family budgets enables a very clear picture being obtained of actual living conditions of industrial workers which is bound to be of great value in handling various labour problems.

10. The most convenient way of organizing a continuous sample survey is to employ a small number of permanent investigators who will carry out this work along with other work in the Labour Office. As the actual survey will proceed at a slow rate, the work of inspection and supervision will be more thorough than that in an *ad hoc* enquiry. The investigators also become more experienced and more efficient as the work progresses, which means not only a gradual increase in the accuracy of the results but also a progressive reduction in costs. The

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continuous method is therefore more convenient from the administrative point of view and yet in the long run is less expensive. Also it is more efficient from a scientific point of view as the results are kept up-to-date and under perfect control.

11. In case a fresh enquiry into family budgets is undertaken we should like to emphasize the need of doing the work on a standardized basis so that valid comparisons may be made between the level of living and of changes in the cost of living at different centres in the country. For this purpose it is necessary to adopt standard definitions, and standard methods of collection and analysis of the primary material relating to family budgets.

12. We have already recommended that attempts should be made to improve the quality of the price quotations in any case, that is, whether a revision of the index numbers is immediately taken up or not. The replicated sample method may be used with advantage for this purpose. In this plan a number of retail shops should be selected at random, and independent price quotations should be obtained by more than one investigator. The agreement or otherwise between these independent quotations will then furnish an excellent check on the reliability and representative character of the prices obtained through usual official channels.

P. C. MAHALANOBIS.

## ORDERS OF THE HEADS OF DEPARTMENTS

**Tour Programme of Lieut.-Colonel S. N. Makand, M.B., Ch.B. (Edin.), D.P.H. (Edin. and Glas.), D.T.M. (L'pool), I.M.S., Director of Public Health, Central Provinces and Berar, for the month of June 1940**

Sunday, the 9th June 1940	.. {	Leave Nagpur. Arrive Ghatang.
Monday, the 10th June 1940	.. {	Leave Ghatang. Arrive Khandwa.
Tuesday, the 11th June 1940	.. {	Leave Khandwa. Arrive Indore.
Wednesday, the 12th June 1940 to Sunday, the 16th June 1940	.. } .. }	Halts at Indore.
Monday, the 17th June 1940	.. {	Leave Indore. Arrive Khandwa.
Tuesday, the 18th June 1940	..	Halt at Khandwa.
Wednesday, the 19th June 1940	.. {	Leave Khandwa. Arrive Burhanpur.
Thursday, the 20th June 1940	.. {	Leave Burhanpur. Arrive Shahpur. Leave Shahpur. Arrive Dharni.
Friday, the 21st June 1940	.. {	Leave Dharni. Arrive Akot.
Saturday, the 22nd June 1940	.. {	Leave Akot. Arrive Anjangaon. Leave Anjangaon. Arrive Walgaon (to see arrangements for proposed Infant Welfare Centre). Leave Walgaon. Arrive Amraoti.
Sunday, the 23rd June 1940	.. {	Leave Amraoti. Arrive Nagpur.

NOTE.—The Tour will be by Car throughout.

476  
 470  
 ———  
 6 =

239  
 178  
 ———  
 52

58

**THE CENTRAL PROVINCES AND BERAR TEXTILE  
LABOUR ENQUIRY COMMITTEE, 1941**

**NOTICE**

The following questionnaire of the Central Provinces and Berar Textile Labour Enquiry Committee, 1941, is published for general information. Persons interested in the matter are requested to send in replies to the questionnaire, or any part of it in which they may be interested, to the Secretary not later than the 23rd August 1941. If they wish to give evidence, they should notify the undersigned, after submitting written evidence

K. D. GUHA,

*Secretary, Central Provinces and Berar*

*Textile Labour Enquiry Committee.*

X9(M71):9.271.N4E

41

**TERMS OF REFERENCE**

1. "The Committee will make a fresh survey on the lines of the Textile Labour Enquiry Committee which was appointed in 1938 under the chairmanship of Mr. N. J. Roughton, C.I.E., I.C.S., in order to ascertain to what extent conditions in the textile industry in this province have changed during the past three years and will make recommendations whether there is justification for an improvement in the wage level either by further restoration of the wage-cut or otherwise.

2. The Committee will consider and make recommendations whether dearness allowance should be granted on the lines of the recommendations of the Nagpur Textile Enquiry Committee which was appointed in 1940 under the chairmanship of Professor P. C. Mahalanobis, I.E.S., to cotton operatives outside Nagpur.

3. The Committee will also consider the circumstances of strikes at short intervals and make suggestions on the subject."

Replies to the questionnaire below should reach the Secretary before the 23rd August 1941.

K. D. GUHA,

*Secretary, Central Provinces and Berar*

*Textile Labour Enquiry Committee.*

**QUESTIONNAIRE**

Please give information on the following points about your mill:—

**I**

1. Number of spindles and looms worked each year for the years commencing from the 1st July 1938 to 30th June 1941 on day and night shifts.

2. (i) The average number of workers engaged daily each year for the years commencing from the 1st July 1938 to 30th June 1941 on day and night shifts separately—men, women, adolescents and children. Classify under the following departments:—

- (a) Carding and blowing.
- (b) Spinning.
- (c) Weaving.
- (d) Dyeing and bleaching.
- (e) Power-house and miscellaneous.

(ii) Is there any reserve from which an absentee can be replaced daily. Give the average percentage of this reserve for the three years mentioned above.

(iii) Is there any difference between the rate of payment of regular workers and substitutes.

3. The total number of workers engaged in the occupations shown in column 1 of the form attached in the months of February and October of the years 1939 and 1940 and in the month of February of the year 1941 for day and night shifts separately.

Fill in the remaining columns in the form for the same months showing the average number of days worked, the average monthly earnings and the average daily earnings in each occupation shown in column 1 of the form.

4. What is the increase or decrease in real wages per adult worker at your mill for each year during the last 25 years. Explain how your figures have been arrived at.

5. (a) What was the wage rate of each class of worker to which a wage cut was applied in 1933 or subsequently. Please give some examples from different departments to illustrate what exactly the wage cut implied.

(b) In what manner were wage cuts effected in your mill in 1933, or subsequently.

(c) How was the recommendation of the Roughton Committee, 1938, in the form approved by Government, given effect to in actual practice. Give some typical illustrations with reference to actual wages paid.

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(d) Supply a list of piece rates for the articles listed in the attached schedule\* prevailing just before and just after the 1933 wage cut. Were the rates revised in any subsequent year. Supply the corresponding list after the Roughton Committee's recommendations were given effect to. Please give similar information for workers engaged on daily and monthly wages for different wage groups. (Give the groups.)

NOTE.—In the above question substitute the year '1932' for '1933' in the case of Hinganghat centre.

6. (a) Give the percentage of workers (exclusive of clerical) in the continuous employ of your mill between—

- 0 year and 1 year;
- 1 year and 5 years;
- 5 years and 10 years;
- and over 10 years.

(b) What was the absenteeism in your mill in recent years compared to other provinces and how does it affect the efficiency of work.

(c) Is it a general practice in your mill to re-employ a worker at a reduced rate of wage after he ceased to be in the permanent employ of the mill for some time. Give a few illustrations.

7. Is bonus given in addition to wages to any workers. If so, give the total amount paid during each of the past three years and the number of persons benefited. Give the percentage of the average number of workers benefited in each of the five main departments referred to in question No. 2.

8. (i) What indirect addition to wages accrue to workers in your mill. Give your estimated cash value of such addition with reference to an average worker in different grades.

(ii) Is any extra payment made to night shift workers.

(iii) Give details of cost of welfare work and of other amenities and facilities provided for the workers at your mill.

9. How does mill labour in this province compare in efficiency with the labour in mills in other provinces, especially Bombay and other textile centres, and what effect has this on your wage position. Compare the wage level at each such centre with the wage level in your mill.

10. What is the value of turnover per head of workers and how does it compare with that of mills in other provinces and what according to your view are the reasons for this result.

## II

11. Give the production figures of your mill of yarn and cloth for the years from the 1st July 1938 to the 30th June 1941.

12. Give a statement of profit and loss of your mill according to your books for each year from 1927 to 1941. Give reasons for losses sustained in any year.

13. (a) Fill up the profit and loss account in the form attached for each year from 1933 to 1941, separately.

(b) Is there any particular grievance as regards excessive payment of wages or any other allowance and how does this affect the competitive position of your mill.

14. Supply balance sheets of your mill for the years 1933 to 1940. Please give a brief account of how depreciation was provided for each year. Please state whether you are able to provide depreciation at a rate provided on the income-tax basis. Is there any particular factor justifying special depreciation in any year.

15. How is your working capital obtained every year. State the rate and amount of interest paid to banks or on deposits for each year from 1933 to 1941 separately.

16. Please state the amount paid to shareholders and to workers in each of the past 15 years. Have the dividends been paid from profit or from the equalisation fund.

17. State the amount of income-tax paid for each of the last 15 years.

18. Give the ruling figures of wholesale prices of yarn and cloth under different heads for each month from January to June 1941.

19. (a) What are your expectations regarding the future prospects of the textile industry with particular reference to the production and sales of your own mill and to increased taxation.

(b) Does the present condition of the textile industry justify the restoration at your centre of the remaining wage cut referred to in paragraph 2, Chapter VII, of the Roughton Committee's Report.

(c) Does the Central Provinces and Berar textile industry suffer from any particular handicaps in the economic field as compared with other centres in India. Give reasons for your views.

20. What finished goods were in stock on 1st January 1938 and 1st July 1941. On what dates during the last three years did your mill hold (a) the largest stock of cotton, and (b) the largest stock of yarn and cloth. Give quantities as well as value.

21. Give the average component cost (as a percentage of the total cost) of production in your mill in the accompanying form for the years 1927, 1933 and 1940 and the first half of 1941.

22. What percentage of gross profit was paid as Managing Agent's commission for the last three years. Do you consider it sufficient remuneration for the services rendered from year to year. Explain on what basis 'gross profit' was calculated.

## III

23. What are the factors which should be taken into consideration in deciding the wage level in the textile industry in this province at various centres, regard being had to local conditions.

24. What are the factors which should be taken into consideration in deciding whether any increase in the wage level is justified or not. Give particulars with reference to your own centre.

25. Would you justify a further increase being made in the wage level taking into consideration the above factors.

26. What particular means and methods would you suggest to increase the wage level at your centre. Give details of each method suggested by you.

#### IV

27. How far has rationalisation been introduced at your mill and to what extent has this been the means of raising the wage level.

28. Have you devised any scheme for standardising the wages and musters of time and piece workers in the various occupations in your mill. If so, supply a copy of the scheme.

29. Has the scheme been put into operation. If not, for what reason.

30. If no standardisation schemes have been devised, please give your opinion regarding the feasibility or benefit of any such schemes.

31. What conditions would you consider essential for the smooth working of a standardisation scheme.

32. Is automatic adjustment of wages practicable. If so, suggest methods of such adjustment.

33. Do you think it desirable that automatic wage adjustment should take place. Give reasons for your views.

34. Would a simple linking of wages with the working class cost of living index number suffice. Or would you suggest any other factors which should be considered.

35. Are you satisfied with the working class cost of living index numbers published for Nagpur. If not, what improvement would you suggest.

36. Do you think that wage disputes could be averted by a system of adjustment of wages to rates of profits or the capacity to pay of the mills.

37. If you are not in favour of automatic adjustment of wages, would you still devise some machinery for partial or occasional adjustment. Please explain in detail the arrangements you propose.

38. Give the names of the trade unions in your area.

39. Are they registered under the Indian Trade Unions Act. Have they been recognised by the mill authorities.

40. What is the percentage of workers of the mills concerned who are members of the union at present and at the date of the last return to the Registrar of Trade Unions.

#### V

41. Do you consider, regard being had to the recommendations of the Mahalanobis Committee, that a dearness allowance should be granted at textile centres outside Nagpur. Give reasons for your view.

42. What in your view has been the rise in the cost of living of textile workers since August 1939 at centres outside Nagpur.

43. If there are no reliable data for calculating the cost of living at your centre, do you consider that the method adopted by the Railway Court of Enquiry, 1941, should be adopted in ascertaining changes in the cost of living. If you do not consider this feasible, suggest any other method for ascertaining the change in the cost of living at your centre.

44. Is there any circumstance peculiar to your centre which has affected the rise in the cost of living in a manner different from that at Nagpur. If so, give particulars of the special circumstances.

45. Has any dearness allowance been granted at your centre. If so, give full particulars with information as to whether it is granted to all grades of workers.

#### VI

46. Give particulars of strikes at your centre or in your factory for all years beginning with 1929. Give the number of working days lost and the workers involved in each case and the loss caused to industry and to the workers.

Give full details of the circumstances which led to each strike.

47. (a) What measures, remedial or legislative, do you propose to prevent the recurrence of strikes at short intervals, if there be any.

(b) Would you favour the establishment of (i) Joint Industrial Councils, (ii) Works Councils, and (iii) Wage Fixation Boards. If so, give details.

48. Do you consider that the recognition of a well organised trade union by the Mill Management at your centre or any other method will minimise the chances of strikes at short intervals.

49. Has the method of conciliation or arbitration been adopted at your centre for preventing or settling a strike and if so what has been the attitude either of the employers or of the employees to these methods of preventing and settling the strike.

50. Are you of opinion that disparity in wages for work of the same nature in various concerns in the same centre leads to labour discontent. If so, please suggest how the position can be remedied.

51. What are your views on the establishment by mill owners of "cost grain shops" for mill workers.

52. Give a brief account of the prevailing practice by which a mill worker provides himself with the necessaries of life in exchange for his cash earnings.

Are credit sales of grain and provisions by retailers in vogue in your centre.

53. Is there reason to believe that the malpractices of adulteration, short weight and measure of foodstuffs are prevalent in your area. How is the evil being dealt with.

## VII

54. Give details of the use made by your concern of the services of the provincial Labour Officer in the settlement of trade disputes in recent years.

55. Do you consider that a Labour Commissioner of the status of similar officers in Bombay and other provinces should be appointed with similar powers in this province.

56. Do you consider that there should be legislation in this province on the lines of the Bombay Trade Disputes Act, 1938, as amended by Act X of 1941, or on any other lines.

57. Do you consider that during the war the Provincial Government should have power to declare strikes and lock-outs illegal if it is apprehended—

- (a) that a serious outbreak of disorder or breach of the peace is likely;
- (b) that there is a likelihood of serious or prolonged hardship to a large section or sections of the community; and
- (c) that the industry concerned is likely to be seriously affected particularly in reference to production in furtherance of the war effort.

[359—3—3]

### PROCLAMATION OF THE PURCHASE OF IMMOVABLE PROPERTY

The Nagpur Co-operative Land Mortgage Bank, Ltd., Nagpur—Applicant.

Sumatsing, son of Hirasing of Bori village—Defaulter.

It is hereby notified for general information that Mst. Mainabai, wife of Mahadeo, of Bori village in Nagpur tahsil of the Nagpur district, has purchased, on the 2nd April 1941, at a public auction held under the provisions of section 15 of the Central Provinces Co-operative Land Mortgage Banks Act, I of 1937, the under-mentioned property, and has paid the full purchase money, viz., Rs. 2,200. It is therefore declared that the said Mst. Mainabai, wife of Mahadeo, has succeeded to all rights and interests of the defaulter in the said immovable property:—

Village and tahsil.—Mouja Rampur, tahsil Nagpur.

Particulars of field.—No. 5, Occupancy.

Estimated extent or area.—11.30 acres.

Land revenue or rent.—Rs. 30.

W. M. HUDDAR,

BORI : *Sale Officer.*  
The 28th June 1941. [370—1]

### ORDER

I hereby order under section 74 of the Motor Vehicles Act, 1939 (IV of 1939), that owners and drivers of motor omnibuses and lorries, licensed to ply for hire or for commercial purposes or for private use, the unladen weight of which exceeds half a ton, are prohibited from running their omnibuses and lorries on the Ambala-Ghatadi (otherwise known as Ramtek-Ambala) and Ramtek-Khindsi roads in the Nagpur district.

NOTE.—The word "Omnibuses" also includes "privately owned vehicles of omnibuses type".

A. G. F. FARQUHAR,

NAGPUR : *District Magistrate.*  
The 6th Aug. 1941. [361—3—2]

### WANTED

#### Training for Rangers' Course

Applications are invited for the selection of candidates for training at the Forest College, Dehra Dun, for the Rangers' Course 1942—44.

2. Intending candidates should submit applications in the prescribed form (obtainable from the Conservator of Forests, Eastern Circle, Nagpur) through the Divisional Forest Officer or the District Officer of the district in which they reside to the Conservator of the Circle concerned not later than the 12th September 1941, accompanied by the following certificates in original:—

- (i) that the applicant is a permanent resident of the Central Provinces and Berar,
- (ii) that the applicant is a native of India,
- (iii) that the applicant will not be less than 18 years or more than 25 years of age on 1st April 1942,
- (iv) certificates of respectability and good moral character from two or more persons whose social or official position can be accepted as a guarantee of reliability (These certificates must bear a date not earlier than 1st July 1941.),
- (v) a certificate of having passed one of the following examinations, viz., the B.A., B.Sc., B.A.G., Inter Arts., or Inter Science,
- (vi) that the parent or guardian of the applicant is willing to deposit in advance cost of initial equipment Rs. 350 and caution money Rs. 100 with the Director, Indian Forest Ranger College, Dehra Dun,
- (vii) that the parent or guardian will execute an agreement with adequate security that he will pay into a Government treasury a monthly sum of Rs. 50 (total in two years Rs. 1,200) for the maintenance of the student while at college,
- (viii) that the applicant has remitted into Government treasury the prescribed fees of Rs. 3 for appointment to the Central Provinces Subordinate Service.

NOTE.—Candidates belonging to schedule castes or backward tribes will be exempt from the payment of this fee.

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**CHECKED**  
**8003-04**