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GOVERNMENT OF THE CENTRAL PROVINCES
LOCAL SELF-GOVERNMENT DEPARTMENT



REPORT
OF THE
LOCAL SELF-GOVERNMENT
COMMITTEE

NAGPUR
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1935

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REPORT OF THE LOCAL SELF-GOVERNMENT COMMITTEE

PART I.—INTRODUCTORY

1. This Committee was appointed by the local Government in pursuance of the assurance given in the Legislative Council on the 30th January 1935 (*vide* copy of Resolution No. 3452-103-M-VIII, dated the 11th May 1935, Appendix A). A large number of amendments have had to be made in recent years to the enactments regulating our Local Self-Government institutions. Since the Local Self-Government Act, 1920, the Municipalities Act, 1922, and the Village Panchayat Act, 1920, came into force, there have been 42 bills before the Legislative Council for making amendments to them. Some of these have been necessitated by such imperfections in the law as were inevitable in the circumstances under which it was enacted and were revealed as the law was administered from day to day. The more important amendments, however, have been the outcome of political evolution that has taken place since the inauguration of the present reformed constitution. The necessity for a general overhauling of the present system, and its legislative basis has, therefore, been felt and we have been entrusted with this task with the following terms of reference :—

Appointment and terms of reference of the Committee.

“To examine the whole structure of Local Self-Government in the province and make recommendations for its reconstruction, where necessary, with special reference to the following matters concerning local bodies :—

- (1) Franchise.
- (2) Constitution.
- (3) Staff.
- (4) Government control.
- (5) Taxation.
- (6) The system of audit.”

Procedure followed.

2. A comprehensive questionnaire was framed covering all such problems and difficulties as had been brought to notice in recent years in the course of the ordinary administration of the local bodies. Suggestions appearing in the local press were also taken into consideration in framing the questionnaire.

We met at Pachmarhi on the 15th June 1935 to consider the draft questionnaire which we approved with our amendments and additions. The questionnaire (Appendix B) was published in the *Central Provinces Gazette* on the 19th July 1935 and also in all the newspapers in the province. Copies of it were sent to all the Commissioners, Deputy Commissioners, local bodies, organizations interested in Local Self-Government, associations of employees of local bodies, and prominent persons interested in Local Self-Government. The 31st August was fixed as the last date for receiving replies to the questionnaire but the date was extended to the 15th September. Replies received up to the 21st September 1935 were, however, considered. The total number of replies so received and considered was 493, the details of the replies being as follows :—

From—

officials	...	6
municipal committees and notified area committees	...	38
district councils	...	14
local boards	...	30
village sanitation panchayats	...	38
village panchayats	...	299
individuals	...	50
associations of employees of local bodies	...	9
organizations interested in local self-government	...	9
		<hr/>
Total	...	493

We met on the 15th, 17th and 19th October 1935 at Pachmarhi and again on the 1st and 2nd November 1935 at Nagpur, and considered in detail the replies received to all the questions and formulated our recommendations. We met on the 12th and 13th November 1935 at

Jubbulpore, and approved our final report. Rai Bahadur Dadu Dwarkanath Singh could not attend the meeting on the 15th June, Mr. Jhunnilal Verma, the meetings on the 15th June and 13th November, Mr. Hemeon, the meeting on the 15th October, Mr. Shoobert, the meetings on the 12th and 13th November and Mr. Syed Mobinur Rahman all the meetings except those on the 15th June and 15th October. In the light of the suggestions received in the replies to the questions, and on the basis of our experience, we have formulated the recommendations embodied in the report.

3. Broadly speaking, three periods can be indicated in the history of the growth of Local Self-Government in the Central Provinces and Berar. The first terminates with the Government of India's resolution of 1882, the second with the passing of the Government of India Act of 1919, and the third and current period is the post-Reform one. The resolution of 1882 is the classical definition of Government's policy in the matter and laid down the lines on which urban and rural self-government should develop in India. The Acts, which were passed soon after this, formed the foundation of our system of Local Self-Government. In two resolutions of 1896 and 1897 Lord Elgin's government again laid down further conditions of progress in Local Self-Government. The Decentralization Commission of 1907—09 again investigated the whole field of Local Self-Government. In its resolution of 1915, the Government of India reviewed its recommendations and the action already taken by local Governments to implement them and indicated such further action as remained to be taken. Our own system of Local Self-Government was also overhauled and the statutory basis of it brought up to date, from time to time in the light of the general principles laid down by the Government of India. On the eve of the Montagu-Chelmsford reforms, which contemplated the complete transfer of Local Self-Government to ministers responsible to the provincial legislature, the Government of India again laid down, in a resolution of 1918, "the lines upon which they would wish local Governments to move in the direction of more complete Local Self-Government". The principles set forth in this resolution were embodied in our amended Local Self-Government Act, 1920, and Municipalities Act, 1922. The former was brought into force with effect from the 1st May 1922 in the Central

Short
historical
note.

Provinces and from the 1st February 1923 in Berar, and the latter, with effect from the 1st July 1923 in the Central Provinces and from the 15th February 1924 in Berar. The provisions of these Acts were formulated in consultation with committees of representative non-official gentlemen. By these Acts the elective principle, financial independence and the reduction of official control were given a wide extension in our system of Local Self-Government. We cannot do better than quote the following extract from the Government of India's resolution of 1918 indicating the basic principles underlying the legislation of 1920—22 :—

“The first and foremost principle is that the object of Local Self-Government is to train the people in the management of their own local affairs and that political education of this sort must, in the main, take precedence of considerations of departmental efficiency. It follows from this that local bodies should be as representative as possible of the people whose affairs they are called on to administer, that their authority in the matters entrusted to them should be real and not nominal, and that they should not be subjected to unnecessary control, but should learn by making mistakes and profiting by them. The general policy, therefore, must be one of the gradual removal of unnecessary Government control and of differentiating the spheres of action appropriate for Government and for local bodies respectively.
* * * The control of Government over local bodies is at present exercised both from within and from without, and it is mainly by the substitution of outside for inside control and by the reduction of outside control, so far as is compatible with safety, that progress in the desired direction will be achieved. The internal control is capable of relaxation by the introduction of a greater use of election in the selection of members and chairmen of boards, and the external control by such means as the removal of unnecessary restrictions in connection with taxation, budgets, the sanction of works and the local establishments.”

It will be generally agreed that the system of Local Self-Government, set up in our province by the Local Self-Government Act of 1920, and the Municipalities Act of 1922, was formulated on sound and democratic lines. The results of this system were visualized in the resolution in the following terms :—

“A vast number of persons should feel themselves for the first time placed in effective control of the matters which affect their everyday life and the local bodies will be invested with opportunities not hitherto enjoyed by them of improving the conditions of the populations entrusted to their charge. The duties of local bodies cover most of the activities upon which the essential welfare of the country depends. They have the care of the public health and all the circumstances upon which that health depends: they control elementary education, they construct and maintain local buildings and communications, and they touch the life and convenience of the people at every point.”

We would not attempt the difficult task of assessing the extent to which the system has been worked successfully and in the true spirit of the enactments. The annual reviews of the working of local bodies indicate that some of them have failed to make the fullest use of the new opportunities for public service; and that the growth of civic responsibility has not kept pace with the conferment of wide powers. We, however, think that the frame work of our Local Self-Government does not stand in need of any alteration. We have only to adapt it slightly to the changing circumstances.

In making our recommendations we have been mindful of the fact that the diarchical system of Government on the basis of which our system of Local Self-Government has hitherto developed will disappear in the near future and be replaced by complete provincial autonomy.

PART II.—MUNICIPALITIES, LOCAL BOARDS AND DISTRICT COUNCILS

CHAPTER I.—FRANCHISE

4. We now proceed to deal with the more important matters connected with the administration of municipal committees, local boards and district councils regarding which we consider any changes necessary.

The present franchise for municipal committees and district councils is set forth in Appendix C. With the franchise for the provincial legislature widened, a smaller electorate for local bodies would be an anomaly. The opinions received on this matter are varied but are overwhelmingly in favour of a lowering of the franchise. The trend of opinions seems to favour the adoption of adult franchise and one of our members has also suggested that advantage should be taken of the present occasion to make a beginning in the introduction of adult franchise by adopting it for municipal committees. We, however, do not think that the time has really arrived for making the experiment.

Next to adult franchise the general trend of opinion favours the adoption of the franchise for the provincial legislature (Appendix C) for local bodies as well. The administrative advantages of such a common electoral roll are obvious, not the least of which would be the avoidance of the duplication of labour and expense. In recent years there have also been many complaints about electoral rolls of municipal committees being prepared in a partisan spirit. After considering the matter carefully we are clearly of opinion that the balance of advantage would lie in the provincial franchise being adopted for municipal committees and local boards. The electoral rolls for the urban and rural constituencies of the provincial legislature can then be adopted for municipal committees and local boards, respectively. According to the present franchise the electorate is 246,000 in the urban and 431,000 in the rural areas, which works out to 16.3 per cent and 3 per cent of the population respectively. If the provincial franchise is adopted, the resultant electorate will be 271,000 in the urban and 1,265,000 in

Adult franchise not recommended. Adoption of franchise for the provincial legislature recommended.

the rural areas, or 17 per cent and 9 per cent respectively of the population. We are of opinion that the franchise for municipal committees and local boards need not be lower than this.

Supple-
mentary
electoral
rolls.

5. The adoption of the provincial franchise would mean the abolition of special constituencies in municipal committees [*vide* section 12 (2) of the Municipalities Act]; but we do not consider their retention necessary. The change will not, however, involve the disenfranchisement in urban areas of any class which exercises the franchise at present, but will disenfranchise certain classes of persons who are now voters for local boards. These would be tenants in Berar who now have the franchise under section 6 (1) (b) of the Local Self-Government Act, but have not been given the franchise for the new provincial legislature. We consider that they should not be deprived of their existing franchise and supplementary electoral rolls should therefore be prepared for them. The other classes would be persons with non-agricultural income of not less than Rs. 250 in the Central Provinces and Rs. 300 in Berar [section 6 (1) (c) of the Local Self-Government Act]. The number likely to be disenfranchised out of these classes will be very inconsiderable, and we leave it to the local Government to decide if any supplementary rolls will be necessary for them.

6. In order that the elections to local bodies and the provincial legislature may be synchronous, special regulation of the life of existing bodies will be necessary. Fresh elections may have to be directed in the case of bodies the term of which is about to expire, when the first elections to the provincial legislature take place. The life of bodies reconstituted on the eve of the first elections to the legislature may have to be extended till the second elections to it. We, however, leave it to the Government to decide how exactly the elections of local bodies should be timed to facilitate the adoption of a common roll.

Minimum
qualifica-
tions
for
member-
ship.

7. With the franchise widened still further we consider it necessary that certain minimum qualifications should be laid down for the membership of municipal committees, local boards and district councils. Voters should not be left free to become members irrespective of their status and education. The liability for surcharge

under the Local Fund Audit Act, makes such discrimination all the more necessary. We are agreed that candidates for membership of municipal committees, local boards and district councils should be literate, that is to say, be able to read and write their vernacular properly; and the majority of us also agree that they should not be less than 25 years of age. In addition, candidates for municipal committees should also pay some form of property or *haisiyat* tax, or if these taxes are not in force, any other tax subject to a minimum of Rs. 5. Similarly, candidates for local boards must also pay rent, revenue, cess, or rate, or have property or land, assessed or assessable to a tax, rent or revenue, as the case may be, of not less than Rs. 10. These property, taxation and literacy qualifications should not, however, apply to candidates for membership belonging to aboriginal tribes.

In this connection our attention has been drawn to the evils of the same person being a member of more than one local body at the same time. After considering the matter we are of opinion that there should be no bar to the same person being a member of more than one local body at the same time. It is, however, undesirable for the same person to be an office-bearer of more than one local body. He cannot be expected to do justice to the duties of both. We, therefore, think that this should be prohibited by statute.

Same person should not be office-bearer of more than one local body.

CHAPTER II.—CONSTITUTION

Constitution of district councils and local boards to be left unchanged.

8. We have examined carefully the desirability of making any alterations in the constitution of district councils and local boards and in their mutual relations. In particular we have examined the following two proposals :—

- (a) Should the district councils and local boards exist as at present and the former be constituted by direct election supplemented by selection from each local board area? or
- (b) Should smaller unitary bodies, each for the area of one or more of the existing local boards and constituted by direct election, be substituted for the existing district councils and local boards?

In this connection we have also considered the details of the Madras system under which local boards have been abolished.

The second proposal would be a marked departure from the lines which the organization of rural self-government has followed so far in our province. Several advantages are claimed for the change. At present the richer local board areas grudge their surplus income being spent on the deficit areas. The friction that occurs at present between local boards and district councils would be avoided. Greater local interest would be stimulated in the smaller bodies. The volume of work would also be more easily manageable and not out of proportion to the time and energy the office-bearers can afford. The administration of such bodies is therefore likely to be more efficient. Three of us are inclined to favour the proposal, particularly if the control of schools and roads is ever withdrawn from district councils. The opinion before us is, however, definitely opposed to the scheme which has serious disadvantages. The cadre of staff for such bodies would be smaller and therefore not so efficient, as the incentive to rise to the higher posts that exist at present will disappear. Overhead charges of the staff for civil works would be too heavy and this consideration itself makes the proposals somewhat impracticable. Opinion on the first proposal is divided.

9. After carefully considering the proposals and the evidence before us the majority of us is, therefore, of opinion that the present position should be left unchanged

although we agree that the mutual relations of local boards and district councils should be defined much more clearly in order that disputes and frictions may be reduced to the minimum.

Model byelaws exist for regulating the relations of local boards with district councils although very few district councils have adopted them. The majority of us are of the view that the provisions of these byelaws should be made mandatory by being embodied in rules and that Government should be given power to decide disputes between local boards and district councils, its decision being made final. Five of us are, however, strongly of opinion that this proposal should be subject to the following two general conditions :—

- (i) It should be made clear that the local boards are to act as statutory agents of the district councils and should only exercise such powers as may be delegated to them by the district councils.
- (ii) The ultimate control over any staff working under the local board should vest entirely in the district council.

10. We have been asked to suggest how adequate representation of the aboriginal tribes can be secured in district councils and local boards. After discussing the question fully our conclusion is that seats should be reserved for aboriginal tribes in local boards and district councils, particularly in areas where they predominate. Such seats should be filled by nomination to be made by the local Government. Nomination should not, however, be confined to members of the tribes but should extend to persons who have interested themselves in the uplift of these people, have acquired personal knowledge of their ways and needs and have won their confidence. We leave it to the local Government to decide whether any of the seats to be filled ordinarily by nomination are to be allotted to these tribes or additional seats should be created for them.

Representa-
tion of
aboriginal
tribes.

11. As a corollary to our recommendation for the adoption of the franchise of the provincial legislature, we think that the life of municipal committees, local boards and district councils should be five years instead of three as at present. The opinions received are also generally in favour of this. With the uncertainty incidental to the protracted process of election, selection and nomination,

The life of
local bodies
should be
five years.

office-bearers and members do not get a sufficiently long spell out of their present three years for quiet and unhampered work. A period of five years will ensure them sufficient leisure and security of tenure for constructive work and carrying through schemes of development. Two of us, however, favour the retention of the present period of three years.

Plural-member constituencies should be retained.

12. Although we have agreed that the electorate should be enlarged, we do not consider any increase in the present strength of the municipal committees, local boards and district councils necessary. In this connection we have also examined the question as to whether the constituencies for these bodies should be single-member or plural-member. The opinion before us is definitely against plural-member constituencies, and we see no justification for retaining them any longer. They may, however, have their use in isolated cases, particularly in municipal areas. The only exception we are inclined to make, therefore, is that the local Government should have power to create such constituencies in municipalities on the representation of the committees concerned, in order to provide against any special difficulties or anomalies.

Nomination should be retained as the most workable method of securing representation of minorities and unrepresented interests.

13. We have had protracted discussions on the desirability of retaining nomination as part of the system of the constitution of local bodies. We are agreed that the law must contain specific provision for the representation on local bodies of experts, minorities and any important interests which may be unrepresented. The only alternative to nomination that we can think of is the reservation of seats for such interests and provision for filling them by some sort of communal or sectional representation. We have carefully considered the *pros* and *cons* of the matter, and are decidedly of opinion that the evils and disadvantages of introducing communal representation in local bodies far outweigh such shortcomings as have been noticed in the system of nomination from time to time. The Government of India's resolution of 1918 stated :—

“As regards the special representation of minorities where this is necessary, the Government of India would prefer that this should be effected by retaining the practice of nomination rather than by introducing some system of communal or proportional representation.”

We are inclined to agree with this view, and are of opinion that the system of nomination should be continued as at present. We publish, as Appendix D to our report, the local Government's executive instructions laying down the general principles which are expected to be observed in making nominations. These principles commend themselves to us.

We are, however, of opinion that the proportion of nominated members should not exceed one-sixth of the total membership of municipal committees, local boards and district councils. This need not affect the existing percentage of their selected members. The surplus seats which this may leave in any body should be filled by election. Apart from experts, nominations should also be limited to such interests as remain actually unrepresented on any particular body. It will be for Government to decide what interests requiring representation remained unrepresented in any particular case. Nominated members must also possess the minimum qualifications that we have laid down for the membership of these bodies; but this restriction should not apply to persons belonging to any aboriginal tribes. We also think that nominations to local boards should be made by the Deputy Commissioner and not by the Commissioner as at present. As he is more in touch with local conditions, he is in a better position to make suitable nominations to these bodies. Nominations to other bodies should of course continue to be made by the local Government as at present. Nomination to municipal committees should follow selection as is the case with district councils at present.

14. The system of selection of a certain proportion of the members of local bodies should be retained, in order to secure a leaven of previous experience of Local Self-Government which is the object of selection. We are, however, of opinion that selection should be confined to persons who have been members or office-bearers of municipal committees of district councils for one term of such bodies. The persons to be selected must also have the minimum qualifications already laid down for members.

Selection should be confined to persons with previous experience of local bodies.

15. As regards office-bearers, we consider that persons who are not members of the local bodies concerned may also be eligible for election as presidents and vice-presidents. They must, however, have the minimum qualifications already laid down for members and must also

Non-members may be office-bearers of local bodies.

be resident in the area of the local body concerned in the sense explained in the present provisions of section 11 of the Municipalities Act and section 8 of the Local Self-Government Act.

Office-bearers and members should not be removable by simple majority.

16. The suggestion, that a simple majority instead of the majority of two-thirds prescribed in section 22 of the Municipalities Act, 1922, and section 17 of the Local Self-Government Act, 1920, should be sufficient for the removal of members and office-bearers, has been considered by us. In this connection the details of one or two recent cases of important municipal committees in the province have been placed before us. In these bodies deadlocks have been created off and on account of the president not having a stable majority. We are, however, unanimously of opinion that it would be unwise to make the tenure of office-bearers terminable by a simple majority. There is always the danger of an adverse vote resulting from "snap" voting and in particular no president can function properly if his tenure is made so precarious. The present provision requiring a two-thirds majority for the removal of office-bearers and members should, therefore, be retained.

Habitual absentee members should be automatically removed.

17. One great evil to which attention has been drawn year after year in the annual reviews of the working of local bodies is the prevalence of habitual absenteeism on the part of their members. During the last three years the average percentage of attendance in municipal committees and district councils has been 62.3 and 65 respectively. It is not necessary for us to make out at any length the desirability of ensuring that only such persons should enter the local bodies as are able to devote sufficient time and attention to their administration. Except in a few cases local bodies have not exercised their powers under section 22 of the Municipalities Act and section 17 of the Local Self-Government Act to deal with habitual absentees. After a full discussion of the matter we agree that some more effective provision is necessary for dealing with habitual absentees, and recommend that the Madras provision for their automatic removal should be adopted. Absence from three consecutive meetings should be sufficient ground for their removal. As in the case of defaulters under present section 22 (A) of the Municipalities Act, the Deputy Commissioner should be armed with the necessary powers to take action for the actual removal of such members and filling of the resulting vacancy. An

obligation should also be laid on the president to report absentees to the Deputy Commissioner for necessary action.

18. Another evil of which there have been widespread complaints in recent years is the prevalence of corrupt practices at elections to local bodies. A suggestion has been made that the rules relating to corrupt practices and other matters connected with the elections to the Legislative Council should be applied to elections to local bodies. We have carefully considered this suggestion and are unanimously of the view that this is not necessary at present. We, however, think that the offences of false personation, bribery and selling of voting papers at elections should be made cognizable by law.

Corrupt practices, Legislative Council rules need not be adopted.

19. Before leaving the subject of the constitution of local bodies there is one other matter which we must consider, namely, the most satisfactory and expeditious method of the decision of election disputes. The history of the machinery for the decision of election disputes has been rather chequered in our province. Until 1928 these disputes used to be decided by revenue officers after which the power to decide them was transferred to the civil courts. It was, however, found that the procedure of the civil courts was dilatory. We understand that in one or two cases the final decision of the disputes took nearly three years. It is not necessary to argue at length that speed is of the very essence of the procedure for the disposal of these disputes as otherwise the full reconstitution of local bodies is delayed unduly. In the year 1931 the decision of these disputes was, therefore, retransferred to revenue officers. The present rules allow for revisions by Commissioners and the local Government and delays have not thus been eliminated completely. Again, on account of the existence of political parties the decisions of the local Government on such disputes have not passed without adverse comment by the public. We are, therefore, of opinion that the power to decide election disputes should be vested in the District Judge or the Additional District Judge or a Subordinate Judge especially empowered by the local Government in that behalf. We are, however, unanimous that all such disputes must be decided as expeditiously as possible; and to this end we think that a special summary procedure should be prescribed by the statute. The decision of the District Judge, Additional District or Subordinate Judge, as the case may be, should also be made final by statute.

Decision of election disputes should be entrusted to District Judge, or Additional District Judge, or to a selected Subordinate Judge.

CHAPTER III.—STAFF

Measures
to ensure
security
of tenure to
staff of
local
bodies.

20. One of the most disquieting features in the working of local bodies in recent years has been the growth of party factiousness which has been carried to extremes in some cases in disregard of the public interest and the recognized canons of sound administration. The employees of these bodies have often been victims of such party factions and have been harassed or illtreated. We have, therefore, considered carefully what further steps should be taken to ensure the employees of local bodies security of tenure. In 1932 the Acts were amended providing for appeals to revenue officers against dismissal. There have been cases since then in which the necessity of appeal against lesser punishments has also been felt. We are unanimously of opinion that, as in the case of Government servants, provision should now be made for appeal against all forms of departmental punishment except censure of the staff of municipal committees and district councils. The control exercised at present by Government over certain specified officers should, of course, continue. We also think that provision should be made empowering the appellate authorities to modify the punishments already inflicted, should they consider it necessary. We understand that there have been cases in which dismissal has been considered by the appellate authorities to be too drastic but no suitable modification of the original orders could be made as the present law does not permit it. In this connection our attention has also been drawn to a number of cases in which local bodies have placed their specified officers under suspension for unduly long periods, obviously with the object of harassing them into submission. We are, therefore, unanimously of opinion that suspension for any period in excess of one month should, like dismissal, be subject to the previous approval of the local Government. We are also of opinion that the resignation of such specified officers should also be subject to the local Government's sanction. We consider it necessary to make such a recommendation, as cases have been brought to our notice in which the results of departmental enquiries were doubtful and undue pressure was brought to bear on employees to make them offer their resignation. Another step in the direction of improving the position of the staff would be to define more clearly the respective spheres of action of the important executive officers, like Secretary, Health Officer and Engineer, particularly the first, and to allot

to them certain duties of local bodies by a statutory provision. We leave it to the Government to determine these duties.

21. The most important suggestion made to us for improving the status of employees is that of the creation of a local bodies' public services commission. The advantages of entrusting the recruitment of any civil service to a properly constituted public services commission and consulting it regarding disciplinary action are now fully recognized and we do not consider it necessary to detail them here. We have discussed the proposal fully and are agreed that the establishment of such a commission for the services of the local bodies will be a step in the right direction. The Commission may be part-time or whole-time according to the volume of work. The commission should be composed of three members, *viz.*—

The establishment of a local bodies' public services commission is desirable.

- (1) An officer of the standing of a Deputy Commissioner with at least ten years' service as chairman; and
- (2) two non-official gentlemen to be appointed by Government as members.

The non-official members should have sufficient previous experience of the working of Local Self-Government Institutions. Under the reformed constitution a public service commission is to be set up for dealing with matters affecting the recruitment and disciplinary control of the various services of the local Government. The functions and duties of the commission we propose should be analogous to those of the Public Service Commission that the local Government sets up for its own services. Government would be in the best position to work out further details like the emoluments and tenure of the personnel of the commission. We, however, agree that the cost of the maintenance of the commission should be met by a proportionate levy from local bodies. The commission should deal with matters affecting the recruitment and disciplinary control of all staff other than menial staff. We want to add that in respect of appointments the commission should recommend a panel of names, wherever practicable, out of which the local body concerned should be at liberty to appoint whomsoever it chooses.

22. In view of the plea that we are putting in for improving their status and security of tenure, we also feel that a higher standard should be exacted from the staff.

Prescription of qualification for staff.

To this end suitable qualifications for the staff should be prescribed by rules, and Government should also have the power to make it obligatory on a local body to engage an efficient staff. In particular, all municipal committees with an annual income of one lakh of rupees or more should be required to appoint a chief executive officer and a health officer. In order that the staff of local bodies may be up to the higher standard that we are insisting on, it is necessary that facilities should also be provided for their proper training. Provision should therefore be made for the establishment of a training institution on the lines of the one that now exists in the Bombay Presidency. The cost of such an institution should be met out of contributions to be made by local bodies supplemented by grant from Government.

**Constitution
of staff into
provincial
cadre.**

23. Another suggestion made to us in this connection is that the staff of all the local bodies in the province should be constituted into a provincial cadre with provision for free transfers from one body to another. Cases have been brought to our notice in which employees whose past record had been otherwise good were victims of party politics. Very often all that is necessary for harmonious working in a case like this is a transfer of the officers concerned. We agree that a provision for transfer would be desirable, but recognize that such a proposal is not easily workable. At present the scales of pay adopted by different local bodies vary extremely widely, and it is difficult to make room for an employee of one body in another. Our Chairman has, however, pointed out that it may be possible to classify local bodies into, say, three classes according to their income and to lay down suitable uniform scales of pay for the employees of each class of local body. We are unable to make any more definite suggestions regarding it but consider that the Government should pursue the matter, and, subject to a workable scheme being drawn up, we agree that such a provincial cadre providing for the transfer of employees from one body to another is desirable. One of us, however, dissents from this view.

Our attention has also been drawn to an amending bill by which the Madras Government proposes to take power to transfer superior officers of one local body to another. We think the details of it should be obtained and if such a provision proves workable, it may be adopted by our Government.

CHAPTER IV. —GOVERNMENT CONTROL

24. We have considered carefully the subject of Government control of local bodies. The present provisions regarding Government control contained in sections 52 to 60 of the Municipalities Act and sections 60 to 66 of the Local Self-Government Act were based on the general principles laid down in the Government of India's Resolution of 1918. The Resolution stated—

Government
control.

“In view of the relaxations which are contemplated in respect of the powers of external control exercised by Government in respect of taxation, budgets, public works and local establishments, it might be expected that the powers of Government officials in respect of external intervention should, if altered at all, be altered in the direction of greater stringency But, as has been already remarked at the outset of this Resolution, the general principle before the Government of India is that, except in cases of really grave mismanagement, local bodies should be permitted to make mistakes and learn by them rather than be subjected to interference either from within or from outside Penal action from outside might in some cases be dispensed with if the Government took power to itself to dissolve a municipal committee or rural board and require a fresh election before making use of the more drastic powers conferred on it by the legislature.”

Examining the matter in the light of these general principles we feel that in practice the powers of control have been used so rarely that they do not have a sufficiently deterrent effect on the local bodies. Since the present Acts came into force, there have been only four cases of dissolution and two cases of supersession of local bodies while the powers to require local bodies to perform important duties in which they default (*vide* section 55 of the Municipalities and section 63 of the Local Self-Government Act) are not also exercised frequently enough. This has engendered an impression that Government would not actually intervene until and unless

maladministration in a local body has reached the very last stage. We, therefore, consider that in all cases in which the advice and remonstrance of Government in respect of neglect of duties, abuse of power or maladministration are not heeded, the existing powers of control should be used without undue delay. If specific defaults in duty or abuses of power are dealt with expeditiously and effectively under these powers the extreme steps of dissolution and supersession may not be necessary. If used more expeditiously and with less hesitation we consider the existing powers of control sufficient for the present.

Local Government should have power of intervention short of dissolution or supersession.

25. It has been brought to our notice, however, that there have been cases of genuine neglect of duty or abuse of power on the part of local bodies which could not be dealt with under the present provisions. There are cases of general mismanagement which cannot be resolved into specific acts of neglect or abuse and to which the provisions of section 55 of the Municipalities Act and section 63 of the Local Self-Government Act cannot therefore be readily applied. The use of dissolution or supersession for dealing with them may be regarded as too drastic. We have considered such cases and find that the scope of section 53 of the Municipalities Act and section 61 of the Local Self-Government Act should be slightly amplified. The local Government should have also some further power of intervention short of dissolution and supersession which should be reserved for extreme cases. The opinions received are also definitely in favour of some such provision. We append two amendments (Appendix E) drafted on the lines of existing provisions in the Madras and Punjab Acts. One of these only amplifies the provisions of sub-section (1) of section 53 of the Municipalities Act and section 61 of the Local Self-Government Act and the other will enable Government to deal with cases of maladministration to which those sections cannot be readily applied.

Power to enforce compliance with Government orders.

26. There have been cases in which local bodies have refused to comply with orders passed by the local Government under the provisions of the existing law and it has been found that there is no provision in the Acts to enable Government to enforce its orders. The difficulty has been felt particularly in cases in which local bodies have refused to re-employ dismissed members of the staff who have been re-instated on appeal. The

opinions received are definitely in favour of adequate provision being made to enforce such orders of Government. The amendment passed at the last session of the Legislative Council will partly remove the lacuna in the law. We have also seen the Bill pending before the Legislative Council to make Government's powers explicit in the matter and consider that these two amendments together ought to enable Government to deal with cases of non-compliance.

27. There has been some criticism of the local Government exercising the power of reviewing its orders. We have examined the matter and think that the local Government's powers of revision and review under these Acts should be defined explicitly as in the Land Revenue Act.

Government's
power of
revision
or review.

28. Before leaving the subject of Government control we would like to emphasize that Government is one and indivisible and that the authority exercised by local bodies (i) over certain localities, and (ii) in certain specified matters, is a delegated authority. While local bodies may exercise full autonomy in the conduct of the affairs entrusted to them, it should always be remembered that a local body is after all a part of a greater whole, *viz.*, the province. There must, therefore, be some higher and impartial authority to intervene when any local body ignores the fundamental canons of sound administration or sacrifices in any other way the interests of the people of their respective areas. Our system has vested this controlling power in the local Government acting through the Minister responsible to the legislature.

CHAPTER V.—TAXATION

Additional source of taxation. Essential services should be made self-supporting.

29. As regards fresh taxation, the only suggestion we have to make is that local bodies may be given the power to impose an entertainment tax. We find that in 59 municipal committees the cost of services like conservancy and water-supply exceeds the receipts under these heads. Repeated advice from Government to raise the cost of these amenities from those who benefit from them has not met with satisfactory response. We, therefore, consider that Government should take power to compel municipal committees to make services like conservancy, water-supply and lighting self-supporting. Such taxes should not, however, exceed the expenditure on the services in any case. No indirect tax should be allowed to be imposed before all services are made self-supporting. The other suggestion that we want to make is that district councils should be given powers analogous to those contained in Chapter XIX of the Municipalities Act in respect of their taxes.

Provincialization of taxes.

30. A suggestion has been made to us that Government should undertake the responsibility for collecting all terminal taxes through the railways and apportioning the proceeds amongst local bodies on a basis which may be acceptable to them. This would prevent the diversion of trade from one area to another which is now an incident of the varying rates of terminal taxes in force in different local bodies. The majority of the Committee are doubtful whether a scheme like this is at all workable, but agree that Government should explore the possibility of assessing and recovering terminal tax on a provincial basis as suggested.

CHAPTER VI.—SYSTEM OF AUDIT

31. The local Fund Audit Act came into force with effect from the 8th April 1933 and applies to transactions occurring since the 8th October 1932. It is, therefore, too early to make any observations on the working of the Act. A suggestion has been made to us that if as a safeguard against possible surcharge any local body desires to have its accounts pre-audited, facilities for such pre-audit should be provided by Government. We can see no objection to such facilities being provided but consider that the local body should bear the cost of the pre-audit. The ordinary staff of the local audit department cannot be expected to undertake this work. One of us however thinks that such pre-audit should be made by Government free of cost.

32. It has been urged before us that efforts for the removal of irregularities pointed out in audit notes and for securing compliance with other directions contained in them have been treated with persistent indifference by certain local bodies. As a result a large number of very old objections is outstanding. We are told that temporary withholding of Government grants from the more intransigent bodies has brought about some improvement in this respect during the last two or three years.

A fuller knowledge of the provisions and implications of the Local Fund Audit Act will no doubt act as a deterrent on financial irregularities, but we agree that it is essential to make some effective provision for the removal of audit objections. The opinions received definitely support this view. After examining all the suggestions, our unanimous recommendation is that, if this cannot be done under the provisions of present section 55 of the Municipalities Act and section 63 of the Local Self-Government Act, Government should take power to get audit objections removed and the audit note complied with at the cost of the local body concerned. Such cost should also be surcharged against those responsible for failure to comply with the audit notes in time; and if necessary, provision should be made for this.

CHAPTER VII.—PRIMARY EDUCATION

The management and control of primary education should be transferred to independent school boards.

33. It has been urged before us that the administration of primary education both by municipal committees and district councils is in a very unsatisfactory condition. The emoluments of the teachers which are already meagre have been further affected by the imposition of cuts which amount to 33 per cent in certain cases. In some bodies even the reduced salaries are in arrears for months at a stretch. The frequent transfer of district council teachers on a very large scale has assumed the form of a public evil and the dislocation this causes in the teaching and general working of schools can be easily imagined. The services of teachers have been utilized for purposes other than their legitimate duties. The position of the education department of Government is more or less advisory. It is therefore unable to take effective action for remedying this state of things and arresting the deterioration that has set in in the schools. These causes coupled with the prevailing financial stringency are also standing in the way of any appreciable expansion of schools. It has therefore been suggested to us that in order to place the whole system of primary education on a satisfactory basis the management, control and administration of primary education should be transferred from local bodies to independent school boards. Such boards should be given power to raise the necessary funds by transferring to them the power to levy cesses for educational purposes which now vests in the local bodies.

34. This proposal has been discussed by us at great length and our views on the details of it are rather divergent. The total expenditure incurred by local bodies on primary education at present much exceeds the yield of such receipts as are intended for education. On account of the present fluctuations in their income local bodies may not be able to allot the same percentage of their income for education. They may have to re-adjust their budgets and appropriate for other more urgent objects money which they are now able to spend on education. Some of us therefore consider the proposal impracticable. If however it does not deprive the local bodies of any share of their revenues in excess of what is now raised specifically for meeting the cost of education, we are in favour of the proposal to establish independent school

boards to take over the management and control of education. These sources for raising funds for education are the school rate, such part of the cess as is intended for education, Government grants, fees, fines, etc., in the case of district councils and fees, fines, etc., and Government grants in the case of municipal committees. As no other municipal revenues can be said to be raised specifically for education it will be necessary to transfer to the proposed board such proportionate share of municipal income as may be considered reasonable. For raising funds in excess of the proceeds of these sources the proposed board must be given independent powers of taxation. We understand that in the Bengal and Madras Presidencies primary education has been entrusted to such independent school boards.

These recommendations are approved by all but one of us.

There should be one board for each district consisting of 10 to 12 members. Roughly the constitution of the board should be as follows :—

Constitution of the boards.

- (1) The chairman of the district council (in the case of districts like Hoshangabad, the chairmen of both district councils).
- (2) The president of the headquarters municipality.
- (3) The Deputy Commissioner or his nominee, being an official not below the rank of that of an Extra-Assistant Commissioner.
- (4) The Inspector or Assistant Inspector of Schools.
- (5) The Senior Deputy Inspector of Schools.
- (6) Two representatives to be selected by all the other municipal committees jointly.
- (7) Two representatives of the district council.
- (8) Three persons nominated by Government to represent special interests like the depressed classes, women, or other minority interests.

The establishment of sub-divisional boards for large sub-divisions like Damoh, Narsinghpur and Seoni may also be considered in view of the existence of independent district councils for these areas.

We also consider that a provincial board may be established to co-ordinate the activities of the district boards. A provincial board can also undertake more suitably the imposition of additional taxation.

The proposal affects a very important matter. With the material before us we do not desire to make any more detailed recommendations about it. Before any such scheme is undertaken a more authoritative and thorough examination of its financial aspects must, however, be made and other details worked out.

Existing school boards should be re-organized.

35. Pending the adoption of any general scheme for improving the administration of primary education we consider some re-organization of existing school boards necessary. The *ex-officio* members should be the chairman of the district council and all the deputy inspectors of schools, the senior deputy inspector acting as its secretary. The rest should be elected as at present. The total strength of the board should not ordinarily be less than 7 and more than 10 members. Members of school boards need not necessarily be members of the council and should have passed at least the vernacular middle school or any other equivalent examination. The board should be elected every fifth year and the chairman of the district council should be the chairman of the board. The school board should exercise independent powers in matters concerning the internal administration of vernacular schools. The district council may lay down general principles and define its policy in regard to primary education, but it should be made impossible for it to interfere with the details of administration.

The provision of the model byelaws, which give almost complete powers to the school board, should be made mandatory. At present, these byelaws are not accepted *in toto* by district councils.

All the provisions regarding the reconstitution of the school board should be embodied in the Act.

CHAPTER VIII.—MINOR MATTERS AND SUBSIDIARY
AMENDMENTS TO ACTS

36. Certain minor matters affecting the administration of municipal committees, local boards and district councils have been placed before us for consideration. We state below our recommendations regarding these :—

Minor matters affecting administration of municipal committees, local boards and district councils.

(i) Under the provisions of section 27 of the Municipalities Act a municipal committee may delegate its powers to its president. In order to be able to deal with emergent matters without having to lose time in consulting the municipal committee or without being fettered by the possibility of being overruled by it after the event, the president of a municipal committee should have the following executive powers vested in him by statute :—

- (a) The powers of the committee under sections 90 (a), 91, 99 (1), 103, 110, 164, 177 (3), 218 and 219 of the Act ;
- (b) the power to stop the execution of any work which he considers *ultra vires*, provided that he shall report his action to the Deputy Commissioner forthwith ; and
- (c) the power to sanction prosecution for any offence under the municipal law and to incur the necessary expenditure for conducting it.

We also recommend that similar independent powers should be vested in the chairman of the district council and leave it to the local Government to decide, in consultation with district councils, what these powers should be.

(ii) A lawyer member of a local body should be debarred completely from appearing in law suits either for or against the local body concerned ; but there should be no objection to his appearing in such suits on behalf of the local body without charging any fees.

(iii) It has been represented to us that local bodies do not care to make suitable byelaws in respect of many important matters regarding which model byelaws have been framed by Government. We think that local bodies should be given a maximum time, say of six months, and three reminders during that period, to adopt such model

byelaws with modifications, if any, to suit local conditions. A provision should be made that in case of failure to do so, within the time allotted, model byelaws should apply automatically to the local body concerned with such modifications as the local Government may consider necessary to suit local conditions.

(iv) Instances have been brought to our notice in which rival parties in the same local body have held separate meetings of their own or in which office-bearers have held or dissolved meetings against the wishes of the majority of the members of the local body. We are unanimously of the opinion that a clear provision should be made to meet such contingencies in the conduct of the business of local bodies and the illegality of these practices placed beyond doubt. A provision should also be made in rules requiring that a meeting should wait at least for 15 minutes after the appointed time before it is declared adjourned.

(v) It has been suggested to us that the advice and assistance of the engineering and medical staff of the Government should be made available to local bodies for the investigation and execution of schemes of town planning, drainage, water-supply, medical relief and public health and other works of public utility. Government's obligation in such matters is not clear at present, and we think that such advice and assistance should be made available preferably free of cost.

(vi) We are told that well-thought-out schemes of development like drainage, water-supply, widening of streets and general town improvement, roads, schools, hospitals and dispensaries have often been abandoned half finished by incoming municipal committees or district councils. This is obviously most undesirable as the expenditure already incurred by the outgoing body turns out to be a waste in many cases. We have carefully considered this matter and our conclusion is that the postponement or discontinuance of a development scheme once commenced should require the local Government's sanction. Such a provision need, however, be made only in respect of schemes costing Rs. 5,000 or more.

(vii) The resignation of office-bearers of municipal committees, local boards and district councils may be accepted by the Deputy Commissioner.

(viii) Section 9 of the Municipalities Act should be redrafted as follows and section 67 of the Local Self-Government Act should also be recast on the lines of this revised section :—

“If the circumstances of any municipality are such that in the opinion of the local Government, any provision of this Act is unsuited thereto, the local Government may, by notification—

- (a) withdraw the operation of that provision from the municipality,
- (b) apply that provision to the municipality in a modified form to be specified in such notification,
- (c) make any additional provision for the municipality in respect of the matter mentioned in the provision which has been withdrawn from, or applied in a modified form to, the municipality.

(ix) The existing provision regarding the reconsideration of decisions of local bodies causes practical difficulty, particularly when such reconsideration is suggested by Government in the light of new facts and considerations urged by it. All restrictions on the reconsideration of any decision at the request of the local Government should, therefore, be removed.

(x) Applications for entering in the electoral rolls any names that have been omitted should be exempt from court fee stamp.

37. We have also the following minor recommendations to make about district councils :—

Minor recommendations about district councils.

(i) Areas included in military cantonments, municipal committees or notified area committees should be excluded from the district council area even for the purpose specified in the present section 7 of the Local Self-Government Act.

(ii) District councils should be relieved of the obligation to maintain veterinary dispensaries in towns which are the headquarters of districts and residential subdivisions (like Narsinghpur, etc., in the Central Provinces and Khamgaon, etc., in Berar). The maintenance of veterinary dispensaries in such municipal areas should be made one of the obligatory duties of the municipal committees.

(iii) Our opinion has been invited on the suggestion to make the suspension or remission of cesses compulsory in cases in which Government grants suspension or remission of land revenue. In view of the importance of cesses as a source of the income of district councils, the majority of us is of opinion that no such provision should be made.

(iv) We are told that there have been cases in which the rights of district councils in public markets vested in them under section 23 of the Local Self-Government Act have been infringed by the proprietors of the land occupied by these markets and it has been suggested that some penal provision should be made in the Local Self-Government Act to prevent such interference with these rights. We understand that the local Government is already examining the matter. We agree that the legal position should be made clear.

Minor
amend-
ments to
municipal
law.

38. We consider that the municipal law requires the following minor amendments :—

(i) Under rules 4 and 5 of municipal electoral rules, claims and objections in respect of electoral rolls of municipal committees are now heard by the office-bearers. In recent years there have been widespread complaints that partisan spirit has been shown in the preparation of these rolls. We have carefully considered this matter and are of opinion that the present procedure is unsatisfactory and the power to hear all claims and objections should be vested in the Deputy Commissioner or his assistants. The necessity for any such provision will, of course, disappear in future with the adoption for local bodies of the franchise for the provincial legislature.

(ii) A clear provision, corresponding to section 69 of the Local Self-Government Act, should be made in the Municipalities Act prohibiting a member from voting on, or taking part in the discussion of, any matter in which he has directly or indirectly any pecuniary interest.

(iii) A provision, corresponding to section 46 of the Local Self-Government Act, should also be made laying down that an officer or servant should not be interested in any contract or bargain with the municipal committee.

(iv) There should be one set of provident fund rules applicable to all municipal committees as is the case with district councils. One of us, however, desires to point out that the percentage of contributions made by the different municipal committees is not uniform and this may create practical difficulties.

(v) It has been brought to our notice that there is at present a slight inconsistency between sections 66 (5) and 69 of the Municipalities Act. We think that section 69 should be redrafted providing for the local Government's sanction being obtained to any exemption from the haisiyat and terminal taxes.

(vi) Under the haisiyat tax rules the maximum amount payable on Government property comes to Rs. 120 or Rs. 240, while on the rental basis as laid down in section 74 it is comparatively larger. We think that section 74 should be amended providing that the assessment should not be more than what it would be if ordinary haisiyat tax were imposed.

(vii) The provisions of sections 78 and 79, and of Chapter XIX of the Municipalities Act should be extended to the recovery of all kinds of municipal dues other than taxes.

(viii) We have been asked whether section 83 (1) of the Municipalities Act should not be amended so that appeals against assessment may be heard by a special officer or by the civil courts. We are definitely opposed to these appeals being entrusted to the civil courts, and as under the present law Government can appoint a special officer to hear such appeals, we do not consider that any amendment is necessary.

(ix) Practical difficulty has been experienced for want of a provision in section 29 of the Municipalities Act for establishing a joint board irrespective of the wishes of the municipal committees. We think that a provision should be made empowering Government to appoint a board in such cases.

(x) No alienation or diversion of lands acquired by municipal committees for specific purposes should be permitted without the local Government's sanction.

(xi) The imposition of tolls on vehicles, which are ordinarily kept within municipal limits and pay the internal vehicle tax, causes hardship. Such vehicles should be exempted from any toll tax.

(xii) A provision is necessary for the punctual crediting of the proportionate share of each local body in the proceeds of octroi or other taxes jointly recovered for more than one local body.

(xiii) It should be made compulsory for municipal committees to have periodical analysis made of their water.

(xiv) Sections 93 and 94 of the Municipalities Act should be suitably amended making it obligatory on municipal committees to have proved encroachments on streets, sewers and drains removed. A general tightening up of the law relating to encroachments is also necessary. We, however, think that there is risk of municipal committees getting involved in litigation as a result of the unintentional infringement of private rights. Subject to proper safeguards being provided against such contingencies, we leave it to Government to make such amendments in the law regarding encroachment as are calculated to achieve this object.

(xv) Section 156 should be amended authorizing municipal committees to have a medical examination made of persons suspected of suffering from any infectious disease.

(xvi) We are in favour of the general principle that power should be vested in the municipal committee and its executive and medical officers to enable them to combat more effectively infectious diseases and offensive or dangerous trades. Provisions on the basis of section 141 of the Punjab Municipal Act, 1911, will be suitable.

(xvii) There have been many cases in recent times of extensions of municipal towns taking place in a haphazard manner without any reference to the future growth of the town and without due regard to the provision for roads, drainage and water-supply. The recent committee appointed by Government for drawing up a scheme of improvement for the Nagpur town has drawn pointed attention to this. We are definitely of opinion that the municipal committee should be given statutory power to compel the owners of private lands within their limits to build over it only in accordance with a lay-out approved by the committee. We understand that the legal position is doubtful at present and consider it essential to make the municipal committees' powers clear in this matter.

(xviii) As regards notified area committees, we consider that a provision should be made for the nomination of candidates standing for election. The present system of calling upon the electorate to vote for some out of a large number of candidates is unsatisfactory. The system of voting by ballot should also be extended to elections to these bodies.

PART III.—VILLAGE PANCHAYATS

39. The subject of village panchayats was reviewed by a committee in 1926, most of the recommendations of which were accepted by Government. Government's present policy in regard to village panchayats is based on these recommendations. Apart from the amendments made in pursuance of the recommendations of the committee, seven amending bills have been before the Legislative Council with regard to this Act.

The most important question on which we have been called upon to express our views in connection with village panchayats is what steps should be taken to induce them to assume administrative functions on a much larger scale. The panchayats have shown a persistent disinclination for undertaking administrative duties. The suggestion has been made to us that the present policy of first investing them with judicial and criminal powers should be reconsidered and the grant of these powers should be made conditional on the panchayats showing definite capacity for administrative work. We understand that Government at present confers enhanced judicial powers on panchayats which show some progress in administrative work. We have considered the matter exhaustively and commend the suggestion that panchayats should be started with criminal and judicial powers but some time should be given them to undertake administrative work on penalty of those powers being withdrawn. The time limit should be the first full panchayat year. If by the end of the full one year it has not undertaken administrative duties, its judicial and criminal powers should be withdrawn, unless good reasons are shown for failure to undertake them.

40. The other important question affecting the administration of panchayats which has provoked strong difference of opinion amongst us is what exactly should be their relations with district councils particularly in respect of a proper division of functions and allotment of finances. Our recommendation is that it should be made compulsory for village panchayats to undertake within their limits, (1) conservancy and sanitation; (2) the construction and maintenance of roads and

(3) the maintenance and improvement of water-supply. Selected panchayats should also be allowed to undertake the management of markets, cattle-pounds and ferry ghats. In order to enable them to meet the cost of such works the district councils should transfer to the village panchayats 10 per cent of the cesses recovered from the areas of these panchayats and such percentage of the income from markets, cattle registration, cattle-pounds, ferry ghats, etc., in the panchayat areas as may be commensurate with the services rendered by the panchayats, subject to a minimum of 25 per cent of the income from these sources.

Minor matters affecting village panchayats.

41. We have also to make the following recommendations in regard to certain minor matters affecting village panchayats :—

(i) A provision should be made for the removal of members of panchayats who are in arrears of taxes. The Deputy Commissioner should be empowered to take necessary action for the removal of members in such cases and for filling the resulting vacancies.

(ii) A village bench or court should be debarred from taking cognizance of cases or suits in which any member is directly interested.

(iii) The Deputy Commissioner should be empowered to suspend any order or resolution of the panchayat if it is contrary to law or is likely to cause injury or annoyance to the public or to any class or body of persons or to lead to a breach of the peace. Such a provision already exists in the Municipalities and Local Self-Government Acts.

Measures to ensure progress of village panchayats.

42. It has been brought to our notice that their limited resources and disinclination to incur the odium of imposing taxation have obstructed the progress of the village panchayats. We have considered the remedies suggested for improving this state of things but do not agree that the imposition of taxation by panchayats should be made compulsory yet. A provision should, however, be made that taxes may be paid in the shape of personal service. We understand that villagers may be more ready to contribute their share towards village development by rendering personal service. We may, however, add that on principle the cost of village conservancy and sanitation should always be met from local taxation.

43. At present there is no obligation on village panchayats to prepare an annual budget. We consider such a provision necessary. The budgets of village panchayats should be submitted to the district council for approval and the district council should return them within a specified time, say, two months after the receipt thereof. If they are not actually returned duly sanctioned within that time, the district council's sanction should be presumed. We also consider that the accounts of all panchayats should be audited. The district councils should arrange for, and bear the cost of, this audit.

Compulsory provision for preparation of budgets by village panchayats.

PART IV.—VILLAGE SANITATION PANCHAYATS

44. As regards village sanitation panchayats, the most important question that we have thought necessary to consider is whether it is desirable to continue the present Village Sanitation and Public Management Act. After the passing of the Village Panchayat Act and with the establishment of so many as 948 panchayats in the province the continuance of a different provision for maintaining similar institutions may be said to be unnecessary. As we favour a policy of setting up some local body for every village we are against the wholesale abolition of existing village sanitation panchayats without any substitute being provided for them. We understand that the desirability of repealing the Act was considered by Government in 1923 and again in 1926 by the village panchayat committee. The conclusion then was that the Act should not be repealed as there was no compulsory provision under which any other local body could be substituted for existing village sanitation panchayats. As a matter of policy, however, no new village sanitation panchayats have been established since then. As a result of this policy the number of village sanitation panchayats in the province has been reduced from 137 to 77. After considering the matter we are of opinion that this policy need not be altered. Efforts should be continued for replacing existing village sanitation panchayats by notified area committees or village panchayats and no new village sanitation panchayat should be established. The question of repealing the Act may be taken up later on when the process of replacing village sanitation panchayats by other local bodies has made further progress.

Desirability of continuing the Village Sanitation and Public Management Act, 1920.

45. We have also to make the following minor recommendations regarding village sanitation panchayats :—

Minor recommendations regarding village sanitation panchayats.

(i) Election by ballot should be introduced in village sanitation panchayats of villages with a population of 5,000 or more.

(ii) Applications for entering in the voters' list names which have been omitted through the patwari's mistake should be exempt from the court-fee stamp.

(iii) Village sanitation panchayats should be permitted to farm out the right to collect market dues, provided proper safeguards are laid down regarding the rates at which dues should be recovered.

(iv) Arrears of dues from market contractors should be made recoverable as arrears of land revenue.

(v) We are told that new notified area committees or village panchayats which replace existing village sanitation panchayats often inherit large arrears of taxes left unrecovered by the sanitation panchayat. Provision is necessary to enable the new local body to recover such arrears by a summary procedure.

(vi) The Deputy Commissioner should be given power to suspend or cancel any order or resolution of the village sanitation panchayat on the lines of section 53 of the Municipalities Act.

(vii) The majority of us are similarly of opinion that the Deputy Commissioner should also be given power to order and enforce the execution of any work or performance of any duty in the interest of the public of the place on the lines of section 54 of the Municipalities Act.

(viii) The secretary or other officer of a sanitation panchayat need not necessarily be a member of it.

(ix) We have been asked whether sanitation panchayats should have the power to make contributions out of their funds for expenditure on any object even outside their limits. We are definitely against any such power being given to sanitation panchayats.

SUMMARY OF IMPORTANT RECOMMENDATIONS MUNICIPALITIES, LOCAL BOARDS AND DISTRICT COUNCILS

FRANCHISE

1. The franchise for the new provincial legislature should be adopted for municipalities and local boards; it should, however, be supplemented by the inclusion of any considerable class of people who exercise the franchise for local bodies but have not been given the franchise for the new provincial legislature. (Paragraphs 4 and 5.)

2. The candidates for membership should possess certain higher qualifications than voters, except in the case of aboriginal tribes. (Paragraph 7.)

CONSTITUTION

3. No person should be allowed to be an office-bearer of more than one local body at the same time. (Paragraph 7.)

4. The provisions of all existing model byelaws regulating the relations of local boards and district councils should be embodied in rules. (Paragraph 9.)

5. Seats for aboriginal tribes should be reserved in local boards and district councils and filled by nomination, particularly in areas where they predominate. (Paragraph 10.)

6. The life of a local body should be five years. (Paragraph 11.)

7. Plural-member constituencies should be abolished in all local bodies except in such municipalities where the local Government finds any special necessity for them. (Paragraph 12.)

8. Nomination should be continued, but (i) its proportion should not exceed 1/6th of the total membership of a local body; (ii) it should be confined to experts, minorities and unrepresented interests; (iii) except in the case of aboriginal tribes, persons nominated should have the minimum qualifications of a candidate for membership; (iv) the nomination should be made by the Deputy

Commissioner to local boards and by the local Government to other bodies; (v) nomination to municipal committees should follow selection as is now the case with district councils. (Paragraph 13.)

9. Selection should be retained, but should be confined to persons who have been office-bearers or members of municipal committees, local boards or district councils, for not less than three years. Persons selected must possess the minimum qualifications prescribed for candidates for membership. (Paragraph 14.)

10. Non-members may be office-bearers of local bodies. (Paragraph 15.)

11. Habitual absentee members should be removed automatically. (Paragraph 17.)

12. Offences of false personation, bribery and selling of voting papers at elections should be made cognizable. (Paragraph 18.)

13. The power of deciding election disputes should be vested in the district judge, additional district judge or a selected subordinate judge, whose decision should be final, and a summary procedure should be made compulsory. (Paragraph 19.)

STAFF

14. There should be an appeal against all forms of departmental punishment except censure. (Paragraph 20.)

15. Certain duties of local bodies should be allotted by statute to their executive officers. (Paragraph 20.)

16. Suspension in excess of one month and resignation of specified officers should be subject to Government's sanction. (Paragraph 20.)

17. The establishment of a local bodies services commission is desirable. (Paragraph 21.)

18. Suitable qualifications for the staff of local bodies should be prescribed by rules. (Paragraph 22.)

19. Government should have power to compel a local body to appoint efficient staff. (Paragraph 22.)

20. An institute for the training of the staff of local bodies should be established on the lines of the one in the Bombay Presidency. (Paragraph 22.)

21. The proposal to constitute the staff of all local bodies into a provincial cadre is not easily workable but should be further examined. (Paragraph 23.)

GOVERNMENT CONTROL

22. The Deputy Commissioner should be empowered to suspend any resolution of a municipal committee or district council if he considers it *ultra vires*: amplification of section 53 of the Municipalities Act and section 61 of the Local Self-Government Act recommended. (Paragraph 25.)

23. Government should have some power of disciplinary action against the municipal committee and district council short of dissolution or supersession amendment of the Act suggested. (Paragraph 25.)

24. Adequate provision should be made to enforce compliance with Government's orders passed under the Acts. (Paragraph 26.)

25. The local Government's power of revision and review under the Municipalities and Local Self-Government Acts should be defined clearly as in the Land Revenue Act. (Paragraph 27.)

TAXATION

26. Municipal committees and district councils may be given the power to impose an entertainment tax. (Paragraph 29.)

27. Government should have power to compel a municipal committee to make services like conservancy, water-supply and lighting self-supporting. (Paragraph 29.)

28. No indirect taxation should be allowed to be imposed before all services are made self-supporting. (Paragraph 29.)

29. District councils should be given powers analogous to those contained in chapter XIX of the Municipalities Act in respect of their own taxes. (Paragraph 29.)

SYSTEM OF AUDIT

30. Facilities for pre-audit should be allowed on payment to such local bodies as demand them. (Paragraph 31.)

31. Government should have power to get audit objections removed and audit note complied with at the cost of the local body concerned. Provision should also be made for surcharging such cost against those responsible for failure to comply with the audit note. (Paragraph 32.)

PRIMARY EDUCATION

32. The management, control and administration of primary education should be transferred from local bodies to independent school boards of which one should be constituted for each district. (Paragraph 33.)

MINOR MATTERS AND SUBSIDIARY AMENDMENTS TO ACTS

33. Certain minor recommendations regarding municipal committees, local boards and district councils made. (Paragraph 36.)

34. Certain minor recommendations regarding district councils made. (Paragraph 37.)

35. A number of miscellaneous amendments to the municipal law suggested. (Paragraph 38.)

VILLAGE PANCHAYATS

36. A panchayat should be started with judicial and criminal powers but a time limit of full one year from the date of establishment should be given to it to undertake administrative work on penalty of its judicial and criminal powers being withdrawn. (Paragraph 39.)

37. Certain duties should be made obligatory on village panchayats and certain duties may be transferred to them: a certain percentage of the district council's income from panchayat areas should be allotted to panchayats. (Paragraph 40.)

38. Certain minor recommendations regarding village panchayats made. (Paragraph 41.)

VILLAGE SANITATION PANCHAYATS

39. No new village sanitation panchayats should be established and the replacement of village sanitation panchayats by notified area committees or village panchayats should be encouraged. (Paragraph 44.)

40. Certain minor recommendations regarding village sanitation panchayats made. (Paragraph 45.)

B. G. KHAPARDE.
 M. M. MULLNA,
 M. P. KOLHE.
 *R. A. KANITKAR.
 DWARKANATH SINGH.
 U. S. PATIL.
 M. SAMIULLAH KHAN.
 C. R. HEMEON.
 W. H. SHOOBERT.
 R. N. BANERJEE.
 *K. P. PANDE.
 *J. L. VERMA.
 SYED MOBINUR RAHMAN.

* Signed subject to supplementary notes attached.

Supplementary note of Mr. R. A. Kanitkar, M.L.C.

I wish to add that the committee had agreed that no village should be without arrangements for sanitation either by a village panchayat, or under mukaddam rules in Central Provinces or under rules under Berar Land Revenue Code in Berar. It had also agreed that the Local Self-Government Act should have a definite provision with regard to the duties of the district council towards panchayats established in its jurisdiction. —

R. A. KANITKAR,

The 4th December 1935.

Supplementary note of Mr. J. L. Verma, M.L.C.

I sign the report subject to following observations :—

- (a) I have not been able to see eye to eye with my colleagues on the committee, regarding the manner in which Government control is proposed to be exercised in future. Realizing that there are a few local bodies where administration is not up to the mark, there is hardly any justification for making laws more stringent.
- (b) Transference of primary education from local bodies to other boards may lead to further transference of other works such as public health, roads and buildings to similar boards. The process will ultimately result in reducing the local bodies to mere village panchayats.
- (c) To expect local bodies to carry on their administration efficiently without proper control over their staff is to expect something impossible from them.

J. L. VERMA,

The 10th December 1935,

Supplementary note of Mr. K. P. Pande, M.L.C.

The recommendation of the report that primary education be entrusted to district and provincial boards appears to be re-actionary and retrograde but in the present deplorable state of primary education there is no other course open to us. Government has been treating primary education in a most niggardly manner. Grants to local bodies have not been increased. On the contrary they have been reduced by 20 per cent. Since 1921 progress has been backwards so far as such grants are concerned. The present ones are the lowest on the record. While the expenditure of other departments has been steadily going up, the educational grants have been going down from year to year.

The results of this step-motherly treatment are as under :—

The school buildings are collapsing for want of repairs and they are being closed.

The salaries of primary school teachers have been subjected to drastic cuts by the local bodies of the province.

The above is a very sad commentary on the educational policy of Government.

I am not in favour of district boards. They will perpetuate all the evils which are rampant in the local bodies in the worst form. The provincial board will be able to cope with the work.

In every advanced country primary education is being looked after by the State. Let the Central Provinces Government also accept that responsibility.

In view of the fact that the Government has committed itself to accept responsibility for extension of primary education, I am inclined to accept the sound recommendation which should be thoroughly examined before it is given effect to.

K. P. PANDE.

The 10th December 1935.

APPENDIX A

[Referred to in paragraph 1]

NOTIFICATION

Nagpur, the 11th May 1935.

No. 3452-103-M-VIII.—In pursuance of the assurance given in the Legislative Council on the 30th January 1935, the Government of the Central Provinces (Ministry of Local Self-Government) has decided to appoint a committee of the following members :—

Chairman.

The Hon'ble Mr. B. G. Khaparde, Minister for Education,

Members.

Khan Bahadur M. M. Mullna, M.L.C.,

Mr. Mobinur Rahman, M.L.C.,

Mr. M. P. Kolhe, M.L.C.,

Mr. R. A. Kanitkar, M.L.C.,

Mr. K. P. Pande, M.L.C.,

Mr. Jhunnilal Verma, M.L.C.,

Raj Bahadur Dadu Dwarkanath Singh, M.L.C.,

Rao Sahib Uttamrao Sitaramji Patil, M.L.C.,

Mr. Samiullah Khan, President, Municipal Committee,
Nagpur,

Mr. C. R. Hemeon, I.C.S.,

Mr. W. H. Shoobert, I.C.S.,

Mr. R. N. Banerjee, I.C.S. (also Secretary to the Committee),
to examine the whole structure of Local Self-Government in the province and make recommendations for its reconstruction where necessary, with special reference to the following matters concerning local bodies :—

1. Franchise.
2. Constitution.
3. Staff.
4. Government control
5. Taxation.
6. The system of audit.

By order of the Government
(Ministry of Local Self-Government),

R. N. BANERJEE,
*Revenue Secretary to Government,
Central Provinces.*

APPENDIX B

[Referred to in paragraph 2.]

LOCAL SELF-GOVERNMENT COMMITTEE

NOTIFICATION

Nagpur, the 18th July 1935.

No. 4731-103-M-VIII.—The following questionnaire has been issued by the Local Self-Government Committee appointed by the Government of the Central Provinces (Ministry of Local Self-Government), by notification No. 3452-103-M-VIII, dated the 11th May 1935. All replies to the questionnaire or to any parts of it should be sent to the undersigned not later than the 31st August 1935* :—

R. N. BANERJEE,

Secretary,

Local Self-Government Committee.

QUESTIONNAIRE

MUNICIPALITIES AND DISTRICT COUNCILS

FRANCHISE

1. What should be the franchise for the general electorate? Do you suggest its modification for liberalizing it in the case of women and the Scheduled Castes?

2. Should any minimum educational qualification be prescribed for voters, and, if so, should it be relaxed in any way in the case of the depressed and backward classes and women?

3. Should the qualifications for voters and members vary? If so, how?

4. Should the franchise for the provincial legislature be accepted for municipal committees and local boards?

CONSTITUTION

5. Should a person be prohibited from being a member of more than one local body at the same time?

*This was subsequently extended to the 15th September 1935 by Notification No. 5608-VIII, dated the 12th August 1935.

6. Should the constituencies be single member or plural member ones?

7. Should the present strength of municipal committees and district councils be increased with the enlargement of the electorate?

8. In order to maintain continuity of policy, should retirement of members by rotation be introduced in the local bodies in place of their entire renewal at stated period as at present?

9. What should be the life of a local body—three or five years?

10. Should a statutory obligation be imposed on all voters to attend the poll to record their votes except for valid and good reason? Would you suggest any penalty for the breach of such obligation?

11. Should nomination be continued or abolished? If the former, should a nominated member possess voters' qualifications, and if the latter, what provision should be made to safeguard the interests of minorities?

12. Should selection be retained or abolished; and if the former, should it be made by means of single transferable vote system?

13. Is it necessary that an official should preside at meetings of the various local bodies for the election of their office-bearers?

14. Should the definition of "residence" in section 11 of the Municipalities Act and section 8 of the Local Self-Government Act, be extended to section 18 of the Municipalities Act and section 11 of the Local Self-Government Act?

15. Should the president or vice-president be elected (1) only from the members or (2) outsiders? If the latter, must the outsider possess a voter's qualification?

16. Should vice-presidents be elected by ordinary method of election, or by means of single transferable vote?

17. Should a maximum period be prescribed during which all proceedings from the preparation of electoral rolls to the election of office-bearers must be completed?

18. What should be the machinery for the decision of election disputes? Have you any suggestions to make to expedite these decisions?

19. Should the Legislative Council Rules with regard to disputes, corrupt practices and other matters be made applicable to the local bodies?

20. Should offences in connection with elections to local bodies be made cognizable?

21. How should habitual absentees be dealt with?

22. Should a simple majority instead of the present two-thirds be considered sufficient for the removal of office-bearers and members?

23. Should the powers of the local Government to remove office-bearers and members be enlarged in any way? Should, for example, the local Government have power to remove a member or office-bearer for neglect of duty, incompetence or misconduct, or take any other disciplinary action against him on its own initiative?

24. Need resignation of the president or vice-president be accepted by the local Government or should the Deputy Commissioner be empowered to accept it?

25. In view of the general complaint that office-bearers of municipal committees show partisan spirit in the preparation of electoral rolls, should the power of deciding claims and objections preferred under the electoral rules be withdrawn altogether from the president and vice-president and transferred to an official to be appointed by the Deputy Commissioner for the purpose or to some special revising authority whose decision should be final?

26. Have you any other suggestions to make for the modification of the constitution of municipal committees and district councils?

STAFF

27. What further steps are necessary to ensure employees security of tenure?

28. (a) Should a "Local Bodies Services Commission" on the lines of the "Public Service Commission" be established?

(b) What powers and duties should be entrusted to such a commission?

(c) What should be its constitution?

29. Should the staff of all local bodies be constituted into a provincial cadre with free transfers from one municipal committee and district council to another or from one local body to another?

30. Should there be an appeal against all forms of departmental punishment except censure?

31. Should suitable qualifications for the staff be prescribed by rules?

32. Should the Government have power to compel a local body to engage an efficient and sufficient staff?

33. Should a Local Self-Government institute on the lines of the one in the Bombay Presidency be established for the training of the staff of local bodies?

34. Should certain duties of local bodies be entrusted to their executive officers by statutory provision?

35. What are your views on the following matters concerning the officers and servants specified in the proviso (i) to section 25 (1) of the Municipalities Act and proviso (iii) to section 45 (1) of the Local Self-Government Act:—

(a) Should the Government control their appointment, dismissal and remuneration as at present? If so, what should be their position as regards appeals against the orders of their dismissal passed by local bodies and confirmed by the Government and should the Government have power to order lesser punishment than dismissal under section 25 (5) of the Municipalities Act and section 45 (3) of the Local Self-Government Act?

(b) If the control is not to be exercised by the Government in whom should it vest?

(c) Should the control which under the proviso to section 25 (1) of the Municipalities Act and proviso (iii) to section 45 (1) of the Local Self-Government Act is at present confined to appointment, dismissal and remuneration be further extended? For example, should suspension and resignation also be subject to such control?

GOVERNMENT CONTROL

36. Should provision be made for any disciplinary action against local bodies short of dissolution or supersession?

37. Should the Deputy Commissioner or Commissioner have power under section 53 of the Municipalities Act and section 61 of the Local Self-Government Act to suspend any resolution of a committee and council if he considers it *ultra vires*?

38. Have you any suggestions to make with regard to the powers vested in the Deputy Commissioner and the Commissioner under section 53 of the Municipalities Act or section 61 of the Local Self-Government Act?

39. Should the powers of revision under section 58 of the Municipalities Act and section 65 of the Local Self-Government Act and of review be defined clearly as in the Land Revenue Act?

40. What provision should be made to enable the Government to enforce compliance with its orders passed under the Municipalities Act and Local Self-Government Act?

41. Should Government take general power to condone irregularities committed by local bodies?

TAXATION

42. Should the local bodies' power of taxation be extended? If so, what fresh sources of taxation would you suggest?

43. Should the Government be empowered to compel local bodies to levy certain taxes for discharging their essential duties? If so, what taxes should be made compulsory?

44. The tendency to raise income from indirect taxation has been too common in recent years. Is this justifiable and are any further restrictions necessary on the imposition of indirect taxation?

45. In view of the fact that different taxes are levied by different bodies which result in diversion of trade from one area to another, is it desirable that certain taxes be levied on a provincial basis?

46. Which taxes should be thus provincialized in this manner?

47. Should there be a clear provision that taxation and byelaws cannot have retrospective effect?

48. Should the procedure for the collection of taxes be simplified in any way in order that it may be prompt and economical? If so, how?

MISCELLANEOUS

49. Outgoing local bodies are often very lavish (a) in expenditure, and (b) in giving promotion to the staff. What safeguards should be provided against this?

50. Should a lawyer member of a local body be debarred from appearing in cases either for or against the local body?

51. Should there be one Act and one set of rules for local bodies of all kinds as is the case in Madras?

52. It has been suggested that section 9 of the Municipalities Act should be re-drafted as follows and that section 67 of the Local Self-Government Act should be recast on the lines of this revised section :—

“If the circumstances of any municipality are such that, in the opinion of the local Government, any provision of this Act is unsuited thereto, the local Government may, by notification—

- (a) withdraw the operation of that provision from the municipality,
- (b) apply that provision to the municipality in a modified form to be specified in such notification,
- (c) make any additional provision for the municipality in respect of the matter mentioned in the provision which has been withdrawn from, or applied in a modified form to, the municipality.”

53. Should a clear provision be made empowering local bodies to authorize the vice-president to perform any of the functions and duties of the president when the latter refuses to perform it?

54. Should there be a fixed time by which the local bodies might adopt byelaws?

55. (i) Do you think that time has come when local bodies, specially the municipalities should undertake secondary or higher education for the boys in their area?

(ii) If so, have you got any scheme to suggest for the same?

56. Do you consider it advisable to regulate and supervise the system of primary and middle school education in the Central Provinces on the same lines as high school education?

57. (i) Is it a fact that the efficiency of the administration of local bodies in this province is deteriorating on account of party politics?

(ii) If so, what are your suggestions for counteracting this evil?

58. Do you think that the district councils and the municipalities should be empowered only to lay down the general policy of administration and the execution thereof be left to the Chief Officer or the Secretary of these bodies, as is the case with corporations of the presidency towns?

59. Should the following bodies be treated as institutions of Local Self-Government?—

- (a) sanitataion committees under mukaddam rules in Central Provinces;
- (b) sanitation committees established under Berar Land Revenue Code (section 194);
- (c) various market committees; and
- (d) plateau committees.

60. If so, what should be their relation with the larger bodies within the jurisdiction of which they lie? Is it advisable to allow these bodies to take over some of the functions of the larger bodies? If so, what functions should these be?

61. There have been numerous instances in which rival parties have held separate meetings of their own or where office-bearers have held or dissolved meetings against the wishes of the majority. In view of this, should not a more definite provision be made in the Act or the rules for the conduct of business?

62. Cases have come to notice in which office-bearers have entered into shady transactions which were not held to be contracts within the meaning of section 45. In view of this, should the scope of section 45 of the Municipalities Act and section 75 of the Local Self-Government Act be widened?

63. Need investments in Government securities be subject to Government's sanction [section 62, (3) of the Municipalities Act and section 54 (3) of the Local Self-Government Act]?

64. Should the advice of the expert engineering and medical staff of the Government be made available to local bodies in matters relating to town planning, drainage, water works and medical relief, etc.?

AUDIT

65. Have any serious defects or difficulties come to notice so far in the working of the Local Fund Audit Act?

66. With a view to avoiding recurrence of mistakes should the Government auditors audit the accounts of local bodies every month as is done in the co-operative banks?

67. Should facilities of pre-audit be allowed to such local bodies as demand them on payment?

68. Local bodies have been extremely negligent and dilatory in taking action on audit notes. How can proper and punctual compliance with audit notes be enforced?

PRIMARY EDUCATION

69. In order to place the whole system of primary education on a satisfactory basis, do you consider it advisable to transfer the management, control and administration of primary education from local bodies to independent school boards of which one should be continued for each district of the province? If so, what should be the constitution of such boards?

70. As the proposed district school boards will have no powers of taxation, do you consider it advisable to raise, by legislation, the necessary funds for the purpose by means of a special education rate or cess on property, income, etc., in order to provide for future educational progress? If so, how much? In that case should not the powers of local bodies to raise cesses for the same purpose cease?

AMENDMENT OF THE ACT

71. Are any other consequential and minor amendments considered necessary in the present law?

MUNICIPALITIES

CONSTITUTION

72. Should there be special constituencies apart from those provided in section 12 (2) of the Municipalities Act?

73. Should there be a clear provision corresponding to section 69 of the Local Self-Government Act prohibiting a member from voting or taking part in the discussion of any matter in which he had directly or indirectly any pecuniary interest?

STAFF

74. Should there be a provision corresponding to section 46 of the Local Self-Government Act laying down that an officer or servant should not be interested in any bargain or contract with the committee?

75. Should there be one set of provident fund rules applicable to all municipal committees as in the case of district councils?

76. Should a municipal committee with an income of Rs. 50,000 or more be compelled to engage a chief executive officer and a health officer? If so, what statutory powers should be given to such officers?

77. Should there be statutory powers assigned to the Executive Officer in respect of appointment, dismissal, punishment, control of the executive and performance of certain functions of the municipal committee?

TAXATION

78. So far as the haisiyat and terminal taxes are concerned should not sections 66 (5) and 69 be reconciled by requiring local Government's sanction to any exemption under the latter?

79. Is section 74 necessary at all? Under the haisiyat tax rules the maximum amount payable by Government comes to Rs. 120 or Rs. 240 while on rental basis it is comparatively larger?

80. Should the provisions of sections 78 and 79 and of Chapter XIX of the Municipalities Act, be also extended to the recovery of all kinds of municipal dues other than taxes?

81. Should section 83 (1) of the Central Provinces Municipalities Act, 1922, be amended so that appeals against assessment may go to a special officer or to a civil court?

MISCELLANEOUS

82. In the case of a dispute between two bodies should the local Government have the power of appointing a joint board irrespective of the wishes of the municipal committees (section 29) to get the matter decided?

83. Need any restriction be imposed on the municipal committee's power to alienate lands acquired for a specific purpose (section 40)?

84. Should not persons paying internal vehicle tax under section 66 (1) (c) be exempted from toll tax under section 66 (1) (d)?

85. Should the 5 per cent basis fixed under section 73 (a) for rental purposes be reduced in view of the present financial depression? If so, by how much?

86. Should provision be made to secure the punctual crediting of the proceeds of octroi and any other taxes shared by two or more local bodies?

87. Should a specific provision be made for compulsory analysis of water every year?

88. Should section 156 be amended to authorize a municipal committee to make a medical examination of persons suspected to be suffering from any infectious diseases?

89. Should the scope of section 212 be extended to make it obligatory on the head of the patient's family, occupier of the building, authorities of hospitals, jails, schools, etc., to notify the existence of infectious diseases in any dwelling, hospital, jail, school, etc.?

90. What alterations, if any, do the provisions under Chapter XI require?

In particular—

(i) Should the word "shall" be substituted for the word "may" at the end of the second line of sub-section (2) of section 93 and at the end of the first line of sub-section (2) of section 94 of the Municipalities Act?

(ii) In view of the general tendency of committees to condone encroachments, should the law relating to the summary removal of such encroachments be made more definite and drastic?

91. What summary powers should be vested in the committee or its executive and medical officer (where there is one) to combat infectious diseases or offensive or dangerous trades?

92. Should the municipal committee be given the power to compel the owners of private land within the municipal area to build over it only in accordance with a lay-out approved by the committee?

93. Should not the committee be compelled to fix certain percentages of expenditure in relation to its income on duties such as—

- (a) Primary education;
- (b) Roads including acquisitions;
- (c) Drainage;
- (d) Sanitation?

94. When a committee adopts any scheme for widening of streets, drainage or other improvements and starts it, should it not be compelled to make progressive provisions till the scheme is completed before it adopts any other scheme?

95. In view of the fact that considerable income is derived by municipal committees from rural areas specially from grain markets, is it desirable that the municipal committees should be made to contribute under the Act some portion of their income for the maintenance of roads in rural areas?

NOTIFIED AREA COMMITTEES

96. Should the principle of nomination of candidates standing for election be introduced in the case of notified areas?

97. Should the system of voting by ballot be extended to these areas?

DISTRICT COUNCILS

CONSTITUTION

98. Is any alteration in the constitution of district councils considered necessary? In particular, what are your views on the following two suggestions:—

(a) Should district councils and local boards exist as at present and the former constituted by direct election supplemented by selection from each local board area, or

(b) Should smaller unitary bodies, each for the area of one or more of the existing local boards and constituted by direct election, be substituted for the existing district councils and local boards?

99. Should the local areas included in a military cantonment or a municipality or a notified area be excluded from the district council areas even for the purpose specified in section 7 of the Local Self-Government Act?

100. How should the adequate representation of the aboriginal tribes in district councils and local boards be secured?

101. Should nominated members be allowed to take part in the selection of members of the district council?

102. What are your views on the following matters regarding the school boards of district councils:—

(a) total number of members;

(b) the proportion of *ex-officio* to elected members;

(c) qualification of members;

(d) extent to which they should be independent of the control of the district council?

103. Should the school committees be elected every third year and should they be allowed to elect their own chairman?

104. In order to keep the district councils in touch with the affairs of local boards, is it desirable that the chairman of the latter should be made *ex-officio* member of the district council?

STAFF

105. Is it desirable that principles regulating the transfer of teachers should be embodied in rules provided under the Act?

MATTERS TO BE ADMINISTERED BY DISTRICT COUNCILS

106. What should be the relation between the district councils and village panchayats in respect of the matters specified in section 21, so far as the areas within the limits of the latter bodies are concerned?

FAIRS

107. What should be the powers of district councils in respect of fairs and how should their relations with Government in respect thereof be regulated?

RELATIONS OF LOCAL BOARDS TO DISTRICT COUNCILS

108. If the present form of constitution is retained, what suggestions have you to make to ensure the proper regulation of the relations of district councils and local boards?

TAXATION

109. Should suspension or remission of cesses be compulsory in cases in which Government grants suspension or remission of land revenue on account of general crop failure?

MISCELLANEOUS

110. (i) Should the district councils maintain veterinary dispensaries in the municipal areas?

(ii) Should it not be made a statutory duty of the municipal committees to maintain them?

111. Is it desirable that there should be a statutory definition of the principles on which the district council should allot funds to local boards?

112. Should a board of communication be established for each division to look after village roads and other public works?

113. (i) All district councils have not enough work to make it economical for them to maintain a full Public Works Department staff. In view of this should a Building and Road Construction Board or only Road Construction Board be set up for each division to effect economies and increase efficiency?

(ii) If so, what should be the constitution of such a board? Should the local Government have any nominees on such boards even though Government works are not transferred to the district councils within the area of the boards?

114. There is no penal provision in the Local Self-Government Act to deal with the infringement of the rights vested in the district council by section 23 regarding public markets; and the district council's only remedy is to file a civil suit against those responsible for such infringement. Do you consider that such a provision should be inserted in the Act?

VILLAGE PANCHAYATS

CONSTITUTION

115. Is it desirable to adopt the system of election by ballot in the case of panchayats?

116. Should a provision be made to nominate suitable persons to seats remaining unfilled in the general elections?

117. Should there be a provision for the removal of panchas for non-payment of taxes and misconduct?

POWERS

118. Panchayats have shown a persistent disinclination for undertaking administrative duties. Should the present policy of first investing them with judicial and criminal powers be reconsidered and the grant of these powers be made conditional on the panchayats showing capacity for administrative work?

119. Under sub-section (2) of section 18 of the Village Panchayat Act the local Government can direct that any village bench may take cognizance of any or of all the offences mentioned in the sub-section. But there is no provision similar to section 18 (1) (iii) enabling the local Government to withdraw from a village bench the power to take cognizance of any or all of these offences. Is such a provision necessary?

120. What suggestions have you to make for the proper regulation of the relations of village panchayats with district councils?

121. Should a panchayat be debarred from taking cognizance of cases and suits in which a panch is directly or indirectly interested?

CONTROL

122. Should the Deputy Commissioner be empowered to suspend any order or resolution of a panchayat if it is contrary to law or is likely to cause injury or annoyance to the public or to any class or body or persons or to lead to a breach of peace?

GENERAL

123. Is it a fact that their limited resources and disinclination to incur the odium of taxation have obstructed the progress and healthy working of panchayats? If so, what steps should be taken to remedy this state of things?

124. What sources of income of the district council should be transferred to panchayats and on what conditions?

125. What powers should be given to district councils to control the expenditure of such income?

126. There is no compulsory provision for the preparation of budget. Is such provision necessary?

AUDIT

127. Do you consider an audit of the accounts of village panchayats necessary? If so, what should be the agency for this audit and how should the cost of the audit be met?

VILLAGE SANITATION PANCHAYATS

CONSTITUTION

128. Should the Village Sanitation and Public Management Act be repealed entirely?

129. Should election by ballot be substituted for the existing system of election to sanitation panchayats?

130. Are any alterations necessary in the qualifications of a voter or a candidate for membership?

131. Should an application for entering a name in the voters' list from which it has been omitted through patwari's mistake be exempt from the court-fee stamp?

132. Under rule 5 (2) of the rules under the Village Sanitation and Public Management Act, a sanitation panchayat's member is required to obtain leave of absence from the panchayat. Will it not suffice if the member simply gives an intimation of his absence to the chairman?

TAXATION

133. Should the panchayat have power to farm out to contractors the right to collect market dues?

134. Should the amount due from a market contractor be made recoverable as an arrear of land revenue?

135. Is not a provision necessary in the Act to enable the local body that replaces a sanitation panchayat to recover the arrears of taxes left unrecovered by the sanitation panchayat?

CONTROL

136. Should the Deputy Commissioner have power to suspend or cancel any order or resolution of the village sanitation panchayat?

137. Should the Deputy Commissioner have power to order and enforce the execution of any work or performance of any duty in the interests of the public of the place?

STAFF

138. Should the secretary or other officer of a sanitation panchayat be appointed only from amongst its members?

GENERAL

139. Should the sanitation panchayat have power to make a contribution from its funds for expenditure on any object even outside its limits?

APPENDIX C

[Referred to in paragraph 4.]

The present qualifications are as follows :—

MUNICIPALITIES

(1) Residence in the town for not less than 180 days during the calendar year preceding that in which the election is to be held subject to the following additional qualifications.

(2) Persons in receipt of annual income of generally not less than Rs. 120 in the Central Provinces or Rs. 240 in Berar.

NOTES.—(i) In some municipal committees an annual income of Rs. 100 qualifies.

(ii) The manager of a joint Hindu family is deemed to be in receipt of its total income.

(3) Persons residing within the limits of the municipality and assessed to municipal taxes of an annual amount not less than Rs. 2 of any kind.

NOTE.—In a few municipal committees the limit is lower.

(4) Persons owning house property within the limits of a municipality of an annual letting value of not less than Rs. 60 or such less amount as may be fixed by rules under the Act.

(5) Women possessing literacy or educational qualifications of a standard to be prescribed by rules.

2. In addition there are special constituencies such as the graduates' constituency in the Nagpur municipality for which special qualifications are prescribed.

LOCAL BOARDS

The qualifications of electors in the Central Provinces and Berar are as follows :—

(1) The following persons are qualified as voters for purposes of electing the representatives of a circle :—

(a) All persons holding in such circle land in proprietary right.

(b) Tenants paying an annual rent in respect of land situated in each circle of an amount which varies from Rs. 10 to Rs. 25 in the Central Provinces and from Rs. 15 to Rs. 25 in Berar.

(c) Persons possessing an annual income, derived in such circles from sources other than agriculture of not less than Rs. 250 in the Central Provinces and Rs. 300 in Berar.

(d) Persons paying the special school rate under section 50, Local Self-Government Act, by reason of their occupying houses, buildings or lands in such circle, of an amount determined by Government. This has been fixed at Rs. 3 in Berar and at any amount in the Central Provinces. This qualification is in force in Berar and in the following districts in the Central Provinces :—

Nagpur, Chhindwara, Raipur, Bilaspur and Jubbulpore.

FRANCHISE FOR THE CENTRAL PROVINCES
LEGISLATIVE ASSEMBLY

EXTRACT FROM PART VIII OF SIXTH SCHEDULE TO THE GOVERNMENT OF INDIA ACT OF 1935

* * * *

Qualifications dependent upon taxation

2. Subject to the provisions of Part I of this Schedule and to any overriding provisions of this Part of this Schedule, a person shall be qualified to be included in the electoral roll for territorial constituency if in the previous financial year he either—

- (a) was assessed to income-tax; or
- (b) was, in an urban area in the province in which a municipal tax based on *haisiyat* is imposed, assessed to such a tax on a *haisiyat* of not less than seventy-five rupees.

Qualifications dependent on property, etc.

3. Subject as aforesaid, a person shall also be qualified to be included in the electoral roll of a territorial constituency if he either—

- (a) holds, in the Central Provinces, as a proprietor or *thekadar*, an estate or *mahal* the land revenue or *kamil-jama* of which is not less than two rupees; or
- (b) holds, in the Central Provinces, as proprietor or *thekadar* in proprietary right, *sir* land or *khudkasht*, or, as *malik-makbuza*, *raiyat* or tenant, agricultural land, being *sir* land or *khudkasht* or agricultural land the assessed or assessable land revenue or the rent of which is not less than two rupees; or
- (c) holds, in Berar, in other than tenancy right, agricultural land of which the assessed or assessable land revenue is not less than two rupees; or
- (d) is, in an urban area in the province, the owner or tenant of a building, the annual rental value of which is not less than six rupees; or
- (e) is a *watandar patel* or a *watandar patwari* holding office, or a registered *deshmukh* or *deshpandia* or a *lambardar*.

Educational qualification

4. Subject as aforesaid, a person shall also be qualified to be included in the electoral roll for any territorial constituency if he is proved, in the prescribed manner, to have passed an examination which qualified for admission to a course of study for a degree of the Nagpur University, or an examination prescribed as at least equivalent thereto, or, if it is so prescribed, any other prescribed examination not lower than a final middle school examination :

Provided that, in relation to a constituency in Berar, the foregoing provisions of this paragraph shall be deemed to be complied with in relation to any person if he is proved in the prescribed manner to have passed any examination in the State of Hyderabad prescribed as at least equivalent to an examination the passing of which qualifies persons under those provisions.

Qualification by reason of service in His Majesty's forces and the forces of His Exalted Highness the Nizam of Hyderabad

5. (1) Subject as aforesaid, a person shall be qualified to be included in the electoral roll for any territorial constituency if he is a retired, pensioned or discharged officer, non-commissioned officer or soldier of His Majesty's regular military forces.

(2) Subject as aforesaid, a person shall also be qualified to be included in the electoral roll for any territorial constituency in Berar if he is a retired, pensioned or discharged officer, non-commissioned officer or soldier of the regular forces of His Exalted Highness the Nizam of Hyderabad, or a retired, pensioned or discharged officer or man of the Hyderabad State Police.

Additional qualification for women

6. (1) Subject as aforesaid, a person who is a woman shall also be qualified to be included in the electoral roll for any territorial constituency—

(a) if she is the pensioned widow or pensioned mother of a person who was an officer, non-commissioned officer or soldier of His Majesty's regular military forces;

(b) if she is proved in the prescribed manner to be literate or to be the holder of a primary school certificate; or

(c) if her husband possesses the qualifications requisite for the purposes of this paragraph.

(2) Subject as aforesaid, a person who is a woman shall also be qualified to be included in the electoral roll for any territorial constituency in Berar if she is the pensioned widow or pensioned mother of a person who was an officer, non-commissioned officer or soldier of the regular forces of His Exalted Highness the Nizam of Hyderabad, or an officer or man of the Hyderabad State Police.

7. (1) A husband shall be deemed to possess the qualifications requisite for the purposes of the last preceding paragraph if he either—

(a) is a retired, pensioned or discharged officer, non-commissioned officer or soldier of His Majesty's regular military forces; or

(b) holds, in the Central Provinces, as a proprietor or thekadar, an estate or mahal the land revenue or kamil jama of which is not less than thirty-five rupees; or

- (c) holds, in the Central Provinces, as a proprietor or thekadar in proprietary right *sir* land or khudkasht or as a malik-makbuza, raiyat or tenant, agricultural land, being *sir* land, khudkasht or agricultural land, the assessed or assessable land revenue or rent of which is not less than thirty-five rupees; or
- (d) holds, in Berar, in other than tenancy right, agricultural land of which the assessed or assessable land revenue is not less than thirty-five rupees; or
- (e) is, in an urban area, the owner or tenant of a building of which the annual rental value is not less than thirty-six rupees;
- (f) was, in an urban area in which a municipal tax based on *haisiyat* is imposed, assessed in the previous financial year to such a tax on a *haisiyat* of not less than four hundred rupees.

(2) In relation to any territorial constituency in Berar, a husband shall also be deemed to possess the qualifications requisite for the purposes of the last preceding paragraph if he is a retired, pensioned or discharged officer, non-commissioned officer or soldier of the regular forces of His Exalted Highness the Nizam of Hyderabad, or a retired, pensioned or discharged officer or man of the Hyderabad State Police.

Additional qualification for members of scheduled castes

8. Subject as aforesaid, a member of a scheduled caste shall also be qualified to be included in the electoral roll for any territorial constituency if he is a kotwar, a jaglia, or a village mahar holding office.

Application necessary for enrolment in certain cases

9. No person shall, by virtue of paragraph 4 of this Part of this Schedule, or by virtue of being a pensioned widow or mother or of being literate or the holder of a primary school certificate, or of being the wife of an officer, non-commissioned officer, soldier or man of any force, be included in the electoral roll for any territorial constituency unless application is made in the prescribed manner by him or, if it is so prescribed, on his behalf, that he should be so included.

* * * *

APPENDIX D

[Referred to in paragraph 13.]

No. C-1121-569-VIII

GOVERNMENT OF THE CENTRAL PROVINCES LOCAL SELF-GOVERNMENT DEPARTMENT

FROM

N. J. ROUGHTON, ESQ., I.C.S.,
FINANCIAL SECRETARY TO GOVERNMENT,
Central Provinces,

TO

ALL COMMISSIONERS OF DIVISIONS,
Central Provinces and Berar.

Pachmarhi, the 11th June 1928.

SUBJECT.—*Nomination by Government of members to
municipal committees.*

SIR,

The orders at present in force regarding the nomination by Government of members to municipal committees are contained in Government of the Central Provinces (Local Self-Government Department) letters No. 1588-636-VIII, dated the 27th June 1924, and No. 2600-1450-VIII, dated the 2nd August 1925, to the addresses of the Commissioners, Central Provinces, and the Commissioner, Berar, respectively, and in letter No. 568-A-VIII, dated the 23rd August 1921, to all Commissioners. The first two letters lay down that it is desirable that the Civil Surgeon should be nominated as a member of all municipalities situated at district headquarters, and that an officer of the Public Works Department should be nominated to all municipal committees which have taken over the management of their own water works. The third letter communicated to Commissioners a resolution passed by the Legislative Council on the 10th August 1921, after being accepted by Government to the effect that Government should nominate suitable persons belonging to the untouchable classes on the local bodies and representative institutions where nominations were permissible. Recently Government has had these orders under consideration, and has decided to restate them in the light of the experience gained since they were issued. In so far, therefore, as municipal committees are concerned, nominations should be proposed in future in accordance with the orders contained in this letter.

2. In the first place Government desires to make it clear that it will use the power of nomination conferred upon it, first as a means of increasing the efficiency of a committee by the addition of members possessing technical qualifications or specialized experience, and secondly in order to rectify, as far as is practicable, inequalities in representation resulting from any system of election. In particular, in the present state of the

development of the province, Government feels that it owes a special duty to secure due representation of women, of the so-called depressed classes, and of unrepresented but important communities or interests. The making of nominations in the interest of efficiency postulates that the member nominated should be able to devote an adequate portion of his time to municipal affairs. Government has decided, therefore, ordinarily not to nominate anyone who is already a member of a local body. This condition should be borne in mind when recommendations are being made.

3. The policy of Government as regards the nomination of officials has not undergone any serious alteration. As before, officials should not be regarded as debarred from nomination. Indeed, the assistance and advice of officials, whether in active service or retired, of the Educational, Medical and Engineering Departments, may well prove valuable to municipalities. At the same time Government will no longer prescribe that certain officers shall be nominated to particular committees by virtue of their office. In future officials will be nominated by name and it will be left to Commissioners to use their discretion about recommending them in each case. In this connection it should be borne in mind that only such officials should be members of committees as will have the tact not to get themselves mixed up with party factions. In particular they should not recommend with a view to swaying the balance in the choice of municipal office-bearers.

4. There remains the question of the machinery of recommendations to be employed. Under present conditions responsibility for nominations rests with the Government, and if only the same number of candidates is proposed by Commissioners as there are vacancies to be filled, delay is caused when any doubt arises. It has also been found that official correspondence about the merits of candidates leads to heart-burnings and disappointments, which it is desirable on all grounds to avoid. Government has decided, therefore, that in the first instance recommendations shall be made demi-officially under confidential cover, and that a panel of names from which a final choice can be made shall be submitted. When the nominations to be made are three or more in number, twice as many names should be included in the panel; when the nominations are two or less, the panel should contain three times as many names. Only when Government has come to a conclusion shall the names selected be submitted officially, and it is only at this stage that it will be proper for local officers to sound individuals about their willingness to serve.

5. Separate instructions will be issued in due course about nominations to be made to district councils.

I have the honour to be,

Sir,

Your most obedient servant,

N. J. ROUGHTON,

Financial Secretary.

No. 3952-1745-VIII
GOVERNMENT OF THE CENTRAL PROVINCES
LOCAL SELF-GOVERNMENT DEPARTMENT

FROM

H. C. GREENFIELD, ESQ., I.C.S.,
REVENUE SECRETARY TO GOVERNMENT,
Central Provinces,

TO

ALL COMMISSIONERS OF DIVISIONS,
Central Provinces and Berar.

Nagpur, the 15th August 1928.

SUBJECT.—*Nomination by Government of members to
District Councils and Local Boards.*

SIR,

I am directed by the Government of the Central Provinces (Ministry of Local Self-Government) to refer to letter No. C-1121-569-VIII, dated the 11th June 1928, on the subject of the nomination by Government of members of Municipal Committees. It is stated in that letter that instructions will issue in due course regarding nominations to District Councils.

2. The principles on which the orders of Government are based regarding nominations to municipalities apply in general to nominations to District Councils and Local Boards. Government will use the power of nomination, firstly, to increase the efficiency of the local body by the addition of members possessing technical qualifications or specialized experience, and, secondly, to rectify as far as is possible the inequalities of representation which are inseparable from any system of election. In particular Government recognizes the obligation already accepted in the case of municipalities to secure the representation of women and the so-called depressed classes and of unrepresented but important communities or interests. The nomination of Government officials to District Councils and Local Boards is prohibited by section 10 (b) of the Local Self-Government Act, and nominated members possessing technical qualifications or specialized experience will therefore have to be sought amongst the non-official public.

3. The principle applied to municipalities that persons already members of another local body will not ordinarily be nominated does not apply with full force to District Councils and Local Boards. Government has no intention of excluding from choice members of Village Sanitation Panchayats or Village Panchayats as membership of these bodies is not incompatible with loyal performance of the duties imposed upon a member of a District Council or a Local Board, and these bodies are in many respects complementary to and dependent upon one another in administration of rural areas. The restriction of nomination which this principle contemplates will therefore affect only the nomination to District Councils and Local Boards of persons who

are already members of Municipal Committees or of a District Council or Local Board other than the one to which they are proposed to be nominated.

4. In accordance with section 9 (c) of the Local Self-Government Act nominations to District Councils are made by the local Government while section 5 imposes the same duty in the case of Local Boards on Commissioners. The procedure for making nominations has already been prescribed for municipalities in paragraph 4 of this Government's letter of the 11th June 1928, and should be followed with regard to nominations to District Councils. For Local Boards the field of selection for nomination is more limited, and it is not therefore essential that Deputy Commissioners should in all cases forward a panel of names to the Commissioner. They are not precluded from doing so when the number of suitable persons exceeds the number of vacancies to be filled; and it is open to the Commissioner to call for a panel if in any case he considers it desirable. In all cases Deputy Commissioners should ascertain confidentially from the Commissioner whether their nominations are approved, before they sound individuals about their willingness to serve and submit their official recommendations.

I have the honour to be,

Sir,

Your most obedient servant,

H. C GREENFIELD,

Revenue Secretary.

APPENDIX E

[Referred to in paragraph 25.]

REVISED FORM OF SECTION 53 (1) OF MUNICIPALITIES ACT AND SECTION 61 (1) OF THE LOCAL SELF-GOVERNMENT ACT

(1) The Deputy Commissioner may, by an order in writing, suspend the execution of any resolution passed, order issued, or licence or permission granted or prohibit the performance of any act which is about to be done or is being done in pursuance of or under cover of this Act or in pursuance of or under cover of any rule or byelaw made thereunder, if, in his opinion,—

- (a) such resolution, order, licence, permission or act has not been legally passed, issued, granted or authorized; or
- (b) such resolution, order, licence, permission or act is in excess of the powers conferred by this Act or is contrary to any law; or
- (c) the execution of such resolution or order or the continuance in force of such licence or permission or the doing of such act is likely (i) to cause loss, waste or misapplication of any money or damage to any property belonging to or under the control of the committee, or (ii) to be prejudicial to the public health, safety or convenience, or (iii) to cause injury or annoyance to the public or to any class or body of persons, or (iv) to lead to a breach of the peace.

PROPOSED NEW SECTION FOR THE MUNICIPALITIES ACT AND LOCAL SELF-GOVERNMENT ACT PROVIDING FOR APPOINTMENT OF EXECUTIVE OFFICER BASED ON SECTIONS 38 AND 39 OF THE BURMA MUNICIPAL ACT, III OF 1898

(1) If a municipal committee district council or local board is not competent to perform the duties imposed on it or undertaken by it by or under this Act or any other enactment for the time being in force and the local Government considers that a general improvement in the administration of the municipality district council or local board area is likely to be secured by the appointment of a Government official as an executive officer of the committee council or board the local Government may, by an order stating the reasons therefor published in the Gazette, appoint an executive officer of the committee council or board from such date and for such period as may be specified in such order.

(2) Any executive officer appointed under sub-section (1) shall be deemed to be an officer lent to the $\frac{\text{committee}}{\text{council or board}}$, by Government under sub-section $\frac{(3)}{(2)}$ of section $\frac{25}{45}$.

(3) When under sub-section (1) an executive officer is appointed for any $\frac{\text{committee}}{\text{council or board}}$, the local Government shall determine from time to time which powers and duties of the $\frac{\text{committee, president, vice-president}}{\text{council or board, chairman, vice-chairman}}$ or secretary under this Act or any rule or byelaw made thereunder shall be exercised and performed by such officer, in addition to, or to the exclusion of, their exercise by the said $\frac{\text{committee, president, vice-president}}{\text{council or board, chairman, vice-chairman}}$ or secretary.

(4) The secretary of the $\frac{\text{committee}}{\text{council or board}}$ shall be subordinate to the executive officer.

(5) The executive officer shall have the right to attend all meetings of the $\frac{\text{committee}}{\text{council or board}}$ and any joint committee or sub-committee and to take part in the discussion so as to make an explanation in regard to the subject under discussion, but shall not move, second, or vote on any resolution or other motion.

CONFIDENTIAL

RECONSTRUCTION
OF
LOCAL SELF-GOVERNMENT

INTRODUCTION

Every one taking any interest in public affairs, whether associated with the working of our local bodies or not, has come to realize that local self-government in our province and perhaps in the whole country presents a tragic picture. With few exceptions the financial position of our local bodies is hopeless. "Inefficiency" and "local body" have become synonymous terms. Party strife, based not on party programmes but on personalities, is rampant. Members of our local bodies waste most of their time and energy and sometimes also public funds over the appointment and dismissal of their employees who are untrained and anything but efficient. The district officials merely occupy the position of irresponsible critics having nothing to do with the day-to-day conduct of business by the so-called self-governing bodies.

The gravity of the situation has been realized by the Provincial Government. The various Acts connected with local self-government are literally covered with slips indicating the amendments that have been introduced during the past fifteen years. Committees have been appointed and numerous proposals formulated to remedy the defects. Some of these are awaiting legislation. To give an instance, it is proposed to deprive the local bodies of their responsibility in the matter of primary education. No one need be surprised if in the near future importance of medical aid is realized and our local bodies are relieved also of this function. The remedy lies not in giving the dog a bad name and hanging him but in thoroughly overhauling the system of local self-government. The problems that have arisen should be faced boldly, and in the light of our own experience and that of the other countries a system should be evolved that will democratize the district administration, create popular interest in local bodies and restore efficiency.

The proposals set forth here may be characterized both as revolutionary and reactionary according to the view point of the critic: All that is claimed for them is that they are not the result of pre-conceived notions or theories. They are practical inasmuch as they are the

result of a close study of the working of our existing local bodies. They may be revolutionary in the sense that it is thought that a mere tinkering of the local self-governments will not meet the situation. They may appear reactionary as it is proposed to reassociate the district officials with the administration of the local bodies. On the one hand it is said that these proposals strike at the very root of the position of the district bureaucracy. On the other hand it is argued that the mere presence of the district officials in the local bodies will result in the complete subservience of the popular element to their autocratic will. To the friends of the bureaucracy it can be said that the district bureaucracy has already lost its position in the popular estimation and the proposed scheme, by offering opportunities of public service, gives it a chance to regain it. The friends of democracy can be asked in turn what guarantees have they in the present Government of India Act that the members of the Provincial Cabinets will not dance to the tune of their I. C. S. Secretaries ?

The scheme if it must be assailed, should be criticized on the ground of practicability. Such criticism is welcome from whatever quarter it may emanate.

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RECONSTRUCTION OF LOCAL SELF-GOVERNMENT

PART I—A CRITICAL SURVEY OF LOCAL SELF-GOVERNMENT

CHAPTER I—HISTORICAL RETROSPECT

Local self-government as it exists today in India is a foreign importation. Prior to the advent of British administration, there existed a form of local Government throughout the length and breadth of India, almost uniform in its character and structure. This was the little village commune with its own organization and government and its little staff of functionaries, artisans and traders. The staff of functionaries, artisans and traders by means of which village communities carried on their internal government have survived in a recognizable form almost everywhere. But the village community has now lost much of its internal cohesion. "Nevertheless, as an administrative organ of great potential usefulness for the rural population the village community is by no means dead. In the words of the Royal Commissioners of Decentralization in India, the foundation of any stable edifice which shall associate the people with the administration must be the village as being an area of much greater antiquity (than the new administrative creations) and one in which people are known to one another and have interests which converges on well-recognized objects" (*Village Government in British India* by John Matthai, page 38).

Though the words cited above came to be written over twenty years ago, the position remains practically unaltered and it is not yet too late to reorganise and reconstruct the entire system of local self-government with village community as its basic unit. The problem, however, is not now as simple as it was twenty years ago. Much water has flown below the bridge and changes social, political and economic wrought by Time in the intervening period have got to be taken into account before any new superstructure is sought to be built on the basis of the ancient village communities.

The existing system of local self-government has had a very chequered career. As the Report of the Simon Commission points out, the present system is a British creation. It has been superimposed on the people whose aspirations lay in another and yet more fundamental direction. The system was introduced "with the avowed object of developing self-government" and Lord Mayo's Resolution of 1870 "emphasized the ideal of the increased association of Indians in the administration and indicated the extension of municipal self-government as the most promising field for its attainment."

Lord Ripon's Resolution of 1882 marked a decisive advance in the policy of decentralization through the agency of local self-government. "In advocating the extension of local self-government", says the memorable document, "and the adoption of this principle in the management of branches of local affairs, the Governor-General in Council does not suppose that the work will be in the first instance better done than if it remained in the sole hands of Government District Officers. It is not, primarily, with a view to improvement in administration that this measure is put forward and supported. It is chiefly desirable as an instrument of political and popular education." The Resolution expresses the fervent hope that the Government officers would foster sedulously the small beginnings of the independent political life, and further, by loyally accepting the policy of the Government as their own, would attempt to supersede the more autocratic system of administration then in existence, and, it may be added, even now in existence.

Lord Ripon's Resolution concludes in these historic words :—

"The Governor-General in Council has no hesitation in stating his conviction that the only reasonable plan open to the Government is to induce the people themselves to undertake as far as may be, the management of their own affairs ; and to develop, or create if need be, a capacity for self-help in respect of all matters that have not, for imperial reasons, to be retained in the hands of the representatives of the Government."

It is well worth pointing out that the scope of the local self-government, as visualized by the Resolution of 1882, was a very comprehensive one. It was to include in course of time all matters except those which for imperial reasons had of necessity to be left out. Fifty-four long years have passed away since this noble policy was first clearly enunciated and we are yet nowhere near the objective. Not only matters of an imperial nature but many matters of purely local character do not yet find place in the system of local self-government. The autocratic system of administration with the District Officer as its nerve centre, which Lord Ripon intended to replace by a popular form of local self-government, still holds the field. Whatever be the reasons for this unfortunate lack of progress, it is high time that the scope of the local self-government is forthwith expanded so as to realize in a concrete form the hopes authoritatively expressed fifty-four years ago.

In pursuance of the Ripon pronouncement self-governing institutions in the form of municipalities and district and taluq boards came into existence in all the British Indian provinces. But as a matter of fact no real and substantial progress was made "in political and popular education in the art of self-government." The position prior to the Mont-Ford Reforms has very pointedly summarized by the Simon Commission as follows :—

"It is obvious to us that, in the vast majority of districts, local self-government continued to be, as in the past, one of the many functions of the District Officer. No real attempt

was made to inaugurate a separate system amenable to the will of the local inhabitants. . . . In effect, outside a few municipalities, there was in India nothing that we should recognize as Local Self-Government of the British type, before the era of the Reforms."

The Government of India Act, 1919, transferred local self-government to the control of the Ministers answerable to Provincial Legislatures. Legislative enactments followed, the general trend being the same in most provinces. "Almost all aimed at lowering the franchise, at increasing the elected element in local bodies to the extent of making it the unquestioned immediate arbiter of policy in local affairs, and at passing executive direction into non-official hands." This was the third stage in the growth of local self-government. The Reforms of 1919 introduced a distinction between the transferred and reserved half in the provincial departments and this distinction has had much to do with the structure and functions of the self-governing institutions brought into being by new enactments. As the Simon Commission has observed, the key-stone of the pre-reform system was the position of the District Officer as the official Chairman of the local bodies and municipalities. "The official Chairman had not merely been the presiding member, but actually the executive officer of the Local Board. In administering its affairs, he had never been entirely dependent on the Board's own staff. He combined in his person the authority of highest revenue and the highest magisterial office in the district, and had in consequence at his command an army of other officials whose services he could and often did utilize in the discharge of his Local Board duties."

It is necessary to draw a very pointed attention to the passage quoted above. The rift created by the post-Reforms enactments in the local self-government and the general administrative machinery of the district was a departure from the old policy, a departure which was never contemplated in any of the previous authoritative pronouncements. It was a departure which resulted in the most unfortunate and far-reaching consequences. This departure was almost wholly due to the invidious distinction drawn between the reserved and the transferred departments by the Act of 1919. The inevitable result was the isolation of the local self-government from the general administrative machinery. Two parallel administrative organizations began to function side by side and the local self-government was denied the guidance of expert advice, assistance and active co-operation of the District Officials together with the army of other officials at their command. The liberal policy of the Ripon Reforms of the gradual inclusion of all matters within the scope of local self-government except those of an imperial nature with a view to replacing the autocracy of District Officials by a popular form of local self-government was given a go-by. The reserved half watched the functioning of the local self-government with almost calculated indifference and wherever and whenever local bodies failed to give a satisfactory account of themselves, it

was put to the discredit of the people as being unfit to govern themselves. It was a case of practically two local governments working in the same area, one under the direction of the reserved half with the entire provincial resources at their command and the other under the loose direction of the Ministry of Local Self-Government with practically no resources at its command. Never in the history of local self-government of the entire civilized world was such an experiment tried, and nowhere, even with the most advanced civic consciousness, could such an uneconomic, unscientific and self-contradictory form of social organism could ever hope to succeed. No wonder, therefore, that the local bodies brought into being under the ægis of the Mont-Ford Reforms have not been able to give a very satisfactory account of themselves.

It is not with a view to fastening the blame on the permanent imperial service staff for the unsatisfactory working of the local bodies that this criticism is being offered. The fault lay not with the officials but with the system of dyarchy introduced by the Act of 1919. As the learned authors of the Simon Commission say in their Report: "Under the old system the District Officer was at once Chairman of the local authority and agent of the provincial Government. He took the place of the staff of officials of the Minister of Health at home and, with cessation of his official connection with the local bodies, the Minister of Local Self-Government was in effect deprived of the instrument for enforcing his will." The Simon Commission, however, while pointing out correctly the main causes for the failure of local self-government generally, do not offer any constructive suggestions for its re-organization. All the same, the necessity of utilising the district official staff for the successful and efficient functioning of the local self-government has been sufficiently indicated by them.

It would be clear from this brief historical retrospect that we have had two distinct policies in the matter of local self-government: One proclaimed by Lord Ripon's Resolution which was never followed to its full extent; and the other sponsored by the enactments inspired by the Government of India Act, 1919, which was followed, but which proved a complete failure. It has, therefore, become necessary to examine the problem of local self-government in all its aspects and introduced new legislation which would avoid the defects of the existing enactments and place the entire system of local self-government on a sound basis.

CHAPTER II—SYSTEMS OF LOCAL SELF-GOVERNMENT

According to the Simon Commission the "Systems of local self-government fall into one or other of two well-defined types, which we may call the British and the Continental. In the former, Government is *decentralized*. Local bodies with wills of their own exist. They initiate and carry out their own policies, subject only to such powers of direction and control as are retained by the Central Government. They appoint, subject, it may be, to regulations as

to qualifications, their own staff, and raise in the main their own revenue. They form, in fact, a detached system. They are not a mere subordinate part of the governmental machine. Under the Continental system, on the other hand, Government is *deconcentrated*. The principal local official is not the servant of the elected representatives of the locality, but is essentially an official of the Central Government, sent down to a particular locality to carry out part of the work of the Central Government. He may or may not be assisted by an advisory council, to which perhaps a few powers of deciding policy have been conceded, but the will that operates in the sphere of local administration is that of the Central Government, not that of the people of the locality."

Prior to the Reforms of 1919, local self-government in India belonged essentially to the Continental or deconcentrated type, though in actual practice it did not work as efficiently or effectively as it did in the continental countries. During the Reforms period, 1920 to 1935, a system which belonged neither to the one nor to the other type was brought into being, which as has been already pointed out has not produced satisfactory results. And now, under the new Reforms of 1935, a restricted form of provincial autonomy has been introduced and the distinction between the reserved and transferred half has been abolished; and therefore, it has become necessary to introduce a new system of local self-government consistent with the structure of the new Reforms. Provincial autonomy granted by the new Act would neither be real nor effective, nor conducive to popular interests, unless the existing form of local self-government is structurally and fundamentally altered. Incidentally, it would be necessary to remove the anomaly with regard to franchise, which today is wider for the Provincial Assembly than for the local bodies.

Before any new system of local self-government is sought to be introduced it is necessary to take into account certain limitations under which we must work under the new dispensation. First and foremost, every province is under a statutory obligation to maintain a certain proportion of permanent staff of officials which no provincial government is empowered to dispense with. Secondly, there are certain matters which fall within the sphere of special responsibilities of the provincial Governor, and as such cannot be touched. No system of local self-government which ignores these limitations, or is in any way inconsistent with them, can be introduced in any of the British Indian provinces.

The system, therefore, that is set forth in the following pages, is not an exact copy of any system that is prevalent in any other country. We are neither free to adopt any system that we like nor would it be desirable to do so in view of the conditions that we have to face in India, and particularly, in our province.

It may be a news to many, but it is a matter of fact, that the Central Provinces has had the longest acquaintance with the principle of election. During the period 1842 to 1862, when the earliest essays

in municipal government were attempted, a series of enactments was passed providing for setting up municipal institutions for towns. And we have it from the Simon Commission that : " During this period, although the principle of election was actually recognized, it was little applied except in the Central Provinces." An experience of over eighty years in the use and practice of the principle of election should afford sufficiently strong justification for meeting the popular demand for an adult franchise, especially with regard to local self-government. Again, as long ago as 27th February 1912, the late Mr. Gokhale moved the following Resolution in the Imperial Legislative Council : " This Council recommends to the Governor-General in Council that steps should now be taken to bring district administration into closer touch with the people by creating, as far as possible, in every district in the different provinces a District Council, composed of not more than nine members, partly elected and partly nominated, whose functions should be merely advisory to begin with, and whom the Collector should ordinarily be bound to consult in all important matters." Had the system of local self-government developed on the lines indicated in this Resolution, we would have had by now a thoroughly democratic form of administration in all the districts of India.

In view of the limitations we have to take into account and in view of the historical development of popular tendencies demanding increased democratization and, lastly, in view of the pronounced policy of the Government of India indicated in the Ripon Resolution to the effect that popular will should be associated with all administrative matters except those of an imperial nature, we are driven to the following position, *viz.*—

- (i) Utilization of the permanent staff of officials in the district for the purposes of local self-government ;
- (ii) expansion of the local self-government to all matters excepting those of an imperial nature ; and
- (iii) democratization of local self-government sufficient to meet the popular demand.

These are the main factors which any system of local self-government intended for any of the British Indian Provinces, must take into account.

This being the basis, the system of local self-government in India has got to be partly of the Continental or deconcentrated type, and partly of the British or decentralized type. But within this general frame-work, certain good features of the American system could also be introduced. And lastly, local conditions may necessitate certain new features not in operation in other countries.

What we suffer from today is the evil of over-bureaucratization in the entire governmental machinery from top to bottom. It is not only the people who are the victims, but even the highly-trained civil service staff also gets affected by the evils of bureaucratization and loses its original efficiency, and, in course of time, all touch

with the ever-growing realities. The following observations from one of the most eminent authorities is well worth a quotation: "In some countries possessing a highly-trained civil service, each department tends to lay undue stress upon uniformity, becomes attached to its settled habits, dislikes novelties, contracts bureaucratic methods, and may assume towards the private citizen a slightly supercilious air. Progress is retarded because experiments are discouraged. Popular interests flag because popular interference is resented, and officials fall out of touch with general sentiment. The more the central bureaucracy controls local affairs, the wider will be the action of these tendencies" (*Modern Democracies* by Bryce, Volume II, page 480). A more appropriate description of the position in India can scarcely be found.

There is yet another advantage pointed out by Bryce in favour of decentralization and local autonomy: "Where local discontents arise, it is better for them to find vent in the local area rather than encumber the central authority. Under a federal system of government such as that of the United States, Canada, Switzerland, where many matters are to be settled by State, or Provincial, or Cantonal assemblies, controversial issues are divided between those assemblies and the central national legislature, and a political conflict in the latter need not coincide with other conflicts in the former. The same principle holds true with regard to local authorities in small areas, such as the county or municipality. Men opposed in national politics may work together harmoniously in the conduct of county or municipal business, as happens in Switzerland and England, and to a large extent in the United States also." A possible objection to making the District Council or the Municipality fully autonomous with regard to local matters is ably answered in the above passage which is based on the experience of many nationalities.

Experience in all the civilized nations goes to show that autonomous local self-government contributes materially to the development of local centres of thought and action. "Many a country has had reasons to dread the excessive power of its capital city. There ought to be many cities, each cherishing its own traditions, each representing or embodying a certain type of opinion, and each, instead of taking its ideas submissively from the capital, supporting journals of the first excellence in point of news supply and intellectual force. Such cities will be all the more useful in forming independent centres of opinion if they have also strong local self-governments which enlist the active service of their leading citizens of all classes." (*Bryce.*)

Bryce, Mr. and Mrs. Sidney Webb, Cole and other eminent authors on local self-government speak of the merits and demerits of the various systems that are daily shaping the civic life of civilized peoples. While it is neither open to us nor desirable to copy any one or more of these systems, it would be denying the importance of history and human experience to shut our eyes to the methods which have proved their usefulness in the varied vicissitudes of life.

Thus, for instance, the American system of election of the President of National or local bodies by a general vote has stood the test of time and demonstrated its unquestioned superiority over any other methods. This method "gives less scope for intrigue and secures better men." This method is especially suitable for Indian conditions, where we find that the smaller the area the greater the intrigue and mischief. The sense of the larger mass which is too big to be bribed or bamboozled can be trusted better in the matter of selecting capable and trustworthy men for managing and controlling local affairs than the sense of smaller units. Most of the intrigue in the municipalities and district councils would vanish away if the president is elected by a general vote instead of by the elected representatives of wards or circles. Similarly, the Swiss system of Referendum, by which measures of importance are submitted to the popular vote for approval or rejection, can also be adopted with profit. And lastly, the system of Recall, under which irresponsible or faithless representatives could be recalled by their constituencies under certain grave circumstances, may also be introduced in our province, as such a system would act as healthy check on political opportunism.

As regards the size of the elected councils for municipal and other local bodies, the following observations of Bryce are worth noting: "Municipal Administration has become more and more a business matter for experts in such sciences as sanitation and engineering. The chief duty of an elected council has, therefore, come to be that of appointing and supervising the permanent officials, and for this a comparatively small council can well suffice even in a large city."

It may be remembered that the problem we have to face in India and in our province is to link effectively the democratic will of the people with the permanent staff of officials and to enable the latter to carry out the dictates of that will without being hampered by any other considerations. It is for this reason that provision for the election of capable and trustworthy men to control the local affairs has got to be made. In addition to the methods already suggested it would also be necessary to draw a distinction between a right to vote and a right to stand as candidate, so that the introduction of universal franchise for local bodies may not result in the selection of unworthy and incompetent men as representatives of the people. Provision for such a distinction would effectively meet the objection to universal suffrage based on the ground of illiteracy of the large mass of voters. The right to stand as a candidate could be restricted to persons possessing minimum educational qualification, say up to the standard of matriculation, or knowledge equivalent to that standard. The Provincial Government may however make exceptions in respect of persons who have to their credit a good record of public service. In respect of the presidents of the District Councils and Municipalities, who shall be vested with large powers, education and record of public service may both be made the elements of eligibility for presidential candidature.

The main idea is to secure the best which modern democratic methods can give us and combine it with the highly trained administrative staff of officials, so that both popular will and efficiency may go hand in hand in the cause of public good and progressive administration.

CHAPTER III—DECENTRALIZATION OF POWERS AND FUNCTIONS

The demand for decentralization is as old as the history of organized public opinion in India. It was to meet this public demand that the Royal Commission upon Decentralization was appointed in 1907. The main object of the Commission was to see if by measures of decentralization or otherwise it was possible "to bring the executive power into closer touch with local conditions." The recommendations of this Commission did not satisfy even such esteemed liberals as the late Mr. Gokhale who, as a witness before the Commission, had submitted a scheme which did not find favour with the Commission. The central idea underlying Mr. Gokhale's scheme was the establishment of District Advisory Councils with a view to bringing the entire district administration into touch with the elected representatives of the people. In his note submitted to the Royal Commission, Mr. Gokhale said: "The three evils of the present system of district administration are its secrecy, its purely bureaucratic character and its departmental delays. Important questions affecting the interests of the people are considered and decided behind their backs on the mere reports of officials, only final orders being published for general information as though the people existed simply to obey. The constant references, backwards and forwards, which an excessive multiplication of Central Departments has necessitated, involve long and vexatious delays even in the disposal of petty matters and are fruitful source of irritation and suffering to simple villagers. The Collector is the chief representative of the Executive Government in a district and to prevent the evils of uncontrolled exercise of power, he is subjected to a series of checks in his work. These checks are, however, all official; they are all exercised by the members of his own service, of which he himself as a rule is a fairly senior officer, and though they may serve to prevent gross abuses of power, I fear they are not of much value in promoting efficient administration and they certainly hamper him largely in the prompt discharge of his duties. What the situation requires is not such official checks exercised from distance, but some control on the spot on behalf of those who are affected by the administration."

These words were written nearly thirty years ago and it is a great pity that the situation should remain substantially the same even today.

Failing in his attempt before the Royal Commission, the late Mr. Gokhale moved a resolution in the Imperial Legislative Council, in 1912, recommending the creation of Advisory Councils. In his memorable speech made in support of this resolution, Mr. Gokhale penetratingly criticized the composition and the conclusions of the

Decentralization Commission and pointed out how their attention was concentrated on official remedies and their vision blurred by an official bias which prevented them from seriously enquiring into non-official remedies. Mr. Gokhale, therefore, once more explained his scheme in a remarkable speech which merits careful study on the part of every one interested in the problem of democratizing Indian administration. According to Mr. Gokhale, there were three requirements of the situation as it then existed: "In the first place, we want more government on the spot, and more expeditious government. These departmental delays and this excessive reliance upon the secretariat—from these the District Officer ought to be freed. More expeditious government, more government on the spot—that is the first requirement. The second is, an interest in the administration must now be given to the educated class that has come into existence, an educated class with which the official class must, moreover, learn to get on; and the third is that provision must be made for the grievances of the district being ventilated in responsible manner in the District itself." Mr. Gokhale attached great importance to this aspect of the question. He was of opinion that the Provincial Administration or the Provincial Councils could not meet these requirements. Said Mr. Gokhale: "If these grievances have to be taken to the Provincial Administration and have to be brought up for discussion in the Provincial Councils, what happens is this: The grievances from the whole province gather together and come in one stream, so to say, when a meeting of the Legislative Council happens to be held; and that conveys altogether erroneous idea about the whole administration, as though things were wrong here, there and everywhere. What is necessary is that as a grievance arises it should be dealt with as far as possible on the spot. There should be opportunities available to the people to bring it in a responsible manner before the head of the district and have it removed. Then it ceases to be a subject of discussion in so many homes. Then it ceases to breed that poison which gradually comes to fill the air and does infinite mischief both to the government and the people."

These observations have considerable force even today. The present Provincial Autonomy cannot meet the requirements of the far off districts and the remoter villages. The seven Ministers of our province today have each to deal on an average with three provincial departments. It is physically impossible for any Minister to deal adequately or deal at all with the innumerable grievances that come up to them from the districts. The local bodies or the municipalities have nothing to do with most of these grievances. And even with regard to matters with which they are authorized to deal, grievances go on pouring owing to inefficient management. Nor can these grievances be properly ventilated through the new Provincial Assemblies. They must therefore remain unredressed even under the new Reforms unless some machinery is created to deal with them on the spot. It is for this reason that decentralization of powers and functions is essential.

For over a century administration in the district is centralized in the person of the Collector or the Deputy Commissioner. The situation was bad enough in 1912 of which Mr. Gokhale has given us such a vivid picture. Today the situation is much worse needing a more drastic remedy than the one suggested by Mr. Gokhale. Mr. Gokhale suggested the creation of District Councils with merely advisory powers, at a time when Provincial Autonomy was a distant dream. Today, with Provincial Autonomy already functioning, the District Councils would have to be given much wider powers to meet the requirements of the changed situation. But the basic idea of Mr. Gokhale must remain the same, as the basic structure of the British Administration still continues to be the same as it was in 1912.

Today we have to solve not only the problem of democratizing the system of general administration but also the problem of reorganizing the local bodies which have failed to give a proper account of themselves in spite of the wide autonomous powers given to them in certain respects during the period of Mont-Ford Reforms. As has been stated before, we have had two distinct policies with regard to the local self-government. We have tried the experiment of making the District Officer the president of District Board with a view to initiating and training people in the art of self-government. This did not work. Secondly, we have tried another experiment of giving limited powers to local bodies and cutting them off from the District and Provincial staff of permanent officials. And we see today that even this plan has failed. And we are therefore driven to the third and the only possible alternative under the existing conditions, *viz.*, wider powers to local bodies and association of the permanent staff of district officials with them.

Mr. Gokhale proposed District Advisory Councils apart from and independent of the local bodies. The experiment of limited autonomous powers to local bodies had not then seen its bitter end. And hence the question of reorganizing local bodies on a more democratic basis did not then arise. It may be said, "where limited autonomy in local bodies has failed, how can wider autonomy succeed?" The answer to that question is as follows: Autonomy to local bodies was given in respect of matters which were kept completely divorced from the major political and economic issues that were vital to the masses and in which the masses were more interested than the matters which were delegated to the care of local bodies. The politically conscious intelligentsia was attracted and absorbed in the major political and economic problems of the day and hence the local bodies failed to attract the enthusiastic public attention which was necessary for its success. The growing financial stringency and the continued inefficiency reduced the local bodies to a farce at many places. The inefficiency is attributable to two main causes: Indifferent public opinion which was concentrated on the major political and economic issues; and secondly, the indifference of the permanent staff of district and provincial officials who, under the dyarchic structure, did not deem it a part of their duties

and responsibilities to see that the local bodies were run on efficient lines. Financial stringency prevented the local bodies from engaging independent expert service and the experts of the provincial government deserted them. The result could not be anything else but mismanagement or non-management. It is indeed remarkable that despite these insurmountable obstacles, the local bodies have not been worse. The partial success of local self-government in the face of such heavy odds makes out a case for more democracy than for autocracy. The only safeguard that is needed is to link up this democracy with assured efficiency. And under the existing conditions we cannot look up to any source for efficient staff other than the permanent staff of officials that is thrust on us by the Imperial Government.

In this connection it may be noted that Mr. Shoobert who was on special duty to examine the question of minimizing the desk work of the Deputy Commissioners has recommended the appointment of an Inspectorate of local bodies comprising an Inspector and Deputy Inspector at an annual cost of about Rs. 34,000. The question of appointing inspectors was raised by the District Councils of Nagpur and Betul in 1929 and Government called for the opinions of the District Councils, Deputy Commissioners and Commissioners of the province. The opinion given by Mr. De, the then Commissioner of Berar, does not appear to have attracted the notice it deserves. Mr. De made out a very strong case for a thorough inspection of the works entrusted to the care of the District Councils, by the expert staff at the disposal of the Provincial Government. He pointed out by citing certain cases how huge sums of money were wasted away by the District Councils on certain roads, which could have been saved by timely inspection on the part of the Superintending Engineers. While the provincial works were inspected on an average once in six months the works entrusted to the care of the District Councils were in certain cases inspected once in 14 months even though Government money was involved in these works. The Commissioners' Conference of 1929 decided against the appointment of new inspecting officers and recommended a more thorough inspection by the inspecting officers of several departments. It has been pointed out that the existing rules do permit such inspection. The case for close co-operation with and actual execution by the provincial expert staff of all the functions entrusted to the care of local bodies is unanswerable on the ground of preventing waste of public money and improving the general efficiency of the local bodies.

But the question is, shall we introduce stricter control by the Provincial Government of local bodies on the old fashioned autocratic basis and thus take away the autonomy enjoyed by them for the last so many years? Or, is it possible to improve the efficiency of the local bodies by any other method? And, there is the other question discussed above, *viz.*, the necessity for bringing the people into closer touch with the general administration. In both these questions the closer touch of the people's representatives in local areas with the permanent official staff of the province is, it may be

noted, a common factor. And therefore a single system of local organization which will solve both these problems appears to be the only way out. The demand for decentralization of the entire administrative system on the one hand, and the necessity for placing the entire expert staff of all the provincial departments at the disposal of the local bodies to improve their efficiency, on the other hand, without impairing the principle of autonomy enjoyed by the latter, would necessarily lead us to utilize existing institutions of local self-government for both these purposes. But this would need a complete overhauling of the present system of local self-government and its re-organization and reconstruction on a new basis. However, once we do this, we would be avoiding a duplication of institutions and staffs for a common purpose, *viz.*, bringing the representatives of the people into closer touch with the entire system of administration, local or provincial. It would thus be seen that the problem of decentralization and the problem of improving the efficiency of local bodies are vitally linked up together. In fact, they are merely two aspects of the same question. Already, many District Councils have expressed themselves against the proposal recommending appointment of special Inspectors or greater control over local bodies by the Provincial Government through their departmental staff. They apprehend that this would mean an encroachment on existing local autonomy. But if the assistance of the provincial expert staff is made available to local bodies, through a system of decentralization there would be no cause for dissatisfaction.

We may now examine the late Mr. Gokhale's scheme for decentralization on the basis of which we have to build a new one to suit new conditions. Mr. Gokhale explained his scheme in his speech of 1912, to which a reference has already been made, as follows: "Roughly I would divide the functions of the Collector into four categories. First must come matters which are urgent and confidential, in regard to which, of course, he must have power to do what he thinks proper without consulting the Council. Secondly, there would be matters which he must refer to the Central Government for final disposal, whether there is a Council or not, but in regard to which he would express an opinion or make a recommendation. Here the opinion of the Council should also be ascertained by him and forwarded to Government along with his own opinion. The third division—and here is what would make a great difference to the people, would be of matters, which the Collector should be empowered to dispose of on the spot, if he is able to carry his Advisory Council with him, but which he must otherwise refer, as at present, for orders to the Central Government. This is what will really constitute in some respects the distinctive features of the scheme freeing the Collector from the present excessive secretarial control, and associating with him a small body of non-official representatives to prevent his being a mere autocrat and giving the people some voice in the disposal of their affairs. . . . The last division will be of matters, in which the Collector, though bound to consult his Council, should be free to act as he deems best, taking or rejecting the advice of his

Council, as he likes." Further on Mr. Gokhale says, "Leaving confidential matters alone, and taking the second category, I would include in it (1) Legislative proposals, (2) Proposals of revision settlements, (3) Revision of water rates, (4) Recommendations about remissions of land revenue, (5) Creation of new municipalities, (6) Extensions of the operation of Acts to new areas, (7) Imposition of punitive Police, and (8) Creation of new posts. . . . In the third category, which concerns the most important part of my scheme, I would have matters which as I have already explained, the Collector should dispose of finally if he is able to carry his Council, with him, but which he must otherwise refer to the Central Government. . . . Among such matters would be (1) opening, location and abolition of liquor shops, (2) suspension of land revenue, (3) levy of building fines, (4) city survey proposals, (5) organization of local supply from forests, (6) opening of new and closing of old schools, (7) establishment of Village Panchayats and Unions, (8) suspension of Taluq Boards, Municipalities, Panchayats and Unions, (9) creation of Benches of Magistrates, (10) rules regulating fairs, processions, etc., and (11) assumption of property under the Court of Wards Act. Lastly would come those matters which the Collector may decide as he deems best, even against the opinion of the District Council, such as (1) urgent precautionary measures against plague, cholera and other epidemics; (2) measures for the preservation of peace; (3) measures of urgent famine relief, and so forth."

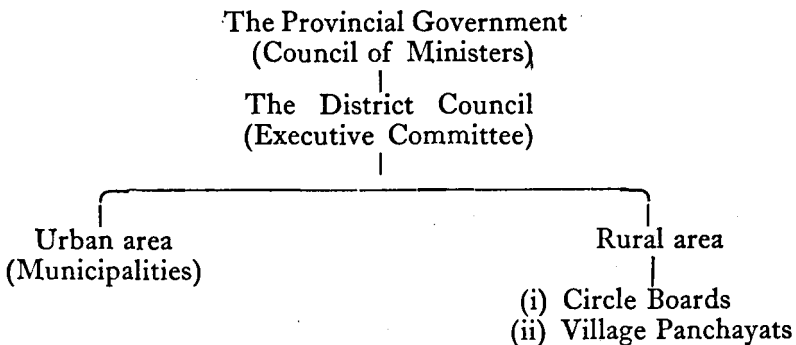
The new scheme that is being proposed now is to make the District Council a unit both for the purposes of local self-government and also for the purposes of decentralized general administration. Therefore, in addition to the matters now being administered by the District Council, matters enumerated by Mr. Gokhale would be included within its scope of functions. But we have also to take into account the change in the conditions since Mr. Gokhale made his speech. What a politician of Mr. Gokhale's ability and sobriety thought practicable and workable in 1912 would, it may be hoped, be accepted by all in 1937. But a difference of opinion is possible with regard to the number of specific matters included by Mr. Gokhale in each of his four categories. It cannot be disputed that we have moved much ahead of 1912. Again, Mr. Gokhale's scheme was advanced at a time when Provincial Autonomy was not in existence and could scarcely be thought of as a practical proposition. The four categories of Mr. Gokhale cannot therefore have any bearing on the politics of the present day. It is only the central idea underlying his scheme that is of vital importance even today, serving as the fundamental basis for any new proposals of a like nature. But for Mr. Gokhale's scheme and his remarkable speech of 1912 the proposals now being advanced would easily have been dubbed as too far-reaching and impracticable. As matters stand today, any scheme of decentralization has got to be much more comprehensive than could be thought of by any one in 1912. A thorough-going and broad-based decentralization could alone be consistent with the letter and the spirit of the Government of India Act, 1935.

PART II—BROAD OUTLINES OF THE SCHEME

CHAPTER I—CONSTITUTION

(1) Regional Divisions

For administrative purposes the province is at present divided into Divisions, Districts, Taluqs or Tahsils, Revenue Circles, and the Patwaris Circles. Inasmuch as we propose to combine the system of local self-government with decentralization of the general administration we have to follow, as far as possible, the existing plan of regional divisions which is in force for so long a time and with which the people have now become thoroughly familiar. The principal unit of this administrative plan is the district and it is here that we have to introduce largest possible decentralization coupled with local self-government. The District Council would, therefore, be the central major unit of the proposed scheme. Next would come municipalities with local autonomy under the general plan of decentralization; the third unit will be the rural area under the Revenue Inspector's Circle; and last but not least, would come the village or group of villages now falling within the range of one Patwari, and known as the Patwari's Circle. For the district there would be the District Council; for the towns with a population of 5,000 and above, there would be Municipalities; for the circle there would be a Circle Board and for every village or a group of villages there would be a Panchayat. The regional picture with graded autonomy would appear as follows:—



It would be seen that the taluqs or tahsils are not mentioned in this regional plan. Under the proposed scheme, it is felt that there would be no need to retain the taluqs as regional sub-divisions. The Tahsildar would be reduced to the position of a Tahsil Treasury Officer, and the functions of the Government treasuries would be extended on the principle of banking, with powers to receive and keep deposits and make advances under the direction of the District Council for productive purposes sanctioned by the Provincial

Government. Similarly, it would be seen that the Commissioners' Divisions have also not been mentioned because it is felt that the Government may abolish these divisions in response to the age-long popular demand. If, and so long as, the Commissioners continue to function they would act as the intermediate links between the District and the provincial headquarters, as at present.

There would also be no need to retain the taluq boards or local boards, inasmuch as the proposed urban and rural units would be sufficient to meet local requirements; and another major unit intervening between the District Council and the basic local units would be a superfluity.

Under the proposed scheme, every village or a group of villages shall have a Panchayat, every rural circle shall have a Circle Board, every town with a population of 5,000 and above shall have a Municipality and every district shall have a District Council. All these will be statutory sub-divisions and all other regional divisions, whether for local self-government purposes or other purposes, shall cease to function as units of administration.

(2) Composition of the District Council

(i) *The general body.*—Each Revenue Inspector's Circle in the district shall elect one member to the District Council; the Municipalities in the District shall elect a certain number of members in proportion to the population in the urban area, taking the average figure of rural population in the revenue circle in the district as the basis for representation of one member; the President of the District Council shall be elected by a general vote of the whole district; and lastly, the President shall have power to nominate a certain number of members specifically for two purposes, *viz.*, (1) to afford representation to minorities and (2) to create a working majority in case the result of the elections happens to place him in a minority. This right of nomination shall not be exercised if the result of the elections fulfils both the conditions mentioned above. The general body will thus consist of the following:—

- (1) Members representing the rural area elected by the Revenue Circles.
- (2) Members representing the urban area elected by the Municipalities in the district.
- (3) The President representing the whole District elected on an adult franchise basis.
- (4) Nominated members representing minorities appointed by the President under conditions stated above.

NOTE.—The President shall also have the power to nominate certain persons on the sub-committees on the ground of expert knowledge or special experience of any subject; these non-official experts and the official heads of the District (functioning as secretaries and executive officers, as shown below), shall have a right to attend and address the general body but shall not have a right to vote.

(ii) *The District Executive Committee.*—The President shall form his executive committee from among the elected and nominated members, in the same way as the leader of the Provincial Assembly forms his cabinet. The Executive Committee shall consist of not more than five members, including the President, and the latter shall distribute the portfolios among his executive members. The district heads of the various departments including the Deputy Commissioner shall form the Secretariat to the Executive Committee, each member of the Executive Committee having one or more secretaries according to the number of portfolios in his charge. The Deputy Commissioner shall be the Chief Executive Officer and the Secretary to the President. He shall also be the Chief Secretary to the Executive Committee and the District Council, his powers being analogous to those of the Chief Secretary to the Provincial Government. The secretaries shall have a right to attend and address the General Body and Executive Committee meetings of the District Council, but shall not have a right to vote. The President shall be the Chairman of both the general body and the Executive Committee and shall regulate the business and control the meetings. The business of the District Council shall be transacted through the Executive Committee and Sub-Committees appointed for specific purposes. The General Body shall elect members to the Sub-Committees and the President shall have the power to nominate non-members to the Sub-Committee on the ground of expert knowledge or special interest in the subject. The Executive Members in charge of the portfolios under which a Sub-Committee falls, shall preside over that Sub-Committee. The various secretaries of the executive members shall also be the conveners of the various Sub-Committees, respectively, falling within their portfolios. The Deputy Commissioner as the Chief Secretary shall be the convener of the Executive Committee. The rules of business shall be framed by the Provincial Government and shall be mandatory on the District Council.

NOTE.—This arrangement will necessitate certain re-adjustments in the existing state of affairs. The Deputy Commissioner will have to cease doing any courtwork and will have to concentrate on executive work and efficient management of the affairs of the District Council. He will continue to possess magisterial powers along with the President but neither of them will try any cases or hear any appeals, criminal, revenue or miscellaneous. This work of a judicial nature will have to be entrusted to a senior officer of the rank of Additional District Magistrate. So also the present arrangement in the Education Department will have to be altered. Instead of one Inspector of Schools and two, three or more Assistant Inspectors attached to him working for one division as at present, we will have to entrust one district to one Inspector of Schools or Assistant Inspector so that he may function as the Education Secretary to the Executive Member in charge of the Education portfolio of the District. Similar changes may have to be made with regard to some other departments also.

(iii) *The President*.—The President, elected by a direct vote of the whole district, shall be the constitutional head of the District. All powers now vested in the Deputy Commissioner shall be exercised through the President whose powers will be concurrent with those of the former. As stated above, none of them will do any court work, *i.e.*, work of a judicial nature. In matters in which the President and his Executive Committee on the one hand and the official district heads on the other, agree, there will be, as a rule, no interference from the Provincial Government. In matters wholly transferred to the districts such as the departments now coming under the head of Local Self-Government the voice of the President and his colleagues shall prevail even against the disagreement of the District Official heads. But in matters which would be transferred to the district only partially for purposes of local management, the District Official heads shall have a right of reference to the Provincial Government. But the right of reference given to the Deputy Commissioner and the District Officials shall not be interpreted to lower the constitutional status of the President but the right shall operate only in the nature of a safeguard against any improper decision of the President and his colleagues. The President shall have the power to nominate members to the District Council as stated above and non-members to Sub-Committees for special purposes as aforesaid. He shall have a casting vote in addition to his individual vote. In short, his powers shall be analogous to those of the Prime Minister of the Province so far as the District side of each department is concerned. Constitutionally he shall be subordinate to the Provincial Government and not to any of the District Officials. He shall be the principal agency through which the Provincial Government shall exercise its authority in the district. The president shall receive remuneration not more than Rs. 500, subject to the vote of District Council.

(3) Powers and Functions

At present the business of the Provincial Government is divided into twenty-two departments. For each of these departments (excepting a few) there would be a corresponding department in the District Council which would be the agency of the Provincial Government for the district. Each department would be split up into two branches: (1) District and (2) Provincial. For Provincial purposes the District Council would merely be the subordinate agency of the Provincial Government whose orders it would be bound to carry out. But there would be what may be called the "District side" of each of these departments, with regard to which the District Council would have autonomous powers, subject, of course, to the general supervision of the Provincial Government. The District Official staff would be subordinate to the District Council so far as the "District side" of each of the departments is concerned. But with regard to Provincial matters the District Council would have no more than advisory powers, the final deciding authority being the Provincial Government.

But even with regard to these Provincial matters, there shall be no interference from the Provincial Government in case of agreement between the District Executive Committee and the District Official heads.

Out of the twenty-two departments some may remain wholly Provincial, some may be transferred wholly to the District Council, and with regard to the remaining ones only certain sub-heads may be transferred to the District Council. Again the transfer may be of two kinds: (1) Transfer for merely administrative purposes, in which case the District Council will act only as a subordinate agency of the Provincial Government, and, secondly, (2) transfer for autonomous purposes, in which case the District Council shall exercise full autonomous powers, subject to the general supervision of the Provincial Government. In the former case, the Provincial Government will interfere only in case the District Executive Committee and the district official heads concerned do not agree. If they do, the matter could be settled in the district without reference to the Provincial Government, the latter being merely informed of the decision. In case of disagreement the matter shall be referred to the Provincial Government whose decision shall be final. The right of reference shall vest both in the District Executive Committee and the district official heads. The reference shall contain the opinions of both the parties. In the case of departments transferred for autonomous purposes, the decision of the District Council and the Executive Committee shall prevail and the district officials shall be bound to carry it out, without reference to the Provincial Government. In all cases, however, the Provincial Government shall be kept informed of all important matters as the final supervising and controlling authority.

In the light of these general observations we may now classify twenty-two departments of the province as follows:—

CLASS I.—Departments which shall remain wholly Provincial.

(1) Appointments Department.

There shall, however, be a district appointments department with its own rules and regulations.

(2) Finance Department.

There shall be the district finance department functioning independently, but on analogous lines.

(3) Survey and Settlement Department.

(4) Assembly Department and Legislative Department.

(5) Judicial Department.

(6) Legal Department.

CLASS II.—Departments of which all the sub-heads may be transferred for administrative purposes.

(1) Separate Revenue Department.

(2) Agriculture Department.

(3) Revenue Department.

- (4) Public Health Department.
- (5) Land Records Department.
- (6) Education Department.
- (7) Public Works Department.

CLASS III.—*Departments of which certain sub-heads may be transferred for administrative purposes.*

- (1) General Administration Department.
- (2) Jail Department.
- (3) Police Department.
- (4) Political and Military Department.
- (5) Commerce and Industry Department.
- (6) Registration Department.
- (7) Forest Department.
- (8) Medical Department.

The following is a tentative list of the sub-heads falling under these departments which may be transferred to the District Council for administrative purposes :—

(1) *General Administration Department.*

This is divided into 29 sub-heads. Out of these, the following may be transferred to the District Council :—

- (i) Sub-head No. 6—Census.
- (ii) Sub-head No. 8—Relief of the poor ; unemployment other than industrial unemployment.
- (iii) Sub-head No. 10—Charities and charitable institutions, charitable religious endowments.
- (iv) Sub-head No. 11—Prevention of Cruelty to Animals Act.
- (v) Sub-head No. 12—Rewards for the destruction of wild animals.
- (vi) Sub-head No. 13—Protection of wild birds and animals including administration of the Game Act.
- (vii) Sub-head No. 14—Important occurrences including Hindu-Muslim disputes.

(NOTE.—Deputy Commissioner and District Superintendent of Police in case of emergency will act in their discretion, although they will have to consult the President of the District Council.)

- (viii) Sub-head No. 19—Installation of electric lights and fans.
- (ix) Sub-head No. 20—Telephone connections.
- (x) Sub-head No. 21—Bungalows, allotment and administrative approval to construction.
- (xi) Sub-head No. 24—Newspapers and books and distribution of books and publications.
- (xii) Sub-head No. 27—District Gazetteers.
- (xiii) Sub-head No. 28—Relief on account of flood, earthquakes, etc.

(2) *Jail Department.*

This is divided into 7 sub-heads, out of which the following may be transferred to the District Council :—

- (i) Sub-head No. 2—Discharged Prisoners' Aid Societies.
- (ii) Sub-head No. —Appointment of visitors to jails (this is not mentioned in any of the sub-heads).

(3) *Police Department.*

This department is sub-divided into 13 heads out of which the following may be transferred to the District Council :—

- (i) Sub-head No. 1—Public Order.
- (ii) Sub-head No. 2—Police including railway and village police.
- (iii) Sub-head No. 4—Preventive detention for reasons connected with the maintenance of public order.
- (iv) Sub-head No. 5—Criminal tribes.
- (v) Sub-head No. 7—Theatres, dramatic performances and cinemas.
- (vi) Sub-head No. 8—Betting and gambling.
- (vii) Sub-head No. 10—Mechanically propelled and other vehicles, control of traffic.

(4) *Political and Military Department.*

This is divided into 18 sub-heads, out of which the following three may be transferred to the District Council :—

- (i) Sub-head No. 1—General Administration (Political).
- (ii) Sub-head No. 5—Political pensions.
- (iii) Sub-head No. 18—Auxiliary and territorial forces.

(5) *Commerce and Industry Department.*

This is divided into 40 sub-heads, out of which the following may be transferred :—

- (i) Sub-head No. 2—Production, supply and distribution of goods, development of industries (especially village industries).
- (ii) Sub-head No. 4—Factories.
- (iii) Sub-head No. 6—Welfare of labour, etc.
- (iv) Sub-head No. 7—Unemployment insurance.
- (v) Sub-head No. 8—Industrial unemployment.
- (vi) Sub-head No. 9—Trade Unions, Industrial and Labour disputes.
- (vii) Sub-head No. 11—Unincorporated, corporated trading, literary, scientific, religious and other societies.
- (viii) Sub-head No. 12—Insurance.

- (ix) Sub-head No. 13—Electricity.
- (x) Sub-head No. 14—Boilers.
- (xi) Sub-head No. 17—Museums.
- (xii) Sub-head No. 20—Money-lending and money-lenders, including registration of money-lenders.
- (xiii) Sub-head No. 21—Weights and measures.
- (xiv) Sub-head No. 22—Cotton Industry (Statistics) Act.
- (xv) Sub-head No. 23—Stationery.
- (xvi) Sub-head No. 24—Stores.
- (xvii) Sub-head No. 29—Petroleum and other dangerously inflammable substances.
- (xviii) Sub-head No. 39—Technical and industrial education.

(6) *Registration Department.*

Sub-head No. 1—Registration of deeds and documents may be transferred.

(7) *Forest Department.*

Sub-head No. 1 may be transferred.

(8) *Medical Department.*

Sub-heads Nos. 1 and 4 may be transferred. Sub-head No. 4 is Medical Education; of this the indigenous medical education may alone be transferred.

(iv) *Departments which may be transferred for autonomous purposes.*—Local Self-Government Department will cease to be a provincial department except for purposes of general supervision and control. The power of nomination would under the scheme be given to the President of the District Council and in the case of Municipalities the power would be given to the Presidents thereof. Other matters coming under this department would in the first instance go to the President of the District Council with regard to all the local bodies in the district, including the Municipalities. The Provincial Government would have only revisional powers in certain cases and other powers which are discussed in a later chapter.

It would be seen that the Public Health Department, Education Department, Public Works Department, and Agriculture Department have already figured in Class II, and Medical Department has figured under Class III. For all these departments there would be a "District side" and to that extent, that is to say, to the extent of administering these departments within the districts, the District Councils would have autonomous powers. The provincial staff of these departments functioning in the districts would be at the disposal of the District Council, the district heads of these departments functioning as the Secretaries to the Executive Members of the District Council in charge of these portfolios.

From the point of view of district autonomy the position may be summed up as follows :—

(1) With regard to all the sub-heads coming under the Local Self-Government Department, the district autonomy would be complete and the Provincial Government would exercise no more than general powers of supervision and control.

(2) With regard to other departments mentioned in Class IV above, the district autonomy would be of a dual nature. It would be complete so far as the "District side" of the departments is concerned and partial so far as the provincial side is concerned. The Provincial Government will lay down broad policies with regard to these departments and the District Councils would be free to enforce these policies in the way they deem proper and conducive to the general interests of the people of the district. For instance, the extension of medical aid, providing facilities for improving public health, extension of primary and secondary education in the district, improvement of agriculture and allied village industries, extension and management of district road system and other public works of the district and the general improvement of local bodies within the district, all these subjects could be left to the charge of the District Councils especially when the provincial staff would be there to assist them and give the benefit of their expert knowledge.

(3) With regard to the sub-heads of other departments (*i.e.*, those mentioned in Classes II and III) transferred for administrative purposes, the District Councils would function as the agencies of the Provincial Government for district purposes and the District Councils would have no more than advisory powers with regard to matters coming under this category. The difference would be that while at present it is only the District Officials who carry on the administration in the districts on behalf of the Provincial Government, under the proposed scheme it would be the District Officials and the District Executive Committee working together and in co-operation, that would be the agency of the Provincial Government for district administration. As has been already pointed out in all matters coming under this category the agreed decision of the District Executive Committee and the District Officials would prevail and the Provincial Government would be saved a huge mass of details and many a reference backwards and forward. The Provincial Government would have to deal with such matters only which are referred to them by the District Officials or the District Council when the two happen to disagree. Public grievances would be ventilated in a responsible manner in the District Councils with regard to almost all the matters affecting the well-being of the people and we would have, in the famous words of Mr. Gokhale, "more government on the spot and more expeditious government". We will also have government with which the peoples' representatives would be closely associated at every stage, thus ensuring popular backing for every administrative action. The three evils of the district administration pointed out by Mr. Gokhale, *viz.*, its secrecy,

its purely bureaucratic character and its departmental delays, would be minimized to a very large extent, if not altogether removed from the system of administration.

A word may be said with regard to the subject of law and order. The Deputy Commissioner would as at present be empowered to act as he deems best in grave emergencies. But as a rule he would be expected to take the President of the District Council into confidence and in case of disagreement, the matter may be referred to the Provincial Government whose decision shall be followed. An organization of civic guards enlisted from all communities may be brought into existence to assist the police in the matter of maintenance of law and order. The civic guards may be trained by the police officers stationed at every important village and town. Compulsory physical training and compulsory voluntary service for a year or so for every adult in village and town would bring into existence a disciplined force sufficient to meet any contingency. The fittest among these civic guards may be enlisted in the regular police service and those who show sufficient talent may be formed into district military units with the necessary sanction of the Military Department. Local talent in the sphere of manning police and military forces would thus be brought to light which may ultimately help to solve the defence problem of India so far as internal security is concerned. With popular administration introduced in the district much can be done in this sphere, and the fear and antagonism felt by the people against the police and military department will wither away in course of time. Law and order will come to have a popular backing which is sadly wanting at present under the existing system of administration.

Under the proposed scheme, therefore, we would have *full autonomy* given to the District Councils in the case of all matters now falling under the head of Local Self-Government partial or *administrative autonomy* in the case of other departments mentioned in Class IV above, and *advisory powers* given in the case of matters falling under all the remaining departments. And in all cases the Provincial Government will retain general powers of supervision and control and power of dissolution and suspension to meet any grave eventuality.

(4) Municipalities

Under the proposed scheme, the Municipalities shall function as the statutory agents of the District Council, within whose jurisdiction they are located. As has been already stated, every town with a population of 5,000 and above shall have a Municipality. There are only 112 such towns in the province and we have already 75 Municipalities. The area under the Municipalities shall be known as the urban area and the Municipalities shall have full autonomy within their jurisdiction, subject to the general supervision and control by the District Council. The President of the Municipality shall be elected by a direct vote of the whole town on adult

franchise basis and shall exercise powers within the Municipal area similar to those of the President of the District Council. The Government Officials functioning in the towns shall form the secretariat in the same way as in the case of the District Council. The President shall form his Executive Committee and the general body shall elect Sub-Committees over which the President shall have power to nominate experts or men specially interested in the subject. The business shall be conducted through the Executive Committee and Sub-Committees on lines similar to those in the District Council.

The Municipalities will continue to enjoy the autonomy which they enjoy today. But their efficiency would be increased with the assistance of the town official staff made available to them for executive purposes. In addition, they will exercise administrative autonomy with regard to other matters transferred to them as in the case of the District Council.

In the case of Municipalities all the departments transferred to the District Council need not be transferred to them. For instance, the departments such as the Agriculture, Forest, Registration, Land Records and Jail Department need not at all form part of Municipal administration.

The present system of election of members through wards has not at all worked satisfactorily. The system is not based on any sound principle and gives representation to a geographical area instead of to any social interest. Honest, competent and public-spirited men are not usually found in every ward and even if facilities are provided for candidates residing in one ward to stand for any other ward, the problem of getting men knit together by a common purpose and wedded to a common programme of social reconstruction will not be solved. It is therefore proposed that the system of election by wards should be abolished and the following system should be substituted in its place.

Apart from the President, each Municipal area will be given representation on a population basis, say, one member for each 500 or 1,000 voters. Votes will be cast not in favour of persons but in favour of parties with definite programmes published beforehand. The number of votes cast for each party will decide the number of members which each party will secure in the Municipal Committee. The total strength of a Municipal Committee will depend on the number of votes polled. In the case of big towns the base of 500 voters may be increased so as to limit the total strength to a reasonable and workable figure. In our province out of 112 towns we have only 18 towns having a population upwards of 20,000. These towns may be grouped in one class and the rest of the towns in the other class for the purpose of fixing a suitable base for representation. Again, Nagpur and Jubbulpore are the only cities in the province with a population over 100,000. These two cities stand on a different footing not only from the point of population but also from the point of view of political and civic importance. They deserve to be grouped in a separate class with a more advanced constitution

than other towns. Improvement Trust and a Corporation with a democratic constitution could be established for these two cities. The question may however be left for proper investigation to a committee appointed for the purpose. For the present, we may rest content with the introduction of the system of voting for parties instead of for persons and fixing of the total strength of the Municipality to a workable figure. This may be done by retaining the present strength of each Municipality and working out a base for each member on adult franchise basis. Under this method each town will have larger or smaller committees according to the interest and enthusiasm which the parties may be capable of rousing in the mind of the voters. The maximum limit will be reached only in case of 100 per cent poll.

The system of nomination may be abolished in the case of Municipalities, except for the purpose of securing the services of experts or men specially fitted for certain subjects. Under the proposed system of election the parties will be forced to co-operate with minorities to secure their votes and promise them a certain number of seats. These voluntary agreements will go a great way in minimizing the evil of communalism and safeguarding the interests of minorities on a thoroughly democratic basis. Nomination may be resorted to only in case this method fails to give satisfactory results. In other respects the constitution of the Municipalities will be similar to that of the District Council.

(5) Circle Boards

For each Revenue Inspector's Circle in the rural area there shall be a Circle Board presided over by the member elected by the circle for the District Council. The Village Panchayats in the circle will elect not less than 5 and not more than 9 members to form the Circle Board, the number being small or large according to the size and population of the circle. The Revenue Inspector, the Circle Inspector of Police and such other officers already working in the circle shall form the secretariat of the Circle Board. The Circle Board shall be the agency of the District Council within the circle for all administrative purposes. Its duties will be analogous to the duties now performed by the local boards with the additional duties assigned to it by the District Council. Supervising the functioning of Village Panchayats and hearing of local grievances of the villagers and redressing them on the spot with the help of the official staff wherever possible or referring them to the District Council, shall form some of the main functions of the Circle Board.

Literacy and voting ability for the Provincial Assembly shall be the minimum qualification for membership of the Circle Board. The President of the District Council may nominate a certain number to the Circle Board for specific purposes or for giving representation to minorities, in certain special cases.

Rural education, sanitation, organizing of marketing and other aspects of rural economy, supervising crop statements, extension of

medical aid and public health facilities to rural population in the circle, organizing of civic guards and improvement of agriculture and other village industries—are some of the functions which the District Council will entrust to the Circle Board. The Circle Boards shall submit monthly or quarterly reports to the District Council so that the latter may be kept informed of day-to-day rural requirements. The Circle Boards shall form the intermediate link between the District Council and the Panchayat.

(6) The Panchayats

Every village or a group of villages shall have a Panchayat. The existing Panchayats shall remain intact. But the formation of new Panchayats will be done on two lines (i) panchayat for each single village in case of big villages, and (ii) Panchayats for groups of villages in case of small villages. We have in our Province nearly 8,000 villages with a population between 500 to 5,000. There should be a Panchayat for each of these villages. The number of the remaining villages, come to a little over 31,000. In the case of these villages, the group system may be tried to begin with. And as each village develops and shows signs of progress a separate Panchayat may be given to it on demand by the village made to the District Council. Villages which are now managed by one Patwari, which is known as the Patwari's Circle, shall form the maximum unit for a group Panchayat. The principle on which the Panchayats shall be formed will be as follows: There shall be a Panchayat for each Patwari's Circle and there may be a Panchayat for each village in the Patwari's Circle on demand by the village. The statutory obligation will extend only to the Patwar's Circle.

The Panchayat shall consist of not more than 15 and not less than 5 members in accordance with the size and population of the village, or a group. The President or the Sarpanch and the members shall be elected by a general vote of the village or the group on an adult franchise basis. The system of election shall be the same as in the case of Municipalities, *i.e.*, the voting shall be for the party and not for persons. The main difficulty experienced about the Panchayats is the lack of initiative among the villagers. In the early stages of local self-government it was expected that the District Officials would supply the necessary initiative and help in building up a healthy and progressive civic life in towns and villages. This method has failed and it is therefore proposed that the political and civil parties in the district may be given a chance to reconstruct rural and urban life on well defined programmes. With a view to secure a voice in the district administration through the District Council, the political parties and other social and civic forces will supply the necessary initiative to build up rural life on progressive lines.

The Patel, the Police Patel, the Patwari, the Village Watchman where there is no Police Patel and the School Teacher where there is a school, shall form the secretariat for the Panchayat which shall

be the basic rural unit for administrative and local self-government purposes. The judicial powers now exercised by the Panchayats shall be withdrawn because experience has shown that owing to these powers party factions on personal lines have increased in the villages and a number of Panchayats have degenerated into instruments of oppression. This judicial work can be entrusted to Honorary Magistrates who should be precluded from membership of local bodies. The appointment of Honorary Magistrates should be done on the recommendation of the President of District Council and the system should be re-organized so as to secure capable and honest men. It is possible to find such men in enough numbers in the rural side who are not interested in politics but who would be willing to do useful service of judicial nature. The separation of executive from judicial functions as far as possible and practicable is the very *sine qua non* of the proposed scheme.

Sanitation, public health, prevention of pollution of river-courses, preparation of crop-statements, management of village, public charities, village school, trust and temple properties, collection of rates, taxes and Government revenue, poor relief, public sarais, maintenance of the registers of voters, births, deaths and marriages, and other public records, and in short all the functions now performed through the patels and patwaris shall be performed by the Panchayats with the assistance of Village Officials. The organization of village civic guards to maintain order at the fairs and markets and other social and religious congregations shall also form part of the duties of the Panchayat. The Panchayat shall also serve as the Board for the economic development of the village in the matter of improvement of agriculture, cottage industries, marketing of village produce and purchase of village requirements, supplying of useful information to the villagers as regards market rates, crop forecasts, rainfall, and such other useful subjects. The District Council shall supply all this information to the Panchayats through the Circle Boards or such other agencies established for the purpose. Installation of radio machines will go a great way in keeping the rural side well-informed of all useful matters.

As suggested by the Central Provinces Provincial Banking Enquiry Committee in their Report (paragraphs 2174 to 2194), the rural reconstruction scheme should be immediately put into motion through selected Panchayats and the Circle Boards under the direction of the District Council. The Panchayat shall thus be a unit not only for the purposes of local administration but also a unit for all manner of collective activity, social, political and economic calculated to benefit the rural population.

The Panchayat shall also carefully note all the grievances of the villagers and redress them on the spot so far as it lies in their power with the help of village and circle officers and the Circle Board, and grievances not redressed shall be communicated to the District Council through the Circle Board. The District Council shall establish a speedy agency to look into these grievances and redress

them by a summary procedure. Expeditious redress of the grievances of villagers is bound to inspire confidence in their mind and generate a new enthusiasm for the Panchayat system. The existing Panchayats do not touch the basic needs of the villagers and this is one of the reasons why they have not yet been appreciated by the rural population.

The Panchayat shall function as the agency of the District Council and the latter shall exercise general powers of supervision and control over the Panchayats, including the powers of suspension and dissolution.

The Panchayats shall be empowered to impose fines and such other punishments on persons obstructing the Panchayat members and other village officers in the discharge of their duties. The persons so punished shall have a right of revision to the Civil Courts.

(7) Other Matters

The life of the Panchayats, Circle Boards, the Municipalities and the District Councils shall be for 5 years. The office-bearers shall be removable by a simple majority but only in case they are defeated on important issues and in case the smooth working of the bodies becomes impossible. The Provincial Government shall frame rules for this purpose in the light of experience gained so far. The suggestion made by the last Local Self-Government Committee in their report to the effect that the danger of an adverse vote resulting from "snap" voting should be avoided, merits consideration; but the remedy is not to deprive by statute the majority of its right to have the office-bearers of its choice, but to frame rules to avoid dangers of "snap" voting. Two or three successive defeats suffered after a reasonable duration of time should afford sufficient ground for demanding resignation from the office-bearers. Secondly, the office-bearers should have a right to demand referendum on vital issues before they are called upon to withdraw by a simple majority. And lastly, the dissatisfaction in certain cases may be with regard to one or two members only; in such cases the system of recall may be resorted to, instead of asking the whole executive to resign. But in all cases the executive will be removable on specific issues and not on the ground that the majority wants them to resign. The method of referendum and recall will concentrate attention on issues of public importance and the electorate will get a voice on critical occasions in deciding important questions of policies, along with their representatives. The referendum and recall will act as healthy checks on irresponsible behaviour on the part of majorities, as well as on the office-bearers.

As regards questions such as the action to be taken against habitual absentee members, corrupt practices in elections and decision of election disputes the recommendations of the last Local Self-Government Committee may be accepted.

CHAPTER II—FRANCHISE

(1) Adult Franchise

We have proposed adult franchise for all local bodies—Panchayats, Municipalities and the District Councils. For the Circle Board alone there would be an indirect election, the Panchayats in the circle forming the electorate for the members of the Circle Board. The reason for this indirect election is obvious. The Circle Board is not intended to perform any specific duties apart from those entrusted to it by the District Council. It will be purely an administrative body and it will not be required to frame any new policies. It is intended to supply a popular agency to be associated with the circle officials and to serve as an intermediate link between the District Council and the Village Panchayats.

“ According to the present franchise (for local bodies) the electorate is 246,000 in the urban and 431,000 in the rural areas, which works out to 16.3 per cent and 3 per cent of population, respectively. If the Provincial franchise is adopted, the resultant electorate will be 271,000 in the urban and 1,265,000 in the rural areas, or 17 per cent and 9 per cent, respectively, of the population.” The population above 20 years of age in our province works out to the figure of about 6,690,000. If the adult franchise is restricted to 21 years this figure will be reduced to some extent. From 17 and 9 per cent to nearly 42 per cent (adult franchise) may appear to be a big leap. But we are now trying the experiment of wider franchise with wider powers, the experiment of lower franchise with restricted powers having proved a failure. Again, introduction of adult franchise in local bodies will prepare the ground for meeting the demand for the same advanced by all progressive political parties in India in the sphere of Provincial and Central Government.

We may however note that inasmuch as the preparation of the electoral roll on adult franchise basis may take a considerable time, the first elections to the local bodies may be held on the basis of Provincial Assembly electorate and the next elections may be held on adult franchise basis: This procedure will enable us to judge the results of the new scheme and place us in a better position to decide upon the advisability of introducing adult franchise.

(2) Distinction between right to vote and right to be member of local bodies

In previous chapters we have drawn a distinction between a right to vote and a right to stand as a candidate. For the latter purpose suitable educational qualifications may be fixed for each local body after examining the question with reference to conditions in local areas. For the Panchayats, literacy and voting ability for Assembly should suffice as qualifications for membership. And for the Municipalities and District Councils higher educational qualifications may be fixed. For the presidentship of the District Council a still higher qualification may be fixed in view of the onerous

duties attached to that office. The Local Self-Government Committee has recommended a minimum property, taxation, and literacy qualifications for membership. While we think that a higher educational qualification will be sufficient to ensure competence and sense of responsibility, we are not averse to fixing a minimum property and taxation qualification in addition to educational one. This question may however be left to be decided by a committee.

(3) Two methods of election

It may also be noted that we have proposed two different systems of elections: One for the District Council and another for the Municipalities and the Panchayats. The reasons for the distinction may be stated as follows:—

(i) The proposed structure of the District Council is determined mainly by two considerations, *viz.*, (a) to water down the age-long autocratic system of administration prevalent in the district; and (b) to provide a central agency in the district for the purpose of co-ordinating the activities of the basic self-governing units in the urban and rural areas, *viz.*, the Municipalities and the Panchayats. There is also a third consideration, *viz.*, to relieve the pressure on the Provincial Government and free the district administration from the evils of over-centralization at provincial headquarters, and thus create more government and more expeditious government on the spot. These considerations necessitate a different system of election for the District Council. Secondly, (ii) the Municipalities and the Panchayats are compact self-governing units and therefore the system of voting for parties is likely to prove more fruitful in their case than in the case of the District Council. Thirdly, (iii) considerations which have determined the structure of the District Council make it necessary to follow the existing system of regional subdivisions. In the case of Municipalities and Panchayats the regional representation based on the ward system is unmeaning and can therefore be done away with. And lastly, (iv) the district cannot be said to be a self-governing unit in the same sense in which a town or a village can be.

The reasons for introducing the system of voting for parties in the place of persons have already been stated in the last chapter. They need not therefore be repeated here. It may also be noted that the system introduced in the District Council will not prevent formation of parties and the elections will be run on party lines. But voting for parties is bound to result in course of time in coalition executives which may weaken the administration. The power given to the President of the District Council to nominate members in case the result of the election happens to place him in a minority, is intended to secure stable administration in the district. When the whole district gives verdict in favour of a man, it is but proper and safer to invest this man with enough powers to enable him to justify the confidence placed in him by such a wide electorate. Voting for the parties cannot ensure this position and hence the distinction.

(4) Referendum and Recall

The provision for referendum and recall is intended to generate a sense of responsibility among the elected representatives of the people who will now be in their seats for five long years. It is also intended to operate as a statutory remedy to avert crisis democratically without having recourse to dissolution or suspension on the part of the Government. And, lastly, the provision is intended to concentrate attention on issues of public importance which alone shall form a ground for either referendum or recall. The vicious play of personal feelings will thus be minimized. These are the main considerations on the basis of which rules shall be framed by the Provincial Government with regard to referendum and recall.

In the case of the District Council, the referendum may be restricted to the members of the Municipalities and Panchayats in the district with a view to avoid the expense and inconvenience of a general vote. But in the case of Municipalities and Panchayats, the referendum shall mean a general vote. There will be no need for referendum in the case of the Circle Board.

The provision for recall is mainly based on the recognition of the right of the voters to expect their elected representative to remain true to his election pledges. If the elected representative changes his position after election or turns inactive the electorate should have a right to call him back and send another representative. It is indeed by no means easy to provide for an effective machinery for ascertaining the will of the electorate in this matter. In the case of the District Council the rural representatives will be sent by the circles and the urban members will be sent by one or more Municipalities. In the case of rural representatives, the general sense of the Panchayats in the particular circle represented by the member in whose case the question arises, may afford a workable basis for setting in motion the provision for recall. But the member in question will have a right to demand re-election, if he so chooses, and the general sense of either the Panchayats in the case of rural representative, or the municipalities in the case of urban representatives, will not be enough to unseat the member.

In the case of Municipality the sense of the voters may be ascertained in a mass meeting conducted by the President of the District Council or his nominee. Sufficient notice of this meeting will be given to the voters of the town in a suitable form. If the sense of the meeting goes against the member, the President will order fresh election for that particular seat. In the case of the Panchayat, similar procedure will be followed.

The rules for recall should be as liberal as practicable. But the rules for referendum will have to be very carefully framed so as to avoid dangers of misuse. In the case of the President of the District Council the provisions for recall shall have no operation. It would be impossible to ascertain the general will of the whole

district electorate whom he will represent, in any practicable manner. In the case of an adverse vote against the President of the District Council on an important issue, the referendum will be the only course open to him to retain his position. If the restricted referendum as stated above goes against the President, the general vote may be taken not only for the specific issue but also for choosing the rival Presidential candidate, so that the voters may not have to go to the poll twice, if the referendum goes against the President.

The elections for the District Council, the Municipalities and the Panchayats could be held simultaneously, the base of adult franchise being common to all. They could also be held along with the Provincial elections with suitable arrangements made for registering the different votes.

CHAPTER III—GOVERNMENT CONTROL

The present provisions regarding government control of local bodies are contained in sections 52 to 60 of the Municipalities Act and sections 60 to 66 of the Local Self-Government Act. Power given to the Deputy Commissioner to inspect and report, emergent power of local self-government to require local bodies to perform important duties, power to dissolve or supersede local bodies and power to hear appeals and revisions concerning local bodies, are the main features of the provisions relating to government control.

Despite the existence of these far-reaching provisions, local bodies were, for all practical purposes, left to themselves to manage or mismanage things and the provisions of government control were brought into force in very rare cases. This was mainly due to the spirit of dyarchy which introduced complete separation of local self-government from the general administration. Under the proposed scheme the general administration and local self-government will go hand in hand and the Government officials will be closely associated with local bodies right from the Village Panchayats to the District Councils. This structural change will of itself ensure efficiency, and the statutory association of government officials with local bodies is bound to exercise a sobering influence and operate as a constant controlling factor. The structural change with extended autonomy will make it obligatory on the local bodies to act in a more responsible manner than they did before. The execution of policies and orders will be done through the permanent staff of officials now associated with the local bodies and this staff being the agency of the Provincial Government will act in a more thorough-going manner than the existing staff of the local bodies which is both inefficient and without a will of its own. The coercive element involved in the execution of policies in Panchayats, Circle Boards and Municipalities in the district will be less resented than control exercised directly by the Provincial Government. Provision may, however, be made in certain cases for a right of appeal or revision to the Provincial Government against the decision of the District Council or District

Executive Committee. The Municipalities, the Circle Boards and the Panchayats are conceived as subordinate agencies of the District Council and as such it would be in the fitness of things to empower the District Council to exercise general powers of supervision and control over its agencies.

In case the District Council fails to function properly, the matter shall be referred to the Provincial Government which shall exercise the same powers over it which the District Council will exercise over the other local bodies subordinate to it. The provisions of Government control may remain as they are with slight modifications to suit the new scheme ; but position would be that in the case of Municipalities, Circle Boards and Panchayats it would be the District Council which would exercise these powers and in the case of the District Council it would be the Provincial Government which shall exercise those powers.

Then again, the Provincial Government would be empowered to frame rules for all the local bodies consistent with the new enactment. This rules-making power will enable the Provincial Government to exercise further control over all the local bodies.

The recommendation made by the Local Self-Government Committee to the effect that the Government's power of revision and review should be defined explicitly as in the Land Revenue Act, may be also accepted as it would be quite consistent with the new scheme.

Lastly, the provisions for referendum and recall will operate as democratic controlling factors which may necessitate fewer occasions for Government interference.

CHAPTER IV—TAXATION, STAFF AND OTHER MATTERS

Existing powers of taxation given to the local bodies will remain intact. In addition, the entertainment tax and other proposals made by the Local Self-Government Committee with regard to the Panchayats in the matter of taxation may be accepted. But in view of the transfer of six departments for autonomous purposes to the District Councils, measures to transfer a certain proportion of the revenue from these departments to the District Councils will have to be adopted. Again, even the revenue from the departments which would be transferred for administrative purposes will also have to be shared by the District Councils, though not in the same proportion as in the case of the departments transferred for autonomous purposes. The proportion of revenue to be transferred should depend upon the measure of economy effected by such transfer to the Provincial Government. If a principle is adopted whereby the District Councils would get a share in proportion to the realizations they make, revenue recoveries may improve and opposition to taxation may become less

pronounced in view of the fact that larger and larger proportion of the revenue collected would be made available to the District Councils for constructive schemes beneficial to the Districts. Grants to the Municipalities, Circle Boards, and Panchayats should be made by the District Councils on the same principle so that taxation and representation may go hand in hand. The idea that has become deep-rooted in the mass mind, *viz.*, that people have simply to pay without getting in return the right to spend the money for their own benefit, has got to be removed. And confidence has to be instilled into the minds of the people that the more they pay the more progressive they will be.

In the case of departments transferred for autonomous purposes the District Councils will have to be given powers to inaugurate new schemes of taxation with the sanction of the Provincial Government. The details of these proposals will have to be worked out by a committee.

Staff

The new scheme will necessitate far-reaching changes with regard to the staff. With the permanent official staff made available to the local bodies, the existing staff could be retrenched considerably. To avoid hardships to the victims of possible retrenchment, it may be suggested that these retrenched people may be given to the new Municipalities and Panchayats that will come into existence and some may be absorbed in the Circle Boards. Under the new order the official staff will form the staff of the local bodies and existing staff will be retained only in case and in such proportion as may be found necessary.

With regard to the staff which the local bodies will retain, the recommendations of the local self-government may be accepted with such modifications as the new scheme necessitates.

The provincial staff working for the various departments will now work for the District Councils and other bodies under the directions of their district heads associated with the District Councils.

The revenue and the executive staff working under the Deputy Commissioner will have to be split up into two sections; one devoted to the executive work and the other doing the judicial work in revenue and criminal cases. The executive officers will continue to have magisterial powers as at present but they will not try any cases. The magisterial powers are intended to enable them to take cognizance of offences and initiate prosecutions. At present the revenue and the executive staff do both executive and judicial work. And it may not be difficult to ascribe one section exclusively to judicial work and the other to the executive work, without necessitating any additional cost to the Government. The institution of honorary magistrates may be reorganized, and not only criminal but civil and revenue work

may be given to them in certain cases. The civil courts may also be empowered to deal with criminal and revenue cases so that the executive staff may not fall short of hands. A thorough examination of this question may, it is felt, result in evolving a workable method whereby separation of the executive from the judicial work may become possible without any additional burden to the tax-payer.

With regard to other minor matters the recommendations of the Local Self-Government Committee may be examined in the light of the new changes proposed and accepted with such modifications as may be found necessary.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



SCHEMES
FOR THE
ECONOMIC & INDUSTRIAL DEVELOPMENT
OF THE
CENTRAL PROVINCES & BERAR

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1938

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GOVERNMENT OF THE CENTRAL PROVINCES
COMMERCE AND INDUSTRY DEPARTMENT

In connection with the resolution recommending the appointment of a committee to draw up a five years' plan for the economic and industrial development of this province, carried in the Legislative Council on the 1st February 1935, Government has made a general survey of the many schemes which have been investigated by the Department of Industries, and by other Government departments.

Notes on these schemes have now been brought together, and are published in two parts. In Part I will be found schemes provisionally considered suitable for adoption, while Part II contains those which investigation has shown to be impracticable.

P. S. RAU,

*Financial Secretary to Government,
Central Provinces.*

SCHEMES FOR THE ECONOMIC AND INDUSTRIAL DEVELOPMENT OF THE CENTRAL PROVINCES AND BERAR

PART I

SCHEMES CONSIDERED BY GOVERNMENT WHICH ARE PROVISIONALLY FOUND SUITABLE FOR ADOPTION

1. Scheme for the improvement of the brass-ware industry in the province.
 2. Scheme for the establishment of an oil research laboratory at Akola for the manufacture of vegetable oils, vegetable fats, edible products of oil seeds, fatty acids, etc., and the appointment of an Industrial Chemist.
 3. Expansion of industrial education in the province.
 4. Scheme of hydro-electric works in the province.
 5. Industrial survey of the province.
 6. Preparation of an industrial cinema film regarding the evolution of a cart wheel.
 7. Formation of a Labour Board.
 8. Establishment of small bone crushing mills in the Central Provinces.
 9. Provision of financial assistance to small scale industries.
 10. Organization of provincial industrial exhibitions.
 11. Training in handicrafts connected with lac manufacture.
 12. Scheme for the establishment of the sugar industry.
 13. Scheme for the development of the boot-making industry at Nagpur under Government control.
 14. Scheme for the training of apprentices in leather tanning and boot-making in private tanneries in the province.
 15. Scheme for the financing and marketing of cottage industries.
 16. Establishment of commercial museum.
 17. Grant of scholarships for training in the manufacture of glass bangles.
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I-1.—Scheme for the improvement of the brass-ware industry in the province

The question of improving the brass work cottage industry of the province has been engaging the attention of the Department of Industries since 1914. In order to help the industry, a cheap and efficient type of hydraulic press was devised at the School of Handicrafts, Nagpur, but it was not by any means perfect, and there was a good deal of hostility on the part of the local workers in brass-ware against its introduction. It was therefore considered necessary to engage a brass work instructor

to go round demonstrating improved methods. Government accordingly sanctioned the appointment of an instructor for a period of three years. He was sent to Madras for training for about six weeks in a pressing and spinning factory and aluminium works before taking up his work in the province. On his return, he gave peripatetic demonstrations in spinning and stamping metal utensils. But success was prejudiced by the shortage of sheet brass owing to the war and neither the brass workers nor the shopkeepers showed any enthusiasm. The former regarded any labour saving apparatus with the usual suspicion of skilled craftsmen. The latter complained that spun utensils would not wear out quickly enough. In the meantime it came to the notice of the department that one of the difficulties which confronted the brass industry was the high price of brass sheets which were imported from Bombay. The question of establishing a factory for rolling old brass, which could be bought up very cheap in the local bazars in the form of cracked or broken utensils into sheets for supply to the brass workers suggested itself. But the idea was abandoned as the plant would be expensive and the factory could not possibly pay, unless arrangements were made for a large demand of the finished product. The instructor resigned at the end of 1917.

The post was, however, retained and an assistant instructor was also appointed for three years, who was employed in demonstrating the portable power hammer obtained from England. These appointments were not continued as the brass workers persisted in refusing to adopt labour saving machinery. The question of improving the industry was again taken up in 1927 and the Inspector of Industrial Schools was deputed to study the modern methods of manufacture in the brass schools and factories in the United Provinces. He also carried out experiments into improved methods of pressing brass-ware at the Government School of Handicrafts, Nagpur, with encouraging results. It was finally proposed to appoint a brass work instructor under the supervision of the Inspector of Industrial Schools as an experimental measure for a period of one year for demonstrating at Bhandara, which is a centre of the industry in the province, the improved methods and appliances in the manufacture of brass hollow-ware. The demonstration would include the improved methods of repoussé engraving, enamelling and the screw press methods of obtaining hollow-ware.

Recurring.

	Rs.
Pay of Brass Instructor at Rs. 75 per mensem	900
Travelling allowance for Inspector of Industrial School, and Instructor	3,000
Contingencies	2,000
Total	5,900
or in round figures	6,000

Non-recurring.

Machinery	... 10,000
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I-2.—Scheme for the establishment of an oil research laboratory at Akola for the manufacture of vegetable oils, vegetable fats, edible products of oil seeds, fatty acids, etc., and the appointment of an Industrial Chemist

The Board of Industries recommended in 1921 that a research and experimental laboratory for the investigation of vegetable oils should be established at Akola. A proposal was accordingly made to Government to construct and equip a suitable laboratory at Akola for the purpose of experimental and research work and to appoint an Industrial Chemist trained in the chemistry and treatment of oils and soap-making. The Shri Laxmi Oil Mills would carry out practical tests of experimental work done in the laboratory. The proposal was sanctioned by Government. The estimate of expenditure is given below :—

Non-recurring.

	Rs.
Building ...	30,000
Plant for the treatment of vegetable oils by hydrogenation in the presence of a catalyst on a laboratory scale ...	30,000
Ordinary equipment of laboratory and employment of expert adviser ...	15,000
Total ...	<u>75,000</u>

Recurring.

One Chemist on Rs. 600 per mensem ...	7,200
Clerical and menial staff ...	1,200
Total ...	<u>8,400</u>
Grand Total ...	<u>83,400</u>

In 1923, the Director of Agriculture suggested that an Industrial Chemist, if appointed, could use the Agricultural Research Institute at Nagpur for the ordinary chemical work as it was equipped with the necessary apparatus for such work but that if industrial process had to be investigated on a small scale, an additional building and a small scale plant would be necessary. In accordance with the above suggestions a fresh proposal for the appointment of an Industrial Chemist with the necessary apparatus involving Rs. 15,500 was made to Government in 1923 and although it was sanctioned it was eventually cut out from the budget owing to financial stringency. Subsequently the Director of Agriculture stated that he could not spare his laboratory for the use of the Chemist. The proposal was therefore abandoned.

This scheme might be reconsidered when funds are available, provided the University of Nagpur does not carry out a similar project out of the bequest left by the late Rai Bahadur D. Laxminarayan of Kamptee for the teaching of applied

chemistry. The University scheme provides for a course of instruction in industrial chemistry, with special reference to oil technology, to be imparted to the students of the province and the establishment of a small factory on a commercial scale for the extraction of vegetable oils or the manufacture of oil products. The initiation of the scheme has been held up on account of litigation concerning the bequest.

An Industrial Chemist would, however, be necessary even if the University scheme is carried out. The annual cost on account of his pay would be about Rs. 3,600.

I-3.—Expansion of industrial education in the province

With a view to meet the increasing demand for industrial education, it was considered necessary to open one Government School of Handicrafts in each division and an aided industrial school at each district headquarters, where sufficient scope existed for such a school. There are already three Government schools at Nagpur, Jubbulpore and Akola in the Nagpur, Jubbulpore and Berar divisions, respectively, while a Government school at Raipur in the Chhattisgarh division has been constructed, but its opening has been postponed owing to financial stringency. In the meantime an aided school has been located in the building under the supervision of the American Evangelical Mission, Raipur. An aided school at Khandwa was sanctioned by Government but paucity of funds has delayed its establishment. In addition to these there are six Government-aided industrial schools at Amraoti, Saugor, Dhamtari, (Raipur district), Chandametta (Chhindwara district), Khamgaon (Buldana district) and Chanda. The course of training at all the schools is of three years and training is given in carpentry, smithy and tailoring.

Enquiries were made from the Deputy Commissioners of the districts where there were no schools regarding the opening of new industrial schools and all except the Deputy Commissioners of Buldana and Seoni recommended establishment of new schools. Accordingly, the following places were selected as suitable places for the opening of new schools:—

Wardha, Betul, Itarsi (Hoshangabad district), Pendra Road (Bilaspur district), Damoh, Narsinghpur, Mandla, Darwaha (Yeotmal district) and Katni (Jubbulpore district).

But the matter was not proceeded with further owing to financial stringency. The scheme would cost approximately Rs. 2,35,068.

I-4.—Scheme of hydro-electric works in the province

The local Government had investigated the possibility of a hydro-electric scheme in the province, and came to the conclusion that any further investigation should be a matter of private enterprise. If any private concern proposed to undertake the scheme and could show that there was likely to be a suitable market for water power, Government would consider favourably requests for assistance in the preliminary investigation.

The Empress Mills, Nagpur, had a project investigated in 1922. The site selected for the project is situated at Surera on the Pench river, about 30 miles from Nagpur, but the scheme was abandoned on the ground of prohibitive cost. The Department is trying to interest a private company in the scheme as under the present conditions it is probable that it could be completed at less cost. The prospect of the scheme will largely depend upon the initial capital and the demand for power for industrial purposes.

I-5.—Industrial survey of the province

An industrial survey of the province was made in 1908 by Sir C. E. Low, which was chiefly confined to certain cottage industries. The object of this enquiry was to collect information, regarding domestic industries and to ascertain in what way they could be improved by the adoption of new processes of manufacture with the assistance of Government.

The question of another survey has been before the Department for several years but nothing has been done up till now on account of financial stringency. The enquiry, if it is to be thorough, would have to be extended to factories worked with power as well; so that all industries in the province would come within its purview. It is proposed that the entire survey should be placed under a special officer, who should be an administrative officer of the rank of a Deputy Commissioner. He would decide the exact method of enquiry. He should have under him at least three technical assistants, namely, an economist, a chemist and an industrial engineer. The subordinate staff would consist mostly of students who have specialized in various technical subjects, who might be given stipends. Professors of Biology, Geology, Agriculture, Physics, Chemistry and Economics in Government Colleges, students engaged in research work and the district staff would also co-operate in the enquiry. The co-operation of Government Departments, such as the Forest, Agriculture, Industries and Medical Departments, would also be necessary. Assuming the survey will take a year to complete, the approximate cost would be about Rs. 60,000.

I-6.—Preparation of an industrial cinema film regarding the evolution of a cart wheel

The question of the preparation of industrial cinema films for exhibition and propaganda has been engaging the attention of the Department since 1928. It was proposed to prepare in the first instance a cinema film on the evolution of a cart wheel, with a view to bring the advantages of improved methods to the notice of agriculturists. The length of the film would be about 1,000 feet. The film was proposed to be exhibited on the cinema of the Agriculture Department which had a travelling lorry fitted for the purpose. It would have a propagandist and educative value and would familiarize the cultivators with improved methods of making wheels. The cost of its preparation was estimated at Rs. 1,250.

The proposal is pending for want of funds.

I-7.—Formation of a Labour Board

The Board of Industries had recommended in 1929, that the Director of Industries should investigate the feasibility of the formation of a Labour Board for the collection of statistics regarding the condition of the workers employed in the organized factories and mines of the province, and that he should also find out how the statistics are collected in other provinces and whether the Labour Bureau of any provinces had any power of compelling the employers to supply such statistics.

The authorities concerned of other provinces were addressed on the subject. The replies indicated that in no province was there any Labour Board of the kind proposed. There was some agency for the collection of labour statistics in Bombay, Bengal, Madras and Burma but none of them had any statutory power of compelling factories and mills to supply statistical information regarding labour and industrial conditions. In Bombay the need of assuming some such power was felt and a Statistics Bill was introduced in the Bombay Legislative Council in 1924, but was subsequently dropped. Everywhere in India statistics are collected with the voluntary co-operation of the employers. Any proposal for making the supply of statistics compulsory under the law was not therefore thought to be justifiable in this province which is industrially backward.

The Department collects and publishes the following statistics :—

- (1) Weekly return of cotton arrivals in the Central Provinces and Berar.
- (2) Statement of Rural and Urban wages prevailing in the Central Provinces and Berar.
- (3) The cost of living index numbers for the industrial workers at Nagpur and Jubbulpore.
- (4) Weekly statement of cotton pressed in the Central Provinces and Berar.
- (5) Weekly cotton return, showing the number of bojas of cotton ginned (in terms of bales) in all the cotton ginning factories in the Central Provinces and Berar.
- (6) Weekly return of unbaled cotton from cotton mills.
- (7) Annual return of mineral productions in mines not governed by the Indian Mines Act.

It was thought that the mere constitution of a Labour Board would not be of any help in improving the statistical information. The proposal was therefore dropped.

The Department, however, considered that an additional factory inspector or a commercial agent specially qualified for the work, might be recruited for the collection of labour or industrial statistics. A commercial agent qualified in economics has since been appointed. If and when the factory inspection staff needs strengthening, the proposal for the recruitment of an inspector to be in charge of the Labour Board will be considered. The approximate cost on this account would be about Rs. 2,600.

I-8.—Establishment of small bone crushing mills in the Central Provinces

The establishment of small bone crushing mills at suitable centres in the province was considered by the Department in 1929. No statistics regarding the total quantity of bones available every year in the province could be had. The average annual export of bones from the province at that time was 70,500 maunds as compared with 134,700 maunds during the quinquennium ending 1934-35. The Royal Commission on Agriculture which also examined this question came to the conclusion that, only a small proportion of the bone manure was consumed in the country. In rice producing Chhattisgarh, where bone manure ought to be used most, the amount of bone manure actually used was infinitesimal. Thus the real difficulty was not so much of a sufficient supply of it as that of stimulating an adequate local demand for it. There was prejudice against the use of bones as manure in many areas but this could be overcome if bones in a crushed form were made available and their use as a fertiliser demonstrated to be profitable. It was considered that a beginning should be made by the establishment of small bone crushing mills at some centres in order to put the producers into direct touch with the cultivators. There were, however, absolutely no data to serve as a guide in this respect. The experience of the bone crushing industry in the province was far from encouraging. One bone crushing mill at Raipur failed after working two or three years. The only other bone crushing mill was at Malkapur, in the Buldana district, which crushed and exported annually about 30,000 to 35,000 maunds of bones for two or three years but was closed down in 1926, involving the proprietor in a loss of Rs. 75,000. One of the causes of the failure of these concerns was reported to have been the lack of an adequate local supply of bones, necessitating the import of bones from other parts in the province or adjoining provinces or states. This would leave very small margin of profit per ton.

The Department also drew up a scheme of a small bone-crushing mill, involving an initial capital expenditure of Rs. 10,000, with a working capital of Rs. 5,000 as detailed below :—

	Rs.
(1) 30 H. P. oil engine with other accessories approximately	4,500
(2) Shafting, pulleys, etc.	500
(3) Disintegrator 2½" size	2,000
(4) Land	1,000
(5) Building	2,000
Total initial capital	10,000
(6) Working capital	5,000
Total	15,000

Before this scheme could be put to a practical test it was considered desirable to await the results of the Agriculture Department's experiment to instal one or two such small bone crushing mills on its farms. But this could not be done as Government was unable to provide the necessary funds.

I-9.—Provision of financial assistance to small-scale industries

Rao Bahadur K. V. Brahma, a member of the Board of Industries, proposed in 1932 a resolution for the consideration of the Board, regarding the provision of financial assistance to small-scale industries in the province. This resolution was considered by the Board in 1934. In the course of his letter proposing the resolution, the mover stated that the question of the industrialization of India was engaging the attention of Government and public men, and that this province should also adopt progressive industrial policy. He quoted the report of the Central Provinces Banking Enquiry Committee which had stated that "with an ever increasing population and an increasing pressure on land it is no less necessary to stimulate urban industries than to develop the resources of the country-side. We feel special efforts should be made to stimulate in all towns those industries which are found on enquiry to be most suited to the locality concerned".

The Board resolved that Government should be requested to make a lump provision in the next budget to finance small industries under the Central Provinces State Aid to Industries Act, 1933. A provision of Rs. 25,000 was accordingly made in the budget of 1935-36.

I-10.—Organization of provincial industrial exhibitions

No industrial exhibition has been held under the auspices of the local Government since 1908. The industrial products of the province do not justify the holding of frequent exhibitions. Agricultural shows and fairs organized by local bodies and associations in co-operation with the district officials are held periodically, and advantage is taken by the Department of Industries to exhibit, at the important fairs, the articles manufactured in the industrial schools and to demonstrate the modern methods and appliances.

The subject was discussed at the Fifth Industries Conference held in Simla in 1933. Its main conclusions were as follows:—

- (1) An annual All-India Industrial Exhibition should be organized under Government auspices and held in rotation in the provinces, at the centre and in such States as are willing to come into the scheme.
- (2) The holding of such exhibitions should in no way preclude local Government from assisting in all directions possible provincial or local exhibitions, organized departmentally or by private enterprise.
- (3) The primary object of the exhibition should be to bring sellers and buyers in contact.

It is considered that it is better to hold the exhibitions once in two years or even once in five years as too frequent exhibitions would deteriorate into ordinary fairs. Non-official organizations holding exhibitions may also be helped by the department by sending exhibits and by making small grants. The annual expenditure under this head would be approximately Rs. 10,000.

I-11.—Training in handicrafts connected with lac manufacture

This province makes an important contribution to the virtual monopoly in lac production held by India. The forest divisions of Bhandara, Balaghat, Raipur, Bilaspur and Mandla produce large quantities of stick lac which are cultivated on *palas*, *kusum* and *ber* trees. The most important manufacture is shellac which is carried on in about 22 factories in the province, employing about 2,000 persons in the busy season. The main centres of this industry are Gondia (district Bhandara), Kota and Pendra (district Bilaspur). The minor manufactures are (i) lac bangle, (ii) lac toys, (iii) lac dye and (iv) lacquer work. These could be properly developed as cottage industries. With a view to develop these industries in the province, it is proposed to train students on scholarships in institutions outside the province, as there is no institution in this province, giving training in lac manufactures. As a beginning, it is proposed, to send one student for training in lacquer work to the Mayo School of Arts, Lahore, which provides training in lacquer work on wood of various types, such as, plain, granit, chased and inlaid lacquer work. The duration of the course of study is three years.

A proposal has accordingly been submitted to Government to send one student from this province annually to this school for training for a period of three years with a scholarship of Rs. 15 per mensem. The total cost per student per annum will be Rs. 430 as detailed below :—

Tuition fee	...	Rs. 250
One scholarship at Rs. 15 per mensem	...	180
		330
Total	...	430

I-12.—Scheme for the establishment of the sugar industry

There are no regular sugar factories in the province. Sugar is, however, manufactured by the open-pan system at the farm of Mr. Shyam Sunder Bhargava, landlord, Jubbulpore, and by Mr. Raghunath Singh Kiledar, malguzar, in his village Bhuḡwara, district Hoshangabad. Sugar of a fairly good quality has also been made by the open-pan process at Betul, Lanji (district Balaghat), Sindewahi (district Chanda), and Tharsa (district Bhandara). At Betul the process of manufacture has been demonstrated departmentally on the Government Demonstration Farm under the Agriculture Department. At Lanji the plant, *i.e.*, the centrifugal machine, is the property of the Balaghat Agricultural Co-operative Association; while that at Tharsa and Sindewahi is the private property of Mr. N. R. Hardikar

of Bhandara and Mr. G. V. Wazalwar of Nagpur, respectively, who have taken the Government farms at these places on lease. The area under sugarcane in the province during the year 1933-34 was 29,135 acres, representing only a small fraction of the area under this crop in India. The district in the province which returns the largest area under cane is Bilaspur with an average of about 4,000 acres in the last five years. The other districts which have returned an area of more than 2,000 acres in recent years are Betul, Chhindwara, Chanda, Bhandara and Raipur. Next comes Jubbulpore and Balaghat with an acreage of more than 1,000 acres. Except in the Jubbulpore and Chanda districts, where the prospects of starting sugar factories appear to be promising, the area under cane in the province is scattered all over the districts and does not constitute a compact block. In almost all the cane-growing districts of the province, the difficulty of water-supply for irrigating the area under cane is felt for running sugar factories on modern lines. With proper irrigation facilities a sufficient area in one compact block can be brought under sugarcane cultivation in some districts.

The possibilities of establishing a sugar factory on modern lines on the farm of Mr. Bhargava at Ghana, 10 miles from Jubbulpore, were examined in 1932 by Mr. G. R. Pradhan, Sugar Technologist, at the instance of the Director of Industries. Mr. Pradhan prepared three schemes, (1) for crushing 300 tons of cane per day, the area under cane being 2,000 acres, (2) for crushing 300 tons of cane per day, the area under cane being 1,000 acres and (3) for crushing 100 tons per day, the area under cane being 500 acres, the estimated cost being Rs. 24,00,000 (including estate), Rs. 16,78,200 and Rs. 6,98,420, respectively. None of the schemes could be carried out as Mr. Bhargava was not able to find a financier. He therefore proposed to establish a small factory on his own account and obtained a taccavi loan of Rs. 25,000 from Government for the purpose. The factory known as the Entente Sugar Factory is reported to have commenced the manufacture of sugar.

As regards the establishment of a sugar factory near the Bohariband tank referred to in Mr. Pande's speech on the resolution, enquiries made from the Deputy Commissioner, Jubbulpore, in 1932 showed, that the area under sugarcane in the Bohariband area and even in the whole of the Sihora tahsil was only 412 acres. With this area no regular sugar factory could be established. The sugarcane fields in this area are scattered and not compact. The minimum compact area under sugarcane which may form the basis of a sugar factory should be at least 1,000 acres. Recently the sugar industry in India has developed considerably and it was pointed out by competent observers at the Sugar Conference, that the industry was expanding at a rate which was not healthy. It is considered that all that could be done for the present is to popularize the manufacture of sugar by the open-pan process.

I-13.—Scheme for the development of the boot-making industry at Nagpur under Government control

This is one of the items of the Industries Department's programme for the industrial development of the province. This

province is an important centre for hides and skins. The tanning industry and the making up of the leather into various goods of utility have therefore great possibilities in the province. Some of the hides and skins available in the province are now used locally but a considerable quantity is exported to Europe and America. The reason for the slow development of this industry is the fact, that hides and skins being regarded as impure, the leather industry is confined to a special community which being largely illiterate has scanty knowledge about the importance of leather goods and their recent trade development.

The demonstrations given by the Leather Expert to Government and the opening of the Government Leather Tanning School, Nagpur, have, of recent years, led to the adoption of modern methods in the leather industry of the province to a certain extent. Ten apprentices were being trained every year at the school on Government scholarships. As a measure of economy the local Government closed down the school and abolished the post of the Leather Expert to Government from the 1st March 1932 and gave over the management of the school and tannery to a private person who has undertaken to train apprentices as before, the Government continuing to grant them scholarships.

There is also a mochi class attached to the Government School of Handicrafts, Nagpur, where 15 apprentices are trained with Government scholarships for a period of three years. The boot-making industry at Nagpur is in a flourishing condition and the conditions for opening a boot-making school and workshop at Nagpur are favourable.

It will be necessary to obtain the services of a really expert master boot-maker trained abroad, say on Rs. 500 per month to organize the school. It is proposed also to introduce a few simple labour and time-saving appliances of a kind which will be useful to those who decide to have their own workshop and return to their homes as "cottage workers". The estimated cost of the building, initial working capital, etc., for the proposed school as given in Sir Shanker Rao Chitnavis's programme for the industrial development of the province was about Rs. 1,00,000. The Government Leather Tanning School, Nagpur, which is equipped with machinery can be used for the purpose, and thus there will be a great saving. The approximate expenditure would be as follows:—

	Rs.
Expert bootmaker	... 6,000
Clerical and menial staff	... 1,500
Machinery (non-recurring)	... 5,000
Raw materials	... 3,000
Scholarships (15 × 8 × 12)	... 1,440
Contingencies	... 1,000
	<hr/> 17,940
	or 18,000

I-14.—Scheme for the training of apprentices in leather tanning and boot-making in private tanneries in the province

In addition to the training of apprentices at Na pur, similar training may be given at Raipur and Saugor which are the flourishing centres of leather trade in the province.

Raipur.—There is a small tannery at Bhatgaon near Raipur belonging to Messrs. Rizvi and Company of Raipur and run on the lines of a cottage industry, which produces finished leather of all descriptions. Though small, employing hardly 10 persons—the tannery had once a flourishing trade with European markets and it still carrying on a profitable business in spite of trade depression. It provides facilities for training apprentices in leather tanning and dressing. With a suitable annual subsidy from Government, Messrs. Rizvi and Company might be encouraged to run their factory on a large scale for producing leather goods of various descriptions and in return they may be required to train a certain number of apprentices, say 10, on Government scholarships.

Saugor.—The tannery at Saugor, which prepares only half tans of about 100 skins in one batch, employing some 35 to 40 persons is also run on the lines of a small-scale industry, providing all facilities for washing, curing, flaying, etc. A flourishing business is carried on by the establishment. Arrangements may also be made at this place for the training of about 10 apprentices on Government scholarships by payment of an annual subsidy to the tannery.

The proposed scheme of training apprentices at Raipur and Saugor by grants-in-aid to private tanneries and providing scholarships to the apprentices is inexpensive and expected to yield satisfactory results. The expenditure at Raipur and Saugor would be as follows at each place—

	Rs.
Grants-in-aid to the tanner	... 2,000
Scholarships- (10 × 8 × 12)	... 960
	<hr/>
Total	... 2,960
or	... 3,000
	<hr/>

The total cost of the schemes at Raipur and Saugor would thus be as follows :—

	Rs.
Raipur	... 3,000
Saugor	... 3,000
	<hr/>
Total	... 6,000
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Lack of scientific knowledge and modern methods of tanning are the chief impediments to the developments of the leather industry in the province. Round about Calcutta, many small tanneries have sprung up under the encouragement of the Industries Department to carry on special tanning and produce artistic leather. Along with this the boot and shoe-making trade

of that city has also received an impetus for producing artistic footwear and other leather goods which compare favourably with the machine-made products. There is no reason why the boot and shoe-making industry of this province should not also thrive on similar lines.

I-15.—Scheme for the financing and marketing of Cottage Industries

In paragraphs 1299, 1302 and 1305 of its report, the Provincial Banking Enquiry Committee laid great stress on the creation of finance and marketing facilities for the cottage industries. The relevant extracts from the report are quoted below:—

“The Industries Department has not yet attempted to extend its activities to the organization of financial and marketing facilities for the industries, for the betterment of which it exists. The mere introduction of labour-saving devices or of improved mechanical methods can serve little purpose, when the real problems are those of finance and of providing markets for increased production.

The special need of all industries and particularly of unorganized industries is the creation of regular facilities for the marketing of produce.

The Industrial Commission made certain proposals which have not yet been implemented. They defined clearly the staff required and they stressed the need for the provision of markets for produce of cottage industries. They made it plain that the duties of the Department of Industries must extend to the organization of marketing facilities.”

The Indian Industrial Commission emphasized the provision of markets for the products of cottage industries at pages 198, 199 and 202 of the report. It says that “Not a little of the industrial success of modern Japan is due to the attention that has been paid, not only to the education and technical training of the cottage workers, but to the building up of business organizations, which take over the products of their industry and dispose of them all over the world. We need only mention the toy industry of Germany, the straw-plaiting work of Luton, and the many cottage industries of Japan, as examples of what can be done when enterprise and organization take in hand the marketing of goods.” No specific schemes had, however, been proposed by the Industrial Commission. In order that some material results may be obtained an organization on the lines of large industrial concerns may be created. The organization should provide facilities for the following:—

- (1) Supply of raw materials.
- (2) Disposal of finished products.
- (3) Models of articles in demand in the local and outside markets.
- (4) Technical advisers.
- (5) Funds and appliances for making experiments for the manufacture of articles in demand.
- (6) Supply of tools and machinery on easy terms to the cottage industrialists wherever necessary.
- (7) Advertisement for the sale of finished products.

In order that such an organization should work successfully the industries that are already in existence and have scope for development should be chosen and technical advisers should be appointed for the same. A sales manager with adequate staff would also be necessary.

The following industries may be chosen in the first instance:—

1. Basket works and wicket chairs.
2. Brass and bell-metal.
3. Woollen hosiery.
4. Rope-making.

Time will be required for establishing the above industries on an organized basis and the organization that may be established on the above lines must exist at least for five years. If at the end of five years, the organization proves a commercial success a limited liability public company could be established and the business of the organization could be handed over to that company. The following is the estimate of expenditure for the scheme:—

	Rs.	Rs.
Running capital ..	20,000	20,000
<i>Expenses.</i>		
Samples of articles in demand and not already made locally.	1,000	
Experiments for the manufacture of articles in demand.	2,000	
Necessary appliances ..	2,000	
Advertisement charges ..	2,500	7,500
<i>Salaries in five years.</i>		
Technical advisers—		
(1) Basket works, etc., Rs. 1,200 per year	6,000	
(2) Brass and bell metal, Rs. 1,200 per year	6,000	
(3) Woollen hosiery, Rs. 1,200 per year ..	6,000	
(4) Rope-making, Rs. 1,200 per year ..	6,000	
	24,000	24,000
<i>Sales and purchase organization.</i>		
(1) Sales Manager, Rs. 2,400 per year ..	12,000	
(2) Accountant, Rs. 600 per year ..	3,000	
(3) 2 clerks, Rs. 1,200 per year ..	6,000	
(4) 2 menials, Rs. 300 per year ..	1,500	
	22,500	22,500

	Rs.	Rs.
Travelling allowance, Rs. 3,000 per year..	15,000	15,000
Rent of building—		
(1) Sales office, Rs. 600 per year ..	3,000	
(2) Warehouse, Rs. 400 per year ..	2,000	5,000
		<hr/>
Contingent expenses, Rs. 1,000 per year..	5,000	5,000
		<hr/>
		99,000
		<hr/>
Total or say ..		1,00,000
		<hr/>

I-16.—Establishment of commercial museum

This is one of the items in the Industries Department's Programme. The Board of Industries had recommended the establishment of a Commercial Museum in 1916. The Industrial Commission at page 225, paragraph 306 (c) of its report, has pointed out that the holding of industrial exhibitions and the management of Commercial and Industrial Museums should be undertaken by the provincial departments of Industries.

The importance of a Commercial Museum can hardly be overestimated. The Great War which disturbed the economic equilibrium of all countries, brought home to the Government its necessity. Japan has established a Commercial Museum in Calcutta which is doing good work towards the introduction of Japanese products in India. The advantages from such a museum are many. The producer can study the articles which meet the consumers' want but which are no longer available. The consumer can see what local products he can obtain to take the place of the foreign article which supplies his needs. The producer will find in this museum articles produced in other countries to meet India's need made from raw materials procurable in India and in some cases from raw materials not only procurable but actually procured in India. The exhibition of raw materials available in this province and finished products made out of the materials in and out of India, side by side, and the facilities made available for making those finished products by supplying literature on the subject would inspire the public with enthusiasm for manufacturing the articles at home and thus help the growth of industrialization. It is now universally recognized that a Commercial Museum is essential for the industrial development and commercial progress of a country.

The Commercial Museum should contain the following articles:—

1. Raw materials available in the province—
 - (a) Agricultural products should be provided by the Agriculture Department.
 - (b) Forest products should be arranged for by the Forest Department.
 - (c) Mineral products should be collected by the Deputy Commissioners.

2. Manufactured products—Articles that are produced in India and in foreign countries from the raw materials available in this province. This work should be done by the Department of Industries.
3. Maps showing areas of raw materials and industries, transport facilities, etc., in the province. This work may be done by the Government Press.
4. Literature on research made in and out of India on the raw materials of the province.
5. Literature bearing on the manufacture of raw materials of the province, as far as it is available.
6. Advertisement in the local papers to the effect that such arrangements have been made.

This museum will require large space and if the economic section of the Central Museum at Nagpur can be spared for this purpose, it would save the cost of erecting a new building. If, however, it cannot be spared, a separate building attached to Central Museum will have to be erected.

Almirah and containers will also be required for exhibiting the articles.

The estimate of expenditure that will be involved in this scheme is as follows:—

1. Raw materials of the province—

	Rs.
Agriculture ..	
Forest ..	
Mineral ..	
} Rs. 1,000 ..	1,000
2. Manufactured products of India and foreign countries made out of the raw materials available in this province.	5,000
3. Maps showing area of raw materials industries, transport facilities, etc.	1,000
4. Literature on research made in and out of India on the raw materials of the province.	1,000
5. Literature bearing on the manufacture of raw materials of this province.	3,000

11,000

	Rs.
Almirahs and cases ..	10,000
Containers, etc. ..	1,000

22,000

Cost of building if the economic section of the Central Museum is not available.	25,000
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47,000

I-17.—Grant of scholarships for training in the manufacture of glass bangles

There are at present three glass factories in the province. They are chiefly producing glass globes, jars, tumblers, chimneys, bottles and paper weights. None of them produces glass bangles and beads. It is estimated that India spends £850,000 annually on imported glass bangles and beads, although there are adequate supplies of raw materials in the country itself. The chief raw materials required are soda, lime and sand, of which soda is imported. Coal is also an important item in this industry. Firozabad in the United Provinces is the best established centre of this industry in India and the necessary staff could be recruited from one of the factories there. There are between 50 to 60 factories in Firozabad.

The oldest glass factory in the province is the Shri Onama Glass Works, Gondia. A bangle making department could be attached to this factory at the cost of Government and training given to apprentices wishing to learn the trade. As an alternative the Jewel Glass Factory, Jubbulpore, which has been acquired by the management of the Gondia Glass Factory and which has not yet begun to work, could be utilized as the training institution for the apprentices. A beginning might be made with 10 apprentices, Government meeting the necessary cost of their training. Government would also have to contribute towards the supervising charges, such as that of instructor, and also meet the cost of the raw materials. The management will have to be asked on what conditions it would undertake the training of the apprentices. For the present it may be estimated that the scheme would cost about Rs. 10,000.

PART II

LIST OF SCHEMES CONSIDERED BY GOVERNMENT WHICH HAVE BEEN FOR VARIOUS REASONS NOT FOUND SUITABLE FOR ADOPTION

1. Indigenous dyes.
2. Manufacture of Thymol from *ajwan* seeds.
3. Manufacture of hand-woven woollen tweeds in the province.
4. Manufacture of bobbins, spools and curry combs.
5. Introduction of hand-knitting machines for the production of cheap hosiery as a cottage industry in the province.
6. Recruitment of an instructor in wood work from England.
7. Introduction of an improved potter's wheel.
8. Construction of a Government Experimental Tannery at Kamptee.
9. Proposal for the extraction of tannic acid and the training of students in the manufacture of tannic acid.
10. Wood distillation.
11. Establishment of a slaughter-house at Ratona in the Saugor district.
12. Manufacture of turpentine from salai trees.
13. Production of power alcohol from mahua flowers.
14. Manufacture of paper and paper pulp from raw materials available in the province.
15. Establishment of an Industrial Bank for the Central Provinces.
16. Manufacture of agricultural implements and machinery for sale to the cultivators.
17. Scheme for the opening of an establishment at Akola under private enterprise, for the sale of modern agricultural machinery and the training of apprentices.
18. Scheme for the development of the boot-making industry at Nagpur under private enterprise.
19. Proposal for the opening of a Commercial Reading Room attached to the Central Museum, Nagpur.
20. Improvement of the bell-metal industry of the province.
21. Establishment of an iron-pipe casting industry in the province.
22. Scheme for the development of the boot-making industry in Berar under private enterprise.
23. Production of motor spirit from Central Provinces coal by (a) hydrogenation and (b) low temperature distillation.
24. Demonstration of the working of small oil crushing mills.
25. Proposal for the opening of sericultural works in Chhattisgarh or some other suitable places.
26. Establishment of a Provincial Stores Department.

II-1.—Indigenous dyes

In 1915, the department considered the question of encouraging the use of indigenous dyes among the dyers in the province. The Great War had brought about a shortage of imported dyes and very high prices were demanded for such stocks of aniline and alizarine dyes as were available in the market. The department, therefore, got into touch with the Deputy Commissioners of the districts in which there were considerable numbers of dyers and such information about dyes as was available was furnished to them for communication to the dyers. Experiments were also carried out by the professor of physics, College of Science, Nagpur, to ascertain the formulae for black, khaki, and other dyes from ingredients which were actually used by the dyers who were formerly using imported dyes. Details of places at which locally grown indigo could be procured from Madras were also communicated to the dyers. The dyers, however, did not take sufficient interest in the use of indigenous dyes as they expected that after the war the trade in imported dyes would revive and that the indigenous products would be unable to compete with the imported stuff. It did not seem, therefore, that any useful purpose would be served by prosecuting the matter further.

II-2.—Manufacture of Thymol from *ajwan* seeds

In 1916, enquiries were made by the department about the manufacture of thymol from *ajwan*, at the instance of some non-official gentlemen who desired to start the industry. Information was collected as to the principal tracts in the province in which *ajwan* was grown and it was ascertained that the open country north of Jubbulpore was the most important tract for *ajwan*. The Agricultural Chemist made laboratory experiments and actually distilled some thymol oil. Up to that stage the process was simple enough. But to convert it into thymol crystals for export was more difficult as it required absolute alcohol which was difficult to obtain in India in considerable quantity. The parties interested in the industry were advised to confine themselves to the preparation of thymol oil. It, however, seemed doubtful whether it would be profitable to start a factory at Jubbulpore for the distillation of thymol oil, which could only be transported to a central factory for conversion into thymol crystals as at Dehra Dun. On the whole it appeared that commercially it would probably be more sound to transport the *ajwan* seeds untreated to that factory.

II-3.—Manufacture of hand-woven woollen tweeds in the province

A scheme for the improvement of the woollen industry in the province was taken in hand by the department in 1916. The only article woven from the wool of the local sheep was a coarse kind of blanket. The Agriculture Department was asked to take up the question of an improved breed of sheep, so that if success could be obtained in that direction a new woollen industry could be started. The Director of Agriculture procured merino rams in order to introduce a good wool-bearing

strain. This did not prove a success as the merino rams would not thrive in the province. Later half-bred merino rams were obtained from Pusa and the progeny of these rams from local ewes carried a markedly improved coat of wool as compared with the local sheep. The Director of Agriculture supplied the department with 50 lbs. of ordinary local wool which the Textile Expert had got spun by local hand spinners at Kalmeshwar in the Nagpur district. A complete handloom was then ordered from Scotland as used there for weaving woollen home spuns and also a quantity of white woollen yarn to set up as the warp on which to weave the local spun yarn. Some lengths of tweed cloth were woven on this handloom. A local financier and cloth merchant was then induced to set up a factory for turning out similar fabrics, but he was not satisfied that there was money in it. The department decided to open a factory and got three new looms made at the Public Works Department workshops exactly to the pattern of the one obtained from Scotland. A small factory with four looms was accordingly put up at Kamptee for demonstration purposes and for the training of local weavers. It was considered that instead of importing yarn from Scotland which was expensive, yarn from the mills at Cawnpore should be used. In 1918 the Textile Expert produced on a small scale a hand-woven woollen tweed of which the weft was spun locally from the Central Provinces wool and the warp was obtained from the Cawnpore mills. The factory was handed over to Rao Bahadur D. Laxminayaran of Kamptee as a going concern and he was advised on all points of manufacture and marketing by the Textile Expert. With a view to develop the manufacture of hand woven home-spun tweeds as a cottage industry, arrangements were made to secure from Scotland machinery to assist the cottage workers in saving much time and labour in certain operations which were too expensive when carried out by hand. In this machinery, raw wool could be received, opened out, teased, oiled and carded ready for spinning. The weft wool was to be distributed to cottage workers for hand-spinning, while the warp wool would be spun in the factory on a power ring spinner. It was also proposed to use machinery for milling and dyeing as there was no arrangement for dyeing the wool and therefore it could not have been possible to place a sufficiently wide range of patterns on the market.

Subsequently it was found necessary to abandon the proposal of installing the machinery, because, firstly, it was considered that the introduction of mill machinery and engine power into an industry such as this would be unwise as it would be brought into competition with mill made goods; secondly, the local wool was not suitable; and, thirdly, the price of the machinery was too high. No difficulty was, however, experienced in turning out a reliable home-spun tweed, but the finished article was hard to handle and consequently a ready market was not forthcoming. It was considered that unless an improvement could be made in the local breed of sheep it would not be possible to obtain a good local wool which was a real difficulty. The factory was accordingly closed down as there was no sale of the woollen home spuns.

II-4.—Manufacture of bobbins, spools and carry combs

In 1916, the Director General of Commercial Intelligence, Calcutta, sent the department specimen bobbins and spools to see whether it would be possible to get them manufactured in the province and supplied at Calcutta at a rate capable of competing with imported articles. But not a single wood worker was prepared to undertake their manufacture. Similar enquiries were made with regard to the manufacture on a large scale of cheap curry combs, and these also brought no response.

II-5.—Introduction of hand-knitting machines for the production of cheap hosiery as a cottage industry in the province

In 1916, the Board of Industries considered the introduction of hand-knitting machines for the production of cheap hosiery as a cottage industry. Samples of hosiery made in Japan were procured. These were examined by the Textile Expert who reported that all the articles, except socks, were knitted on a circular web machine of large diameter. A long length of this webbing was knitted from which the garments were cut out. The selvaige, sleeves and other parts were then seamed up and sewn in by a separate stitching or binding machine. None of the garments were shaped during the process of knitting, as is done when they are made in cottage hand industries. This showed that the knitting had been done in factories with power-driven machines, making for speed and economy. It was considered, therefore, that the cottage industry would find it difficult to compete with such factory made goods. Moreover the prices of hand-knitting machines were very high, the mechanism being also delicate and liable to get out of order. For these reasons, knitting hosiery did not seem at all promising as a cottage industry, though it might pay if a number of machines were set up in a power-driven factory; but even the installation of the latter was considered inadvisable.

II-6.—Recruitment of an instructor in wood work from England

In 1916, the department submitted a proposal to Government for the recruitment from England of an instructor in wood work for the province. Satisfactory progress had been made in training the sons of artisans in the improved methods of carpentry and the use and manufacture of modern tools at the Government School of Handicrafts, Nagpur. It was, however, considered that it would take a long time to develop the industry by means of this school only. The head master of the school was so fully occupied with the work at the school that there seemed little prospect of his finding any leisure to tour in the districts to give lectures and demonstrations to village carpenters. The need therefore for peripatetic instructors was felt. As no local man of the particular stamp required was available, it was proposed to recruit a thoroughly practical carpentry instructor from England, for a period of five years on Rs. 300—25—400 with an allowance of Rs. 40 per month. His duties would have been

mostly of a peripatetic nature as in the case of the handloom industry and it was hoped that much improvement could have been made in the general standard of the carpentry industry in the province. It was also intended that he should train local men in such duties.

The Government of India, who were addressed in the matter, stated that they did not think it expedient to ask the Secretary of State for India to send out an instructor owing to the difficulty experienced in obtaining recruits in England during the war. Since the termination of the war the proposal has not been revived owing to the increase in the number of industrial schools and the recruitment of instructors in India.

II-7.—Introduction of an improved potter's wheel

The question of improving the potter's wheel first engaged the attention of the department in 1916. The indigenous type of potter's wheel is a teak wood disc 1½' in diameter fixed with 4 wooden bars which are ranged round with bamboo sticks tied by coir rope. This is loaded with clay and is unaffected by changes in weather. A cheap and improved type of potter's wheel was designed by the department. It consisted of a wooden plank 5½' × 1½' in size. In its centre was fastened a pivot made of iron and supported by iron brackets and a pulley with a groove was fitted. On its surface there was a circular disc of wood about 5½' in diameter. On this again there was a wooden disc 1' in diameter. The small disc and the pulley were joined with the big disc by screws. It was on the surface top of this outer disc that a potter could keep his clay for the manufacture of pots. The groove of the pulley was fastened with a rope of cotton about 6' long and this rope was fitted in the groove of the fly wheel set up horizontally and provided with an iron handle fixed to the wooden bars set in the ground. An extra-man was required to move the handle which gave motion to the wheel. The improved wheel cost about Rs. 20 as compared with Rs. 2 for the ordinary wheel. Its production was undoubtedly more than that of the latter. Pots turned out on it were cleaner and more regular in finish than those done on the old wheel. The new wheel was demonstrated departmentally at different centres of potters in the province. But in spite of its advantages it did not appeal to the local potters. The proposal for its introduction amongst the local potters was therefore dropped in 1919. The subject was re-examined in 1932 in view of an improved potter's wheel devised by the Department of Industries, Bengal. This was a simple type of wheel which could be revolved by hand at a high speed of revolution by means of a bicycle chain and free-wheel attachment, and which is so arranged as to give uniform and steady revolutions at a high speed and for a longer duration than is possible with the indigenous crude wheel. Moreover, because of its uniformity in revolution and higher speed, the wheel could be used for moulding much larger articles with thinner walls than is usually possible with the old type of wheel. As the cost of Rs. 70 for this wheel was too heavy for the local potters the matter was dropped.

II-8.—Construction of Government Experimental Tannery at Kamptee

During the Great War a Government experimental tannery was constructed at Kamptee on land belonging to one Matadin for the purpose of supplying leather for the *munda* shoes which were made for the army by the Nagpur Boot Makers' Association, working under the supervision of the department. After the war as Government did not require this leather and as it was proposed to build a Government Leather Tanning School for the training of pupils and for the manufacture of leather the tannery was sold to Matadin as a going concern for Rs. 3,500.

II-9.—Proposal for the extraction of tannic acid and the training of students in the manufacture of tannic acid

In 1918, a proposal was made to the department by a non-official gentleman that a factory should be established near Amraoti for the manufacture of tannic acid out of myrobalans which were available in large quantities in the Melghat forest and that some students should be deputed for training in the manufacture of tannic acid. The Director, Esociet Tannin Research Factory, Maihar, Central India, was consulted and he did not recommend the erection of expensive plant to produce tannic acid. He stated that a new large scale experimental plant was being erected at Maihar for the manufacture of solid and semi-solid tannins and that particulars of the rather complicated process of manufacture would be imparted to any one who cared to visit the factory.

As regards the training of students, the Director stated that his Committee of Control did not approve of the factory taking apprentices unless some one in authority or in high position in business would guarantee employment for the apprentices after training. It was further stated that such apprentices should speak and write English and one vernacular and should have undergone some training in engineering work. These particulars were communicated to the gentleman referred to, who did not proceed further in the matter.

II-10.—Wood distillation

At the instance of a non-official gentleman of the province, the distillation of wood, on a commercial scale, was considered by the Board of Industries in 1919. The gentleman suggested that this industry should be pioneered by Government and drew attention to the following observations of the Indian Industrial Commission made on page 95 of their report: "We consider that the economic aspects of the Forestry, in relation to the fuel supply of the country, have hitherto not received sufficient attention. We desire to direct attention to the advantages of wood distillation as a method of retaining charcoal and certain valuable by-products, (1) acetate of lime, (2) methyl alcohol and (3) wood tar, by the sale of which the local cost of the charcoal would be greatly reduced. For all but the smallest units of power, a suction plant is extremely convenient and efficient. We recommend that any methods, which are likely to cheapen the cost of fuel, for such plants should be subject of detailed investigation and trial."

The Board in rejecting the proposal noted that it had already been proved that the manufacture of methyl alcohol by itself was not profitable. A Calcutta firm of standing had found it practically impossible to dispose of the by-products of wood distillation. As regards the pioneering of this industry by Government, it was pointed out that the question had already been taken up by commercial firms and it had proceeded far beyond the experimental stage. The Board, however, asked the Director of Industries to make enquiries so that the subject might be further considered by the department. The President, Forest Research Institute, Dehra Dun, was accordingly addressed and his report showed that embarkation in an expensive experiment of the nature of wood distillation would be highly speculative.

The chief reasons which led him to this conclusion were as follows :—

- (1) The plant would be a very expensive one, involving the most careful selection of a suitable site for its working.
- (2) The market for the by-products was extremely problematical.
- (3) A factory at Kolhapur closed down owing to the impossibility of marketing the by-products in India.
- (4) The Government would be ill-advised to consider any scheme for the detailed process of wood distillation but would do well to limit their investigations to such as might be connected with improved methods of charcoal making, the possibility of collecting and utilizing wood tar and the briquetting of charcoal dust, all of which questions were at the time under investigation at the Institute.

The opinion of the Institute was communicated to the gentleman interested in the subject and he considered that the conclusions arrived at were sound. The proposal was accordingly dropped.

Wood distillation has recently been started at Bhadravati in Mysore and enquiries made from the Director of Industries and Commerce, Mysore, indicated that the plant at Bhadravati was designed for carbonization of 240 tons of wood a day; but on account of the shrinkage in the demand for the by-product the limit of operation had been restricted to 25 per cent of the capacity. Even on this scale the by-products could not be disposed of advantageously.

On receipt of the above reply the Director, Industrial Intelligence and Research Bureau, Indian Stores Department, was consulted. He was of opinion that wood distillation would not be a profitable industry in the Central Provinces, chiefly on the following grounds :—

- (1) In considering the question of the distillation of wood in the Central Provinces, it was necessary to bear in mind that in the case of Mysore charcoal was used for the reduction of iron at the Mysore Iron Works and hence there was no question of finding a market for the charcoal.

- (2) Even under the relatively favourable conditions the State of Mysore had not been successful in disposing of the by-products to advantage.
- (3) Although the State has had many years of experience in this work and paid much attention to the question of working up the by-products in the most advantageous way, it appeared from the letter of the Director of Industries and Commerce, Mysore, that the manufacture must be regarded as a failure.

II-11.—Establishment of a slaughter-house at Ratona in the Saugor district

In 1919, the local Government considered the establishment of a slaughter-house and tannery with subsidiary industries at Ratona, near Saugor, to be worked by Messrs. Davenport & Co., Calcutta. The slaughtering industry in the Saugor and Damoh districts had long been carried out in a very insanitary fashion and only a few skins were tanned locally, the large majority being exported. The primary object of this scheme was, therefore, to concentrate the slaughtering industry at Saugor, Khurai and Pratabgarh, in the Saugor district, and at Ghatera, in the Damoh district, with a view to establishing at Ratona an up-to-date slaughter-house and tannery on a sanitary basis and to encourage the industry of tanning and the subsidiary industries connected therewith. The scheme contemplated the leasing out to Messrs. Davenport & Co. of 841 acres of land at Ratona on which to construct the slaughter-house, and tannery and to establish the subsidiary industries. For this purpose a lease containing the terms and conditions agreed upon between the Government and the firm was drawn up.

In 1920, the lease granting the concession to the company was cancelled as there were several representations against the project, and the scheme was abandoned.

II-12.—Manufacture of turpentine from salai trees

In 1919, the Board of Industries considered the question of manufacturing turpentine from salai trees (*Boswellia serrata*), which abound in the forests of this province. An account of this oil was published in the Bulletin of the Imperial Institute, London, Volume XVII, 1919, which showed that turpentine could be prepared from the resinous exudation of salai trees. The Board came to the conclusion that the matter had already proceeded beyond the region of experiment and that it only remained for commercial firms to submit proposals in order to enlist the sympathy and support of Government.

The matter was reconsidered in 1927 and the Forest Economist, Forest Research Institute, Dehra Dun, was consulted regarding the developments in the manufacture of turpentine from salai gum-oleo-resin in the Gwalior State and in Khandesh. The experimental tapping of the trees in North Khandesh was concluded at the Institute in 1929 and it was found that the lowest possible cost of collection of the gum-oleo-resin even under close supervision worked out at Rs. 20-11-0 per maund. To this would have to be added royalty and supervision charges

if worked commercially. Furthermore, although the turpentine manufactured from this gum-oleo-resin had the same solvent power as French and American products, it lacked pinene, and would therefore have to be sold at lower rates than those for turpentine obtained from *Pines*. In the circumstances the manufacture of turpentine from *Boswellia serrata* could not be considered to be an economically sound commercial proposition.

In 1935, the Director of the newly established Industrial Intelligence and Research Bureau, Indian Stores Department, was consulted on the prospects of the utilization of the essential oil of salai. He was of opinion that on the information available the exploitation of the oil on a commercial scale was not likely to be successful chiefly on the following grounds:—

- (1) the percentage of turpentine oil in the gum-oleo-resin of salai compared poorly with the yield from the oleo-resin of pine;
- (2) there was nothing to suggest in the accounts of researches on the utilization of the essential oil of salai hitherto published that the oil could compete on favourable terms with the present Indian turpentine from *Pinus longifolia*, and
- (3) the potential supply of turpentine from *Pinus longifolia* was more than the market could absorb so that there seemed no opening for another oil unless it possessed definite advantages.

II-13.—Production of power-alcohol from mahua flowers

1. The possibility of deriving alcohol from mahua for use as a motor fuel was first examined by the local Government in 1919. It was then understood that alcohol for this purpose was being produced on a commercial scale in the Hyderabad State and was being used in admixture with ether and an unknown denaturant. Investigation of the question in consultation with well-known firms of distillers showed, however, that conditions in the province were not favourable for success in a similar enterprise. Mahua was not a State monopoly as in Hyderabad, and had to be paid for at the market rates, which ranged then above Rs. 1-8-0 per maund. The distillers stated that before alcohol of the requisite strength and purity could be produced economically the methods of cultivating, collecting and curing mahua flowers in the province would have to be improved considerably, and that even then there was no certainty of obtaining regular supplies of mahua at the factory in sufficiently large quantities. It appeared that they paid considerable attention to this question and had conducted experiments, but that they had not been able to make a motor spirit capable of competing with petrol at the prices then ruling. It was calculated that even under the most favourable conditions spirit could not be produced below 9 or 10 annas per gallon. The matter was therefore not pursued further at the time.

2. Government has recently had the question examined again in order to find out if any of the factors on which the conclusion formed 15 years ago was based have changed, and if there

are any better prospects now of turning to account the resources of the province in mahua. The result has been as follows: The difficulty of obtaining an adequate supply of mahua would probably be less than was thought in 1919. Before the introduction of the prohibition policy of Government and the occurrence of the present trade depression the quantity of mahua used in the distilleries in the province was 175,000 maunds. It is estimated that about 50,000 maunds are exported annually, and a large, but not calculable, amount is used for nistar purposes. An extended commercial demand for mahua would probably attract a large supply without making any appreciable difference in the satisfaction of nistar requirements. At a rough estimate the quantity of mahua likely to be available for the production of power-alcohol might be put at 500,000 maunds. The difficulty of obtaining supplies and raw material can therefore be discounted. Further, so far as the technical aspect of the question is concerned, there would be no difficulty in installing a suitable plant at one of the existing distilleries for the production of power-alcohol. Such a plant would cost about Rs. 1,50,000.

3. Unfortunately, it is when the financial aspect of the scheme is examined that difficulties begin to occur. The quantity of alcohol of the requisite strength and purity obtainable from a maund of mahua flowers has been determined by experienced distillers to be not more than 2.15 gallons, and is not likely to exceed 3 gallons in the most favourable conditions possible. To be capable of use as motor spirit either by itself or in admixture with petrol, alcohol must be over 95 per cent, and preferably 99½ per cent, absolute, *i.e.*, practically anhydrous. A well-established firm of distillers reports that under favourable conditions they would be able to supply this spirit at Re. 1 per gallon, provided that the raw material remains at its present price of Rs. 1-8-0 per maund. There is little chance that if the State were to undertake a venture of this kind, it could produce the spirit appreciably cheaper, if as cheap, and in any case 14 annas a gallon, inclusive of the cost of denaturing, is the very lowest cost price that could be assumed. To this must be added the duty of 10 annas a gallon, to which mahua spirit would be liable like any other form of motor spirit. The cost of the spirit would thus rise to Rs. 1-8-0 per gallon without making any allowance for the cost of freight, distribution or marketing. The cost price of petrol landed at port is at present approximately annas 5 per gallon, and the cost inclusive of duty and distribution charges is under Re. 1 per gallon. Up-country prices vary, but may be put at Rs. 1-2-6 a gallon. At present prices, therefore, it is certain that power-alcohol produced from mahua would be unsaleable.

4. The prospects of mahua as a base for power-alcohol have been further weakened by the competition of other bases, the most important being molasses, a by-product of the sugar industry. The problem of the disposal of this by-product is now being investigated, and one of the uses which is under discussion is the manufacture of motor spirit. The price of the raw material is understood to be about 6 annas per maund, and of the alcohol produced about 11 annas per gallon. So large, however, is the quantity of molasses available as a result of the

development of the sugar industry that the price of molasses may be expected to fall rapidly in the future. With this competitor in the market it may be accepted as certain that the production of power-alcohol from mahua would not be a commercially paying proposition. This conclusion is supported by the experience of the Hyderabad factory, which was erected in 1920-21 at a cost of Rs. 8 lakhs, and has it is understood, now been converted into a distillery for the supply of country liquor, as it was found impossible to sell the product as motor spirit in competition with petrol.

5. One final point has to be considered. Even if it were possible to find a paying market for mahua spirit, it is unlikely that the enterprise would yield any substantial profit. The sources of supply are not capable of rapid expansion, and with a maximum output of 3 gallons per maund for 500,000 maunds the total output would not exceed a million and a half gallons. At a price lower than Rs. 1-4-0 per gallon the maximum profit that could be assumed would be 2 annas, and the resultant revenue would be less than 2 lakhs. But, as has been shown already, even this modest sum is entirely unrealisable as conditions stand at present. After carefully investigating its possibilities, the local Government has been forced reluctantly to the conclusion that there is no money in the proposal to produce power-alcohol from mahua.

II-14.—Manufacture of paper and paper pulp from raw materials available in the province

The department had, some years ago, made investigations into the possibility of manufacturing paper and paper pulp from raw materials available in the province, namely, prickly pear leaves, cotton stalks and bamboos and grasses and the results are summarized in "Bulletin No. 1—Paper and Paper Pulp—concerning materials for the manufacture of paper and paper pulp in the Central Provinces" published in 1921. The conclusion drawn from these investigations was that partly because the provincial consumption of paper was low (estimated to be 800 tons per annum in 1921) and partly because this province would be in a position of disadvantage relatively to provinces like Bengal, Assam, Burma and Bombay in respect of economic supply of raw materials, it would not be feasible to run a paper factory in the Central Provinces on a commercial scale.

It is understood that the question of the establishment of a paper pulp factory in this province was also under the consideration of the Forest Department for some years, and at the request of certain private individuals, actual investigations were made in certain localities, where moderate quantities of sabai grass and bamboos are available. The investigations showed that the prospects of such a factory as a commercial concern were poor. In this province the only raw materials which have been proved to yield on treatment pulp for paper of good quality are sabai grass and bamboos. It may be mentioned that the quantity of sabai grass available in the province is not sufficient for a paper pulp factory while no estimate is available of bamboos. Mr. Raitt of the Forest Research Institute, Dehra Dun, who was

consulted in the matter, ruled out the proposal to erect a pulp factory in this province as being economically unsound, as he considered that the scale of production should not be less than 10,000 tons of pulp per annum for which there were not enough raw materials.

In paragraphs 32 to 35 of its recent Report on paper and paper pulp industries, published in 1931 the Indian Tariff Board specifies only the bamboo forests in Assam, Chittagong, Burma, Orissa and Madras as being capable of exploitation for the purpose of manufacturing paper on commercial lines. It would thus appear that the prospects of Central Provinces bamboos being profitably exploited for paper making are not at all bright.

II-15.—Establishment of an Industrial Bank for the Central Provinces

A scheme drawn up by the Department for the establishment of an industrial bank for the province with a share capital of rupees one crore was considered by the Board of Industries in 1922. The scheme contemplated the establishment of such a bank with its head office at Nagpur and branch offices at Bombay, Calcutta and London, to foster the development of large scale industrial enterprises, supplemented by the conduct of ordinary banking operations. It would penetrate into all the trade centres of importance in the province. There were to be branches in all the places of any commercial or industrial importance. Each branch would be managed by small boards of local directors who would be appointed and invested with certain powers by the central board at Nagpur, the members of which would be appointed by Government.

The Board of Industries considered that Government could not undertake such huge liabilities as were involved in the establishment of an industrial bank. The whole subject was considered as being in an experimental stage and was accordingly dropped.

II-16.—Manufacture of agricultural implements and machinery for sale to the cultivators

In 1922, the Director of Agriculture made a suggestion that as the modern methods of agricultural practice were gradually being introduced into India, creating a demand for new and improved implements and machinery of all kinds, the Department of Industries with the co-operations of the Agriculture Department, should establish centres for turning out at any rate the simpler forms of implements and machines like hoes, winnowers and ploughs. It was stated that such implements and machines had been constructed by farm mistries and by small local firms, while those requiring greater skill had been obtained from Bombay, Calcutta, the Punjab and from abroad. The results of local efforts had not been satisfactory. It was found, too, that even the large firms in Calcutta and Bombay did not produce implements and machinery comparable in quality with the imported articles. The main reason appeared to lie in an imperfect knowledge of the processes of hardening iron and in

defective castings. The defects noticed were due in the main to a lack of proper supervision and expert management. The Agriculture Department had been fully alive to the importance of the question and had done its best with the somewhat limited facilities at its disposal to provide the means for carrying into practice the various recommendations with regard to improved tillage, etc., which it was trying to establish. The co-operation of the Department of Industries was, however, necessary for actual supervision of construction of the implements and machines at suitable centres, while the functions of the Agriculture Department would be to advise as to the types in demand and to suggest modifications and improvements. Under this scheme the cultivators would be supplied with much more efficient articles and at less cost.

The scheme after consideration by the Board of Industries was dropped as there was no workshop under the Department of Industries, where such work could be undertaken.

II-17.—Scheme for the opening of an establishment at Akola under private enterprise for the sale of modern agricultural machinery and the training of apprentices

The Board of Industries had decided in 1923, that the future policy of the Department of Industries should include among other things, the steady introduction in co-operation with the Agriculture Department, of machinery and mechanical appliances in agriculture and other manual industries. It was thought that the most promising line of progress would be to induce some reputed firm or firms of manufacturers to establish selling agencies and repair workshop at different centres in the province and that the best centre for a start should be Akola

The scheme included—

- (1) Demonstration.
- (2) Provision of peripatetic machinery, worked by the firm's employees for hire in surrounding villages.
- (3) Sale of machinery.
- (4) Adequate provision for repairs and supply of spare parts.
- (5) Training of local apprentices both on demonstration and peripatetic machinery and in the repair shop.

Demonstration and peripatetic machinery would accustom cultivators and others engaged in manual industries to the use of machinery and when they were prepared to buy, local mechanics trained by the firm would be available to work the plant; while the central workshop would provide for repairs and supply of spare parts. It was believed that some financial guarantee, *i.e.*, a minimum rate of interest on the capital outlay, might be required in the early stages. The scheme was approved by the local Government and the Director of Industries was asked to submit proposals on the question of finance and mechanics.

A number of Bombay and Calcutta firms were approached with a view to induce them to establish a branch at Akola, but

without success. Eventually the Nagpur Automobile and General Engineering Company, Limited, was approached with a view to its establishing an agency at Akola and the following stipulations were put forward as a basis for negotiation:—

1. Government should pay reasonable cost of apprentices (probably about Rs. 10) and some contribution to the supervision charges.
2. Government should guarantee 6 per cent interest for three years.
3. The cost of building would be about Rs. 1½ lakhs and Rs. 30,000 or Rs. 40,000 floating capital would be required.
4. Government should purchase any agricultural machinery it required through the firm if the firm stocked the same.
5. Efforts should be made to raise locally half the capital of a subsidiary company to be managed by the Nagpur Automobile and General Engineering Company, which would also put in some capital, the amount to be discussed with the directors.
6. The scheme to be combined with a motor-shop the accounts of which are to be kept separate and not subject to a Government guarantee.
7. The scheme to be subject to revision after three years.
8. The work to start with would consist of (a) sale of implements and machinery and (b) instruction of apprentices.
9. There should be an independent annual audit
10. Some Government assistance in the matter of a site would be required.

The cost to Government would have been Rs. 12,000 per annum, that is, about Rs. 2,000 on account of apprentices and Rs. 10,000 on account of guarantee of interest. This company also expressed its inability to take up the scheme, which had therefore to be dropped.

II-18.—Scheme for the development of the boot-making industry at Nagpur under private enterprise

In 1912, a mochi class was established at the Government School of Handicrafts, Nagpur, under the charge of a mochi instructor for the training of boys of the mochi community in improved methods of boot-making. The course of training was from 2 to 3 years. The pupils were encouraged on leaving to form small associations of local mochies to which they were able in turn to impart instruction. The result was an organized cottage industry which answered well because there was always a good market for its products. These associations were entrusted with contracts for the manufacture of boots and leather equipment for the Police, Jails and Postal Departments, and orders were received from all parts of India, Burma, Ceylon, Mesopotamia, East Africa and even from England. As the boot-making industry was thus established on a sound and profitable basis, it was proposed to dispose of the Government mochi class to a private individual with a view to its development as a private enterprise on a large scale. The scheme aimed at the closing of the mochi class and the substitution of a system of

apprenticeships at a private establishment to which it was proposed to give some initial Government aid on certain conditions. A practical boot maker with good business qualifications, who learnt the trade in England, was found to run the school, but owing to financial stringency Government was unable to approve the scheme as it involved an extra expenditure of Rs. 848 per annum and the provision of a building at Government cost. Government, however, desired that a similar arrangement might be made with the instructor of the mochi class, who should be retired from service, provided the cost of the alternative scheme did not exceed the expenditure which Government had to incur on the maintenance of the class. The conditions on which the Government accepted the scheme were as follows :—

- (1) The mochi instructor should train pupils up to a maximum number of 12 in each year.
- (2) Government should pay scholarships at Rs. 10 per mensem per pupil and provide the instructor with a workshop and the existing tools and plant.
- (3) The instructor should purchase the raw materials in stock and repay the amount by instalments extending over 3 years, furnishing adequate security until the refund of the whole amount due by him.

The annual recurring expenditure was—

	Rs.
Stipends for 12 pupils	... 1,440
Upkeep of tools and plant	... 300
Total	... <u>1,740</u>

The non-recurring expenditure was—

	Rs.
Cost of building or workshop	... 2,500

As the instructor eventually expressed his unwillingness to work the scheme unless further concessions were made by Government, the scheme was dropped and the mochi class was closed down from the 1st March 1924 after serving a very useful purpose.

II-19.—Proposal for the opening of a Commercial Reading Room attached to the Central Museum, Nagpur

In 1923, a proposal to start a small Commercial Reading Room at the Central Museum, Nagpur, in order to meet the needs of the commercial and industrial public of the province was considered by the Board of Industries. It was proposed that a daily paper, important commercial weeklies, publications from Government departments, trade directories and commercial books of reference should be made available there. If the Reading Room became popular, the sanction of Government for a small grant for the purchase of papers and reference books would be obtained. The Curator of the Museum would be in charge of the Reading Room. The Board did not think that such a Reading Room would be of much use in view of the facilities already available at the Victoria Technical Institute, Nagpur, and the proposal was accordingly dropped.

II-20.—Improvement of the bell-metal industry of the province

Mandla is an important centre of the bell-metal industry in this province. Several years ago an industrial co-operative society of workers in this industry was organized by the Department. The society did not do much good as the workers were conservative and seemed able to make a reasonable income with their clumsy methods of manufacture and sale. The Department sent some samples of Mandla bell-metal wares with the Commercial agent attached to the Department when he had occasion to go on tour outside the province to ascertain whether there would be any demand for them. He was unable to procure a demand for them at any new place. They were heavy and consequently expensive. The workers showed complete indifference when this was pointed out to them: It was not therefore feasible for the Department to make any further efforts for the improvement of this industry.

II-21.—Establishment of an iron pipe-casting industry in the province

In 1926, the possibility of organizing an iron pipe-casting industry at a place in the province where coal and iron occurred together was considered by the Department. Such an industry could enable the province to supply cast iron pipes extending for many miles, ranging from 18" to 3" in diameter for water works construction instead of buying them from other provinces in India and even from foreign countries. There were the necessary raw materials and unskilled labour in the province. It was proposed that reputed firms or local capitalists should be asked to make an offer for installing machinery and running the industry and the terms which they wished to offer. It was considered that so long as the business effected a saving in the end, it would be worth while giving a subsidy to the industry, provided it was established on sound lines with an element of permanency in it.

A statement showing the various schemes for water works in the province with the approximate sizes and length of pipes required for the next 10 years was obtained from the Public Works Department. The approximate cost of these pipes was estimated at Rs. 67,00,000. On investigation of the processes of manufacture, it was found that large quantities of coke were required for the manufacture of iron pipes, but as the class of coal found in the province did not possess the necessary properties for the manufacture of suitable coke any attempt to smelt on a commercial scale was not a practical proposition. Attempts made as far back as 1875 to smelt iron ore with local coal proved unsuccessful.

It was considered that no firm would take up this business as the Tata Iron and Steel Company had already gone into the question before they founded their iron and steel works at Jamshedpur. For these reasons the proposal was dropped.

II-22.—Scheme for the development of the boot-making industry in Berar under private enterprise

A boot-making class for the training of mochi lads in the modern methods of boot and shoe making was established at the Robertson Industrial School at Jubbulpore in 1918. As this class after some years began to decline owing to fewer orders for footwear from the public, local competition and poor attendance of pupils, the offer of the All-India Chamar Association, Amraoti, for the transfer of the class under its control was accepted. The Association had requested the Department to open a boot-making class at Amraoti on the ground that there were no facilities in Berar for learning the modern methods of boot-making and that there was a keen demand among the depressed classes, especially the chamar community of Berar, for training in shoe-making.

The approval of Government to the transfer of the mochi class under the management and supervision of the Association, with a view to the development with Government aid of the boot-making industry in Berar under private enterprise, was obtained under the following conditions:—

That the All-India Chamar Association—

- (1) be duly registered,
- (2) provide rent-free accommodation for the boot-making class,
- (3) accept responsibility for procuring work for the class and the disposal of its manufactures,
- (4) maintain registers and cash accounts of receipts and expenditure according to Government system which would be subject to Government audit,
- (5) accept liability for a personal deposit account to be provided by Government, the account to be operated by the Chairman of the Association,
- (6) will allow the departmental officers to visit the class for watching its progress and general management,
- (7) will limit the class to a maximum of 15 pupils under the Government instructor. Beyond this number additional supervision to be provided for by the Association at its expense,
- (8) will depute a responsible person to superintend the commercial side of the class who would submit a quarterly report on the progress of the class.

Government agreed to—

- (1) open a boot-making class at Amraoti under the management of the Association,
- (2) provide one boot-making instructor at Government cost,
- (3) grant a personal deposit account of Rs. 1,400 for the purchase of raw materials,
- (4) supply tools and equipment from a contingent grant to be controlled by the Inspector of Industrial Schools,
- (5) allow the Association all profits accruing on the sale proceeds of manufactures in excess of the total amount of the personal deposit account.

The mochi class was opened at Amraoti in 1928 under the name of the "Rohidas Mochi School", with a complement of 15 pupils. But within two years it was found that it did not function satisfactorily owing to slack management of the Association. The pupils were discontented with the lodging and boarding arrangements, at one time only one pupil being present; the method of accounting was faulty; the instructions regarding the submission of returns, reports, etc., were ignored and altogether the state of affairs was such that Government felt obliged to take over the class once more and transfer it to Nagpur for direct management.

II-23.—Production of motor spirit from Central Provinces coal by (a) hydrogenation and (b) low temperature distillation

The question of the production of motor spirit from the Central Provinces coal has been engaging the attention of the Department of Industries for some time past. Samples of the Pench Valley coal were sent for experiment to Dr. H. K. Sen, Professor and Head of the Department of Applied Chemistry, University College of Science and Technology, Calcutta. On receipt of his report, the Director, Industrial Intelligence and Research Bureau, Indian Stores Department, Simla, and Messrs. Shaw Wallace and Company, Managing Agents of the Pench Valley Coal Company, Limited, Parasia, were consulted with a view to find out from the analysis made by Dr. Sen whether petrol could be economically manufactured out of the Central Provinces coal. Both of them were of the opinion that the manufacture of motor spirit by the hydrogenation of coal or the low temperature distillation would not be a commercial proposition in this province.

In order to endeavour to obtain an estimate of the cost of a coal hydrogenation plant working on a small scale in the Central Provinces and of the operative expenses, the Director of the Industrial Intelligence and Research Bureau made inquiries in Great Britain. The information on the subject obtained through the High Commissioner for India was supplied to this Department by the Director of the Bureau which is summarized below :—

Hydrogenation.—The production of motor spirit by the hydrogenation of coal has received considerable publicity owing to the erection of a plant for this purpose by the Imperial Chemical Industries, Limited, at Billingham in England, at an enormous capital cost of £5,500,000. In addition the company has expended over a million pounds in research work. The estimated output capacity of the plant is 150,000 tons (45,000,000 gallons) of motor spirit per annum, of which not less than 100,000 tons will be produced by direct hydrogenation chiefly from bituminous Durham coal and the balance from tar oils from the high or low temperature carbonization of coal. The total capital cost of this plant of the nominal value of £5,500,000 cannot be used as a close guide to a new plant cost in India, since conditions would be dissimilar, and in certain respects different plant employed. Outside the United Kingdom, of course, other factors, such as, freights, labour rates, etc., will also influence

capital costs. However, by analogy it might be anticipated that even a plant to make, say, 500,000 gallons of motor spirit a month might cost in the neighbourhood of one million pounds. This figure is in no way authoritative but is given merely to indicate the magnitude of the sum likely to be involved. But it is considered that a plant of much less capacity than that at Billingham would cost very much more in proportion and is unlikely to be economic except with a very big protection.

As regards working expenses, no precise information is available. Generally speaking, motor spirit obtained from petroleum is got by a relatively simple process of distillation whereas coal must undergo a most elaborate treatment and is necessarily at a serious disadvantage. It must also be emphasized that although most coals can be hydrogenated the yield depends on many factors, and it would be absurd to think that a plant designed for the treatment of high grade bituminous Durham coal would give similar results with the entirely different coals found in this province. The manufacture of motor spirit from coal in Great Britain is only rendered possible by the fact that motor spirit produced there is free of duty, whereas imported motor spirit pays a duty of 8*d.* per gallon. Great Britain moreover is not a petroleum producing country. In open competition with petroleum in India it does not seem probable that coal hydrogenation in this province can be profitable.

Low temperature distillation.—Motor spirit from coal may be obtained by this process but it should be highly misleading to suggest that low temperature distillation gives a practicable method of treating coal for motor spirit only. By low temperature distillation many different products are obtained of which motor spirit may be one. The yield, however, is not high and it is in no way practicable to instal a low temperature distillation plant for motor spirit alone. It appears from the information issued by the Fuel Research Board of Great Britain that the yield of motor spirit varies between 2 and 4 gallons per ton of coal. Other products are coke, generally some 75 per cent of the original coal, gas, various tar oils and pitch. It is not however possible to say from the analysis of the Central Provinces coal made by Dr. Sen, how much motor spirit could be obtained from the Central Provinces coal. All that can be said is that, so far as the investigation has gone up to the present, the coal appears from this point of view to compare favourably with the British coals. The determination of the actual yield of motor spirit would necessitate a very elaborate examination which so far as is known could not be carried out in this country. Even however if for the sake of forming a first impression it is assumed that the Central Provinces coal is as good as the best British coals or even considerably better, it is, as has been said, not commercially practicable to distil coal for motor spirit only.

In 1929, Messrs. Shaw Wallace and Company, sent one ton of Pench coal to England where low temperature carbonization tests were carried out on a larger scale but the results were not encouraging. The introduction of plant for the purpose in India has been considered from time to time, but the cost as fixed by the patentees is prohibitive and the probable return on the capital expenditure involved has not appeared to be

sufficiently attractive to encourage the outlay. The company is in touch with further developments in the matter but does not consider that they are sufficiently advanced yet to permit of its taking a practical interest in them.

II-24.—Demonstration of the working of small oil crushing mills

In 1934, the Board of Industries had recommended that the Agriculture Department should be asked to demonstrate the working of small oil crushing mills. The Director of Agriculture, to whom a copy of this resolution was forwarded, stated that there was little scope for the demonstration of such machines. An oil mill weighing nearly one ton could not be moved about from place to place and demonstrated like one of the commoner agricultural implements. It might however be possible to exhibit oil mills along with other power-driven machinery at large agricultural shows. He stated that small oil mills were already being worked in many towns and it would be more economical for intending purchasers to visit installations already at work than for his Department to incur heavy expenditure in moving such machinery about. The proposal was therefore not proceeded with.

II-25.—Proposal for the opening of sericultural works in Chhattisgarh or some other suitable places

In 1934, the Board of Industries considered a proposal of Seth Thakurdas Goverdhandas, M.L.C., Burhanpur, a member of the Board, for the opening of sericultural works in Chhattisgarh or some other suitable places. The mover stated that in certain other provinces there were sericultural works where a large number of varieties of silk worms were reared and the most useful ones were recommended to the public. The tussar silk industry in Chhattisgarh was struggling for existence for want of aid from Government. An expert was badly needed to guide the people to know the defects in rearing methods and to introduce better varieties of cocoons.

It was pointed out to the mover that the climate of Chhattisgarh was too hot and dry for the rearing of silk worms of good quality; that the experiments made in the past by the Agriculture Department for improving the cultivation of silk worms were unsuccessful; and that the hot climate and the universal prevalence of diseases of silk worms were factors that hampered the cultivation and rearing of silk worms in the province. No useful purpose would therefore be served by appointing an expert.

The proposal was dropped.

II-26.—Establishment of a Provincial Stores Department

In 1934, the Board of Industries considered a proposal of Rao Bahadur K. V. Brahma, C.I.E., M.B.E., Amraoti, a member of the Board, that a Provincial Stores Department should be established for the purpose of supplying as far as possible the requirements of Government and public bodies in the province with articles of local manufacture.

For the discussion of this proposal the Department obtained from the heads of departments lists of stores, including stationery, together with the quantity and cost, normally purchased by them for the years 1930-31, 1931-32 and 1932-33 classified as follows :—

- (a) Stores purchased locally or from Government factories in the province, such as jails,
- (b) stores purchased in India direct from dealers outside the province,
- (c) stores purchased in India through the Indian Stores Department, Delhi, and
- (d) stores purchased through the India Stores Department, London.

From the replies received the average cost during the three years under each of the above heads was as follows :—

Rs.	Rs.
(a) 8,63,516	(c) 5,78,165
(b) 7,73,638	(d) 4,393

The Director of Industries explained the policy of Government with regard to the purchase of articles required by Government departments, which is laid down in the Government's Store Rules. In accordance with those rules the policy of Government is to make the purchase of stores for the public services in such a way as to encourage the development of the industries of the country to the utmost possible extent consistent with economy and efficiency, while rule 3 of the rules enjoins in particular preference to articles produced in the province. It was also pointed out that there was already a Central Indian Stores Department at Delhi and that the value of articles purchased by Government departments would not justify the cost on a separate Provincial Stores Department.

The Rao Bahadur said that his main object in moving the proposal was that preference should be given to articles manufactured in the province. The Director of Industries pointed out that Government had already issued instructions to that effect. The Board eventually agreed that Government should be requested to ascertain to what extent the policy in regard to the purchase of articles required for public services had been carried out, with particular reference to rule 3 of the Store Rules. Accordingly the heads of departments were again addressed to report the extent to which preference had been given in the purchase of stores, firstly, to articles produced in the province and, secondly, to those manufactured elsewhere in India. From their replies it appeared that the policy of Government was being carried out.

The Chief Controller of Stores, Indian Stores Department, Delhi, who was also addressed on the subject, stated that the policy of the Central Provinces Government laid down in the Store Rules was fully observed in the handling of demands entrusted to his Department.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
TEXTILE LABOUR ENQUIRY
COMMITTEE
OF THE
CENTRAL PROVINCES & BERAR

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1938

Agents for the sale of Publications issued by the Central Provinces Government

[NOTE.—Appointments of all official Agents in the United Kingdom and on the Continent for the sale of Government Publications have been terminated with effect from the 1st April 1925.

All publications in future are obtainable either direct from the High Commissioner for India, India House, Aldwych, London W. C. 2, or through any bookseller.]

INDIA

AKOLA :

The Proprietor, Shri Ramdas Stores,
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The Proprietors, Bhisey Brothers,
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Mr. D. M. Dhumal, Manager, Ex-
perimental Book Binding Depôt.

The Manager, Nagpur Law Journal,
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Mahal.

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The Patna Law Press Co.

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VELLORE :

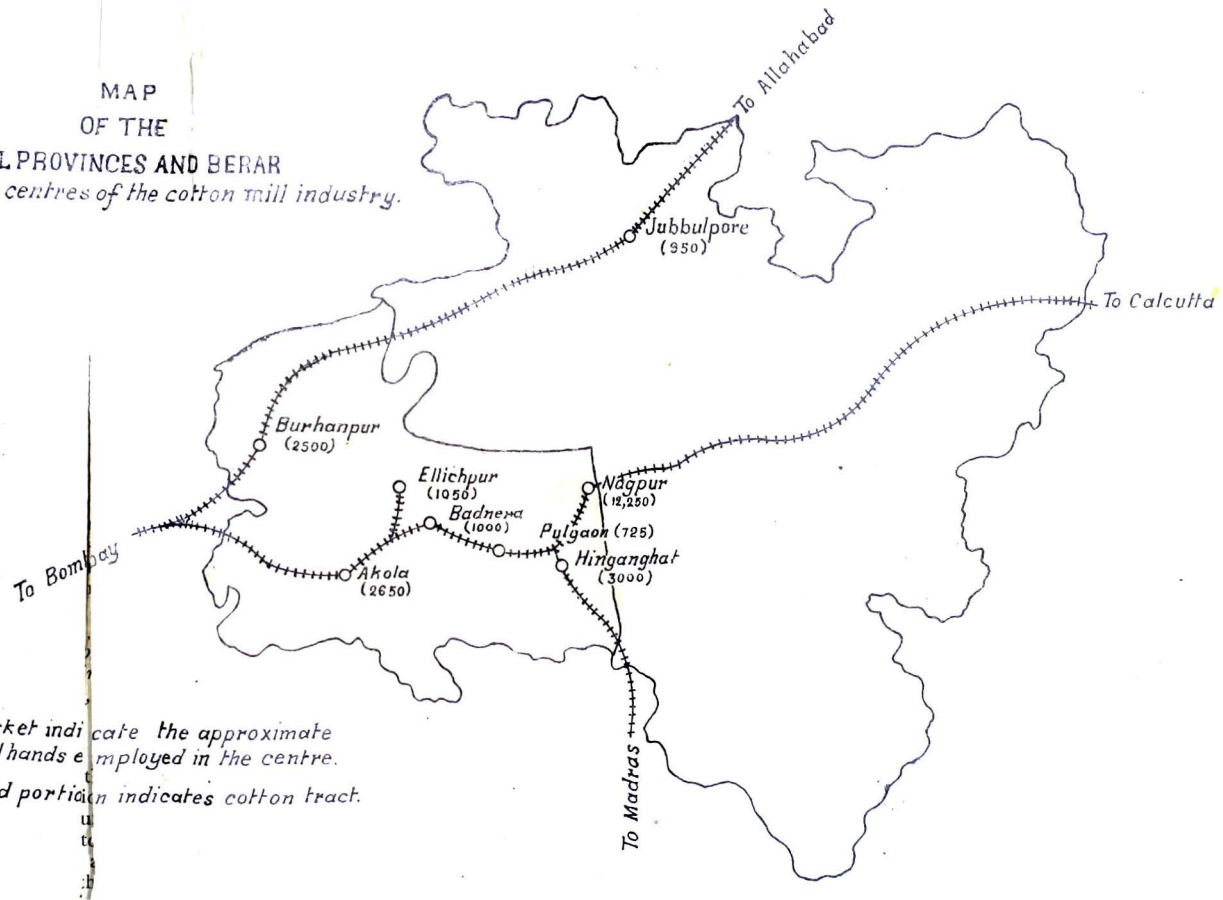
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MAP
OF THE
CENTRAL PROVINCES AND BERAR
Showing the centres of the cotton mill industry.



Figures in bracket indicate the approximate number of millhands employed in the centre.

Coloured portion indicates cotton tract.

REPORT OF THE CENTRAL PROVINCES AND BERAR TEXTILE LABOUR ENQUIRY COMMITTEE

CHAPTER I.—INTRODUCTORY

APPOINTMENT OF COMMITTEE AND TERMS OF REFERENCE

The Central Provinces and Berar Textile Labour Enquiry Committee was appointed by the Resolution of the Government of the Central Provinces and Berar in the Commerce and Industry Department No. 914-351-VII, dated the 11th March 1938. The following is the text of the Resolution:—

“No. 914-351-VII.—At a meeting of the textile workers of Nagpur held on the 21st February 1938 at Needham Park the Hon'ble the Prime Minister made the following statement:—

‘It will be the endeavour of the Central Provinces Congress Cabinet to fall in line with the policy of the Bombay Government regarding the recommendations of the Bombay Enquiry Committee, both as regards the extent of restoration of wage cut and the period from which it will take effect, subject to such variations as local conditions necessitate.

The Provincial Government has seen the Interim Report of the Bombay Textile Labour Enquiry Committee and the Resolution No. 1988-34, dated the 14th February 1938, of the Government of Bombay thereon. With a view to implementing the undertaking given by the Hon'ble the Prime Minister, the Governor of the Central Provinces and Berar is pleased to appoint the following Committee:— •

Chairman.

Mr. N. J. Roughton, C.I.E., I.C.S., Financial Commissioner.

Members.

- (1) Mr. A. C. Sen Gupta, M.A. (Edin.), Principal, Morris College, Nagpur.
- (2) Mr. V. R. Kalappa, M.L.A.
- (3) Mr. C. C. Desai, I.C.S., Director of Industries. He will also 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, M.A., LL.B., General Secretary, Nagpur Textile Union.

The terms of reference of the Committee will be to examine the report of the Bombay Textile Labour Enquiry Committee and to report on—

- (1) the extent to which the conditions in the Central Provinces and Berar differ from those which form the basis of the Committee's recommendations,
- (2) the changes that would as a consequence be necessary in these recommendations in their application to the conditions in the Central Provinces and Berar, and
- (3) the date from which the modified recommendations should take effect.

The Committee will be requested to submit its report to the Provincial Government by the 30th April 1938."

PROCEEDINGS OF THE COMMITTEE

2. In view of the shortness of the time available to it, the Committee in its first meeting held on the 14th March 1938 decided immediately to issue a questionnaire asking the mills, the representatives of labour and other persons interested in the cotton industry to submit their replies by the end of March. A copy of the questionnaire will be found in appendix A. In its next meeting on the 2nd of April, the Committee considered the replies received. Oral evidence was taken from the 6th to the 14th April. Written replies were received from all mills and three bodies representing mill labour; and 13 representatives of the industry and 11 persons representing labour unions were examined orally. While replies received from Empress, Model, Jubbulpore and Bansilal Mills at Hinganghat supplied more or less complete information, the replies received from some other mills, notably Burhanpur, the two mills at Akola and Rekhchand Mohota Mills at Hinganghat were far from satisfactory and have added not a little to the difficulties of the Committee. The replies received from labour organizations except the reply from the Nagpur Textile Union were generally vague and inaccurate, partly because these organizations are of recent origin, some not having had time even to get themselves registered, and partly because, owing to the non-recognition of trade unions, their representatives are unable to obtain statistical information and data regarding the wages earned by the workers and the general financial position of the industry.

INTERPRETATION OF TERMS OF REFERENCE

3. As some doubt arose as to whether the clerical staff was included in the terms of reference, an enquiry was addressed to Government asking for a ruling. The Committee was informed that the enquiry was confined to operatives and that the clerical staff was excluded from its purview.

4. It will be seen from the terms of reference that the scope of the enquiry entrusted to the Committee is much narrower than that of the Committee appointed in Bombay. The Committee is only required to consider how far the conclusions embodied in the Interim Report of the Bombay Committee are

applicable to the Central Provinces and Berar and what changes in their proposals are necessary in the light of local conditions before they are recommended for being adopted in this province. The Committee has not been asked to express an opinion as to the correctness of the main proposals of the Bombay Committee or of its estimate of the future trend of the cotton industry as a whole. The Committee accordingly refrains from going beyond the basis of the findings of the Bombay Committee or giving any decisions on these points. In particular, it wishes to make no pronouncement on the vexed question whether the recent betterment in the position of the cotton industry is likely to be of long or short duration, or on such general assumptions and principles laid down in the Interim Report and accepted as binding on the Committee as—

- (1) The productive capacity of a concern during a year should be judged mainly in relation to the charges payable for that particular year. (p. 85);
- (2) Over-capitalisation of some units and the heavy financial liabilities of a few others continue to affect adversely the profit-earning capacity of the industry, as a whole, and a truer perspective is obtained when the figures for such units are excluded from the consolidated account. (p. 88);
- (3) The large gains which are accruing to the cotton textile industry at present are, in the main, due to the widening of the profit margin in industry as a result of the fall in the price of cotton. (p. 92);
- (4) So long as other elements entering into the cost of production of cloth remain the same, and the level of cloth prices remains stable, the fall in the price of cotton would be fully reflected in the margin of profits. (p. 93);
- (5) It is fair to estimate that the price levels for Indian cottons this year will rule about 20 per cent lower than in previous years, the corresponding figure for foreign cottons being 15 per cent. (p. 102);
- (6) The index number of cloth prices reveals no downward trend in cloth prices in recent months. (p. 104);
- (7) The demand for piece-goods has been active and the informed opinion in the piece-goods-market does not expect cloth prices to follow the trend in the price of cotton. (p. 106);
- (8) Prices of raw materials in general, though unable to maintain the high level that most of them attained during the first quarter of 1937, are, on the other hand, maintaining a level distinctly above that reached during the years of depression. (p. 110). No general decline in the prices of raw materials is indicated and Indian and world economic conditions do not suggest the possibility of such a decline. (p. 112);
- (9) The depression, which was adduced as the principal justification for the wage cuts, has lifted and the

capacity of the industry to earn profits is distinctly better today than it was when the cuts were imposed. (p. 124);

- (10) The general recovery and the recovery in textiles are not temporary as they are based on trends which are visible in almost all aspects of economic activity in most countries of the world. (p. 125).

5. It is fair to add here that most of the representatives of mills disputed the correctness of many, if not most, of the above assumptions. Sir Maneckji Dadabhoy on behalf of the Model Mills and Mr. Batliwala on behalf of the Empress Mills were emphatic in the view that the trend of prices of Indian staple cotton and of cloth and yarn could not be forecasted while they were apprehensive of a falling off of forward bookings of which they already saw signs. They considered that the low price of raw cotton while benefiting the textile industry by widening the margin of profit to the mill would react unfavourably on the purchasing power of the masses and the demand for mill products. While there is some force in these arguments, we have been precluded by the terms of our reference from reopening these questions and investigating their validity. Our task is not to give findings on the correctness of these principles but to apply the principles of the Bombay Report to local conditions.

6. Our task, difficult as it was owing to the shortness of time, was made the more so by the absence of reliable statistical information either in the office of the Director of Industries or in any of the Provincial Government publications. We were particularly handicapped by the absence of data of rail-borne inland traffic and would suggest the revival of this useful publication. In the days to come, with increased activity in the industrial field and the greater importance of the labour questions, statistics relating to trade and industry will become increasingly essential.

CHAPTER II.—SURVEY OF THE INDUSTRY

EXTENT AND DISTRIBUTION

The cotton textile industry in this province differs from that of Bombay in that there are no principal centres in which the mills are situated. The number of textile mills is only 11, and with one exception, the Raja Gokuldas Mills at Jubbulpore, they are scattered throughout the cotton growing area. At no place are more than two mills situated.

The following table summarises the progress of the industry since 1926 :—

Table 1

Year	Number of mills working	Number of spindles installed	Number of looms installed	Average daily number of persons employed	Production of yarn in million pounds	Production of woven goods in million pounds	Production of woven goods in million yards	Consumption of raw cotton in bales of 400 pounds each
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1926	..	11 360,379	6,694	19,379	40.6	19.46	71.27	..
1927	..	11 361,396	6,747	18,734	38.9	19.06	70.66	..
1928	..	11 362,012	6,822	19,389	42.86	19.22	71.94	..
1929	..	11 352,732	7,105	19,905	44.05	20.27	77.78	..
1930	..	11 361,504	7,172	20,200	45.11	21.34	81.61	..
1931	..	11 365,952	7,169	20,446	45.1	21.65	82.00	116,186
1932	..	11 368,690	7,072	20,200	43.96	20.54	79.19	118,517
1933	..	11 370,720	7,072	18,818	42.2	18.27	68.13	108,298
1934	..	11 373,220	7,082	18,396	44.5	23.83	87.86	121,300
1935	..	11 385,768	7,112	19,534	46.09	24.64	87.23	122,900
1936	..	10 387,840	7,096	18,933	49.51	22.31	80.09	124,050
1937	..	10 388,214	7,089	18,986	49.02	23.64	81.94	Not available.
		(approx.)	(approx.)					
Equivalent average for 10 mills in Bombay Presidency.		290,486	6,737	11,595	29.33	28.07	111.77	80,454

2. One mill, that at Pulgaon, ceased working in 1936, but has again recommenced operations in March of this year in view of the more favourable conditions now prevailing. The figures indicate a slight increase in production with a labour force which has remained stationary in spite of the slump which started in 1929, and the decrease in the number of working hours per week from 60 to 54 in 1935. So far as the quantum of production is concerned, that is, the number of mills, spindles, looms, employees and the consumption of cotton, the figures proportionately resemble to a somewhat remarkable degree those given in the Bombay report for the Bombay Presidency as a whole. They show neither the expansion which has occurred in Ahmedabad nor the decline of Bombay city.

3. It is unnecessary for us to examine in detail the history of the Indian Cotton Textile Industry as a whole during recent years. An analysis of the relevant factors has been made in the Bombay report, and is available to those who desire to investigate the matter. The same factors have operated in this province as elsewhere in India. Two special features have been noticed in Bombay, the movement towards the manufacture of finer goods, and the progress of rationalisation. The statement below shows that in this province there has been remarkably little increase in the production of yarn of higher counts and that the bulk of the outturn continues to be the lower counts:—

Table 2

Statement of yarn production by counts

(In pounds—000's omitted).

Year	Ending 31st March						
	1—10	11—20	21—30	31—40	Over 40	Waste, etc.	Total
1927-28 ..	8,994	24,713	7,619	833	189	511	42,860
1930-31 ..	9,523	25,349	8,335	1,145	361	390	45,103
1935-36 ..	9,078	27,062	7,318	2,028	590	352	46,428
1936-37 ..	11,608	25,946	6,470	2,374	700	502	47,599

Table No. 3 below gives statistics regarding woven goods.

Table 3

Statement of the quantity and description of woven goods manufactured in Central Provinces and Berar. (Ending 31st March)

Grey and bleached piece-goods	1929-30			
	Pounds	Yards	Average yard per pound	Percentage of total pound
Dhoties ..	7,060,000	29,933,000	4.2	33.1
Shirtings and long cloth ..	1,418,000	5,959,000	4.2	6.6
T cloth domestics and shirtings.	701,000	3,029,000	4.3	3.3
Khaddar ..	2,094,000	6,211,000	2.0	9.3
Others ..	3,415,000	12,399,000	3.6	16.0
Total ..	14,688,000	57,531,000	3.9	68.8
Coloured piece-goods ..	5,859,000	24,078,000	4.1	27.5
Miscellaneous ..	796,000	..	..	3.7
Grand Total ..	21,343,000	81,609,000	3.8	100

1931-32				
Grey and bleached piece-goods	Pounds	Yards	Average yard per pound	Percentage of total pound
Dhoties ..	8,976,441	37,536,559	4.2	42.5
Shirtings and long cloth ..	1,729,768	7,490,874	4.3	8.2
T cloth domestics and shirtings.	1,086,505	4,064,176	3.7	5.2
Khaddar ..	1,802,236	5,101,328	2.8	8.6
Others ..	2,687,117	9,832,700	3.7	12.7
Total ..	16,282,077	64,025,637	3.9	77.2
Coloured piece-goods ..	4,283,603	17,631,114	4.2	20.1
Miscellaneous ..	580,158	..	..	2.7
Grand Total ..	21,100,838	81,656,751	3.8	100

1936-37				
Grey and bleached piece-goods	Pounds	Yards	Average yard per pound	Percentage of total pound
Dhoties ..	7,706,000	33,192,000	4.3	36.3
Shirtings and long cloth ..	1,952,000	8,026,000	4.1	9.2
T cloth domestics and shirtings.	596,000	2,349,000	3.9	2.8
Khaddar ..	3,073,000	8,116,000	2.6	14.5
Others ..	4,038,000	13,052,000	3.2	18.9
Total ..	17,365,000	64,735,000	3.7	81.7
Coloured piece-goods ..	3,315,000	11,608,000	3.5	15.6
Miscellaneous ..	592,000	..	..	2.7
Grand Total ..	21,272,000	76,343,000	3.6	100

The average number of yards of cloth to the pound which was 3.8 in 1929-30 and 1930-31 had only declined to 3.6 in 1936-37. There is no evidence of any tendency to turn out lighter and therefore superior woven goods. No such tendency is likely to occur, as in order to turn out fine goods it is necessary to import long staple cotton; and for that purpose, the advantage due to proximity to the raw material of the industry enjoyed by up country mills is neutralised by the greater cost of imported cotton. The opportunity of acquiring great financial stability by the manufacture of better class goods, to the need for which

the Indian Cotton Tariff Board of 1927 drew attention, is thus denied to the industry of the province. The millowners claim that there are signs that the demand for coarser products is falling off, while that for better quality goods has been maintained up to date. On the other side of the account we must put the fact that the cost of raw cotton bears a higher proportion to the total cost of production in mills turning out coarse cloth and a greater proportion of yarn and that in consequence they obtain a greater advantage from the present disparity between the price of the finished article and that of raw material. The figures given in Table 1 indicate that there has been some rationalisation of labour in that the labour force has decreased whereas production has increased. It is claimed by the millowners that there is little scope for further economies in this respect owing to the inefficiency of local labour. At the same time they maintain that if wages rise they will be forced to discharge some of the operatives. On the whole we consider that rationalisation of the industry is more difficult than in Bombay, and that the local mills are in consequence in a weaker position. Financial rationalisation, that is the writing down of inflated capital costs either voluntarily or as a result of force sales, which has been a feature of the mills in Bombay city, is not in evidence in this province, though the necessity for it exists in the case of some mills.

4. The province is landlocked and exposed to competition from such big centres of industry as Bombay and Ahmedabad. Capital in the province is notoriously shy, and apt to seek investment in industries outside the province; and indigenous industries even if their prospects are favourable are handicapped by difficulties of finance. Competition from mills in the neighbouring Indian States is severe, unfettered as they are by modern factory laws and the burden of income-tax. The number of mills in the province is only 11 of which one has been under liquidation, and with three or four exceptions the remainder are finding it difficult to make both ends meet. We, therefore, consider it desirable to sound a note of warning that burdens which can be borne by the well established industry of Bombay may in spite of the benefits derived from the proximity to raw materials prove too heavy for the less stable and less developed industries of the province.

CHAPTER III.—WAGES

In the absence of a properly conducted wage census, or periodical enquiries into the wages in the textile industry, it is scarcely possible to make an accurate survey of the wage position in the industry in the province. The different systems of wage payments adopted by the different mills together with the diverse methods of wage cuts make it difficult to assess the wage cut correctly, or to express it accurately in terms of a common denominator. In reply to our questionnaire, all the mills have not been able to show with any degree of accuracy the savings made by the various wage cuts in their total wage bill. Evidence tendered before the Committee disclosed a wide disagreement between representatives of the mills and of the labour in respect of wage cuts. In spite of this divergence it has been possible with the aid of the published report on the previous enquiry into wage cuts in the textile industry in 1934 to form tentative conclusions in the matter of wage reductions in consequence of wage cuts and loss of earnings as a result of a reduction in the working hours. Percentages have been worked out taking into account the number of persons employed in the important typical occupations in which percentage reduction in daily earnings has been separately worked out for each mill. Table 4 given below compares the average daily earnings in certain typical occupations in 1932, 1933, 1936 and 1937 :—

Table 4

Table showing earnings of cotton mill workers in Central Provinces and Berar in selected occupations

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease 1937 as compared with 1932
Empress Mills, Nagpur							
	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	..1 1 11	0 12 7	—30	0 13 2	—27	0 13 5	—25
Siders (one side)	..0 11 10	0 9 10	—15	0 11 8	—2	0 11 8	—2
Winders	..0 6 7	0 5 1	—15	0 4 10	—25	0 4 9	—27
Reelers	..0 9 5	0 8 2	—14	0 5 9	—39	0 5 3	—44
Weavers—							
One loom	..0 13 6	0 11 5	—15	0 10 4	—23	0 11 0	—18
Two looms	..1 5 3	1 1 11	—15	1 1 4	—18	1 1 8	—17
Frame doffers	..0 7 5	0 7 8	+2.5	0 8 3	+10	0 8 7	+11.4
Spinning doffers	..0 7 10	0 7 4	—6	0 7 7	—1	0 8 5	+6.5

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
Model Mills, Nagpur							
	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	..0 14 10	0 10 7	-28	0 12 3	-17	0 12 6	-16
Siders (one side)	..0 8 2	0 7 0	-14	0 7 9	-5	0 8 3	+1
Winders	..0 6 3	0 6 4	+1	0 5 3	-15	0 6 0	-4
Reelers	..0 7 5	0 5 9	-22.5	0 4 3	-43	0 4 9	-36
Weavers—							
One loom	..0 14 3	0 13 7	-5	0 13 6	-5.5	0 13 3	-7
Two looms	..1 7 9	1 3 11	-16	1 1 9	-25	1 4 3	-15
Frame doffers	..0 6 1	0 5 3	-13	0 4 0	-34	0 5 9	-5
Spinning doffers	..0 6 4	0 5 10	-8	0 5 6	-13	0 6 6	+2.5
Vidarbha Mills, Ellichpur							
Frame tenters	..0 9 11	0 11 5	+11.5	0 10 4	+10.3	0 11 6	+11.5
Siders (one side)	..0 11 4	0 10 1	-11	0 10 5	-8	0 9 3	-18.5
Winders	..0 5 7	0 5 5	-3	0 4 11	-11	0 4 4	-22
Reelers	..0 3 11	0 3 2	-18.8	0 2 1	-47	0 2 7	-34
Weavers—							
One loom	..0 13 0	0 12 1	-7.5	0 10 7	-18	0 9 10	-25
Two looms	..1 10 5	1 0 6	-37	0 14 4	-46	0 14 5	-45
Frame doffers	..0 7 1	0 5 7	-21	0 6 4	-11	0 5 7	-21
Spinning doffers	..0 7 1	0 6 7	-7	0 6 7	-7	0 5 5	-22
Lekchand Mohta Mills, Hinganghat							
Frame tenters	..0 10 7	0 10 8	+1	0 9 5	-10.4	0 9 5	-10.4
Siders (one side)	..0 7 3	0 7 8	+3	0 7 4	+1	0 7 5	+2
Siders (two sides)	.. ..	0 12 5	..	0 12 4	..	0 12 4	..
Winders	..0 6 6	0 3 8	-43	0 3 6	-46	0 5 8	-43
Reelers	..0 6 6	0 5 6	-15	0 4 9	-26.5	0 5 1	-22
Weavers—Two looms.	0 15 3	0 14 1	-8	0 15 3	..	0 13 5	-12
Frame doffers	..0 5 0	0 5 11	+20	0 4 6	-10	0 4 5	-10.5
Spinning doffers	..0 5 0	0 5 1	+1	0 4 7	-8.5	0 4 7	-8.5

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
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R. B. Bansilal Abinchand Mills, Hinganghat

	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	.. 0 13 10	0 14 5	+4	0 11 5	-17	0 11 4	-17.5
Siders (one side)	.. 0 9 1	0 7 7	-16.5	0 6 11	-23	0 6 11	-23
Winders	.. 0 7 6	0 5 2	-31	0 4 2	-45	0 3 9	-50
Reelers	.. 0 7 2	0 6 11	-5	0 5 3	-26.5	0 5 4	-25
Weavers—							
One loom	.. ..	0 11 4	..	0 8 8	..	0 7 7	..
Two looms	.. 1 7 5	1 3 3	-17	0 15 9	-33	0 15 1	-35
Frame doffers	.. 0 6 3	0 5 3	-16	0 4 7	-27	0 4 5	-30
Spinning doffers	.. 0 5 10	0 4 11	-15	0 4 7	-22	0 4 8	-20

Burhanpur Tapti Mills, Burhanpur

Frame tenters	.. 0 13 4	0 15 4	+13	0 11 3	-15	0 11 7	-12.5
Siders (one side)	.. 0 12 1	0 12 3	+2	0 10 5	-13.5	0 10 3	-15
Winders	.. 0 6 10	0 6 5	-5	0 5 11	-12	0 5 7	-4
Reelers	.. 0 9 2	0 6 7	-28	0 5 9	-37	0 5 5	-40
Weavers—							
One loom	.. 0 11 3	0 9 9	-14	0 8 4	-26.5	0 7 10	-30
Two looms	.. 1 5 9	1 3 4	-11	1 0 8	-23	0 14 9	-32.5
Frame doffers	.. 0 8 6	0 8 1	-5	0 6 11	-18.5	0 6 3	-26
Spinning doffers	.. 0 6 11	0 7 5	+7	0 6 6	-6	0 5 11	-14

Savatram Ramprasad Mills, Akola

Frame tenters	.. 0 13 6	0 9 8	-28.5	0 8 6	-37	0 8 0	-41
Siders (one side)	.. 0 9 5	0 7 8	-19	0 6 9	-28	0 6 6	-31
Winders	.. 0 6 6	0 4 11	-24	0 4 0	-38.5	0 5 7	-14
Reelers	.. 0 6 1	0 4 2	-32	0 4 4	-29	0 3 5	-43.5
Weavers—Two looms.	1 10 6	1 10 5	-.3	1 3 4	-27	1 2 0	-32
Frame doffers	.. 0 6 9	0 5 0	-26	0 4 10	-29.5	0 4 11	-29
Spinning doffers	.. 0 6 4	0 5 1	-20	0 4 3	-33	0 4 1	-35

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
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R. S. Rekchand Mohta Mills, Akola

	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	..0 12 9	0 13 8	+7	0 11 7	-9	0 8 1	-36.5
Siders (one side)	..0 9 10	0 9 7	-2	0 9 1	-8	0 8 2	-17
Winders	..0 6 3	0 5 9	-8	0 7 1	+12.5	0 4 1	-35
Reelers	..0 9 9	0 8 10	-9	0 7 10	-20	0 5 9	-41
Weavers (two looms)	1 11 8	1 6 9	-15	1 4 7	-25	0 15 4	-44.5
Frame doffers	..0 6 5	0 6 0	-7	0 5 10	-9	0 4 10	-25
Spinning doffers	..0 6 1	0 6 3	+3	0 5 10	-4	0 4 11	-19

Berar Manufacturing Mills, Badnera

Frame tenters	..0 10 5	0 8 11	-14	..	..	0 8 3	-20
Siders (one side)	..0 9 7	0 7 8	-19.5	..	..	0 6 5	-32
Winders	..0 7 4	0 7 5	+1	..	..	0 4 6	-39
Reelers	..0 6 9	0 5 9	-15	..	..	0 3 3	-51.5
Weavers (one loom), weavers (two looms)	0 8 9	0 10 8	+21	..	..	0 8 7	-2
Frame doffers	..0 7 11	0 6 0	-24	..	..	0 5 4	-33
Spinning doffers	..0 8 0	0 6 7	-18	..	..	0 5 4	-33

Figures for the Jubbulpore mill have not been given as their accuracy is open to doubt. The table will show the loss of earnings suffered by a person who did the same kind of work and provides the only practical method of comparing the extent of wage cut effected between two points of time during which changes in the conditions of work, in the distribution of the labour force in different wage classes, and in the character of work have taken place.

2. We also give below a table (Table 5) to show the percentage reduction in wages since the first cut was introduced in 1933 for all mills except Pulgaon, which was unable to supply the information we asked for owing to the mill having gone into liquidation and being closed down. The percentages have been worked out by taking the actual wages of typical occupations and obtaining the average number of employees in each category. The basis of the calculation is the same as that adopted

in the Bombay Report. Figures for the three Bombay centres, namely, Bombay city, Ahmedabad and Sholapur are included in the statement to facilitate comparison :—

Table 5

Statement showing wage cuts and restoration if the Bombay schedule is adopted.

Mill centres	Wage reduction since 1933	Restoration of wage cut as per Bombay schedule in page 133 of the Interim Report	Portion of wage cut which will still remain unrestored after the increase
(1)	(2)	(3)	(4)
	Per cent	Per cent	Per cent
Bombay	.. -25.4	11.9	-13.5
Ahmedabad	.. -12.9	9	-3.9
Sholapur	.. -13.4	14.3	+0.9
<i>Central Provinces and Berar.</i>			
The Empress Mills, Nagpur	-16	14	-2
The Model Mills, Nagpur	.. -14	12.5	-1.5
Rai Bahadur Bansilal Abirchand Mills, Hinganghat.	-21	12.5	-8.5
Rai Sahib Reckchand Mohta Mills, Hinganghat.	-18	12.5	-5.5
Berar Manufacturing Company, Ltd., Badnera.	-22.5	17	-5.5
Raja Gokuldas Mills, Jubbulpore	.. -10	11.5	+1.5
Burhanpur Tapti Mills, Burhanpur	.. -24	15.5	-8.5
Savatram Ramprasad Mills, Akola	.. -30	14	-16
Rai Sahib Reckchand Gopaladas Mohta Mills, Akola.	-32	11	-21
Vidarbha Mills, Ellichpur	.. -24.5	15	-9.5

It must be explained that the table exemplifies the fall in wages and not the extent of the actual cuts the percentages of which will be less than those shown in column 2 of the statement. We have not obtained figures for all mills, but the Empress Mills have given us figures showing how the restoration of their wage cut would affect their wage bill. The total increase in their pay bill would be 10 per cent and not 16 per cent as shown in column 2 of the statement. The difference is accounted for by two facts, namely, (1) that new employees, which may include some old employees re-employed after a period of absence, have been

taken on at lower rates and thus draw lower wages without having been subjected to a wage cut and (2) that the output of piece-workers was reduced owing to the number of hours of work per week being reduced from 60 to 54 in 1935. It was also alleged by some mills that with the decrease in the total number of employees, the work people themselves preferred that a large number should work for a short time rather than that a small number should be refused work altogether; and as a result the earnings of individuals were reduced. Distribution of work among themselves is, we are told, often resorted to by workers, especially women, even at the cost of lower wages, in order to secure employment for a larger body of workers. We have not set forth in detail the actual cuts introduced by the various mills because we considered that the figures in the above statement illustrated as accurately as possible the real fall in wages.

3. Not only is the wage cut not uniform but the method of application also varies widely from mill to mill. In the two mills in Nagpur and Raja Gokuldas Mill of Jubbulpore the lowest paid time workers were exempted from the cut. The lowest limit for exemption is Rs. 15 for male operatives and Rs. 10 for female operatives in the Empress Mills, and Rs. 13 for male operatives and Rs. 9 for female operatives in the Model Mills, and Rs. 10 for all operatives in the Jubbulpore mill. One mill in Hinganghat has exempted only mechanics from the wage cut. In some mills an additional wage cut was made when there was a reduction in the hours of work but the practice was not universal; for instance, there was no cut on this account in the mills at Nagpur.

4. Analysis of the tables shows that the wages in this province are much lower than in Bombay and the wage cuts are on the whole lower than in Bombay. In these circumstances, an increase in wages to the same extent as in Bombay will, in our opinion, be inequitable as it would mean that the mills that had succeeded in obtaining the greatest reduction in wages would have to restore proportionately the smallest amount. A comparison of the figures given in table 4 with the corresponding figures in the Bombay report shows that the level of wages is appreciably higher in the Bombay Presidency than it is in this province. It follows that if a schedule of increase of wages on the lines of the Bombay schedule were to be adopted, the stages at which the different scales applied would have to be different. This would also be justified if we take into account the lower cost of living in this province as compared with Bombay. While we have obtained information from some mills as to the cost of increase on the Bombay scale and could calculate without difficulty any changes in the cost that would result from the adoption of different rates of increase, we are not able in the time at our disposal to assess the financial effect of varying the stages.

COST OF LIVING

5. We have observed that the cost of living of the working class families has recently risen as shown by the cost of living

index numbers published by the Department of Industries. Table 6 below shows the variation in the cost of living index numbers in Nagpur and Jubbulpore since 1930 :—

Table 6

Cost of living index numbers for the industrial workers at Nagpur.

Base period—January 1927=100.

Months of the year	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	.. 94	68	63	58	57	56	58	61	62
February	.. 94	67	60	59	57	59	58	61	61
March	.. 92	66	62	58	54	58	58	60	..
April	.. 90	66	61	55	54	57	58	63	..
May	.. 89	62	61	59	54	58	58	62	..
June	.. 85	63	62	59	57	58	58	63	..
July	.. 84	63	63	59	58	58	59	65	..
August	.. 83	64	62	58	57	58	59	65	..
September	.. 83	63	62	58	57	59	59	65	..
October	.. 79	63	62	58	58	60	60	66	..
November	.. 76	64	62	59	59	61	58	65	..
December	.. 68	65	60	58	57	58	60	62	..
Average	.. 85	65	61	58	57	58	59	63	..

Cost of living index numbers for the industrial workers at Jubbulpore.

Base period—January 1927=100.

Months of the year	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	.. 87	63	61	58	52	55	56	61	60
February	.. 87	62	61	57	52	58	55	61	58
March	.. 83	62	62	56	52	53	54	59	..
April	.. 79	62	57	52	53	54	53	59	..
May	.. 78	60	57	56	53	55	54	60	..
June	.. 78	60	56	54	54	55	55	60	..
July	.. 78	62	57	55	55	57	57	63	..
August	.. 76	64	60	55	54	58	60	63	..
September	.. 76	63	61	54	56	57	60	63	..
October	.. 74	62	61	54	56	59	58	60	..
November	.. 71	63	60	55	57	56	58	63	..
December	.. 65	62	57	54	56	56	59	61	..
Average	.. 78	62	59	55	54	56	57	61	..

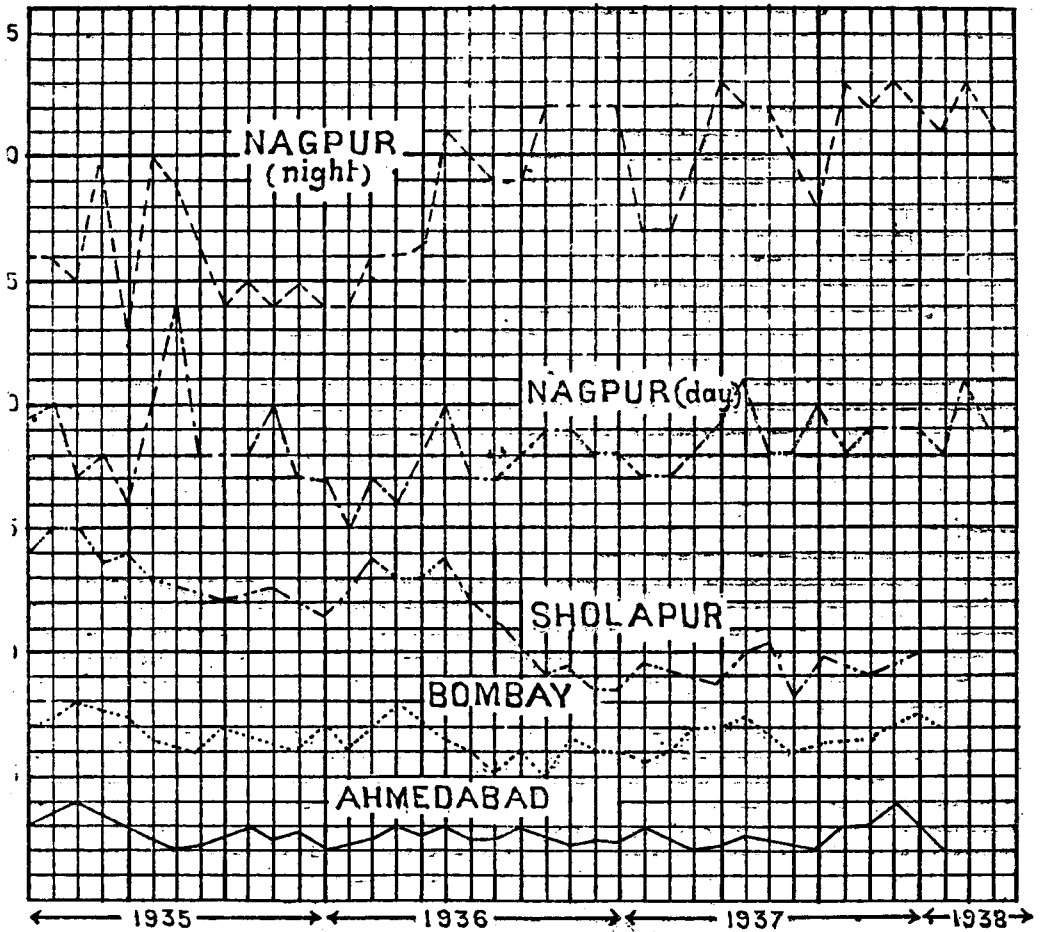
The representatives of mills have pointed out that the cost of living is low and have quoted the 1934 Report on the Enquiry into Unemployment and Wage Cuts to the effect that "while the nominal wages have decreased by 17 per cent in Nagpur, the real wages have increased by 43 per cent". Apparently the implications of the figures on page 28 of the above report have been misunderstood. The decrease in the nominal wages and increase in the real wages have in reference to 1927 which is the base year and the percentages are in relation to the wages and cost of living prevalent at that time as compared with the conditions in 1933. In 1937, the cost of living has increased from 58 to 63 in Nagpur whereas the wages have decreased from Rs. 18-12-0 to Rs. 15-10-0 per month. The decrease in nominal wages in 1933 is 17.2 per cent, while the real wages have fallen by 23.5 per cent. The following table (table 7) will show the comparative index numbers at a glance:—

Table 7

	January 1927	December 1933	December 1937
Average daily wages	.. Re. 0-14-0	Re. 0-11-8	Re. 0-9-8
Nominal wage index	.. 100	83	68.7
Cost of living index	.. 100	58	63
Real wage index	.. 100	143	109

6. Evidence before us showed that there is considerable absenteeism and forced or compulsory leave in the two mills at Nagpur. The latest figures of absenteeism given in the March issue of the Labour Gazette published by the Government of Bombay show that the percentage of absenteeism amounted to 7.7 in Bombay City, 3.3 in Ahmedabad and 10.7 in Sholapur, while at Viramgaum a semi-urban centre in the Bombay presidency, it was only 2.7. In this province the system of compulsory leave is not in force at Hinganghat and Akola. The mill-owners assert that the high percentage of absenteeism results in an inefficient labour force and labour objects to a system which entails enforced idleness and the consequent reduction of earnings. It is not within the scope of our enquiry to make any recommendation in the matter, but we find it difficult to believe that the system of compulsory leave to which both capital and labour object is necessary at one place and not at another, or that the high percentage of absenteeism cannot be reduced in time.

ABSENTEEISM



Comparative Chart of Average Absenteeism in Ahmedabad, Bombay, Sholapur and Nagpur.

CHAPTER IV.—TRENDS IN PRODUCTIVE
ACTIVITY, 1937

PRODUCTION OF YARN AND PIECE-GOODS

That there is a definite improvement in the productive activity of the mills in the province during 1937 is clear from the statement below showing the quantity of woven goods manufactured and yarn spun :—

Table 8

Statement showing the quantity of woven goods manufactured and yarn spun in the Central Provinces and Berar during 1937

	Woven goods manufactured			Yarn spun
	Lbs.	Yds.	Doz.	Lbs.
January ..	1,640,586	5,961,279	2,206	3,540,321
February ..	1,507,094	5,463,162	3,831	3,283,916
March ..	1,810,926	6,450,023	5,839	3,899,734
April ..	1,899,599	6,986,710	4,301	4,167,581
May ..	1,788,309	6,633,608	5,423	4,037,761
June ..	1,863,744	6,786,844	7,501	3,942,624
July ..	2,149,886	7,337,896	8,995	4,132,567
August ..	2,075,561	6,916,724	8,652	4,151,784
September ..	2,229,495	7,377,458	10,201	4,205,039
October ..	2,330,262	7,639,493	8,463	4,442,250
November ..	2,076,776	6,796,308	6,297	4,228,959
December* ..	2,271,594	7,593,829	12,791	4,989,099
Total ..	23,643,826	81,943,334	84,500	49,021,635

There has been a slight falling off in the production of cloth in the last two years, but the increased production of yarn has more than compensated for this. The total quantity of yarn and cloth combined has been increasing continuously and has reached its highest point in 1937. It has already been stated in a previous chapter that there is a slight variation in the character of production, the tendency being towards an increased output of coarse goods. This illustrates the difference between mills of this province and those of the Bombay presidency where the tendency is definitely towards finer goods

2. The evidence before the Committee showed that stocks of cloth and yarn on hand in the mills had reached a very low level by the end of December 1937 and all the mills had at least

three months' advance' bookings. The mill at Burhanpur has secured forward sales for the whole of the year 1938. Representatives of mills, however, complained that the market was showing signs of deterioration and that the demand for forward bookings was already less brisk. There is little reason to anticipate an immediate slump.

STOCKS AND DESPATCHES OF CLOTH

3. Another indication of the activity in production is given by the figures of despatches of piece-goods by rail. Table 9 compiled from weekly figures published in the *Indian Trade Journal* gives the monthly despatches from the three towns which are the centres of the textile industry and the figures may be taken to represent the outturn of the mills. Nagpur and Akola, the two important centres in the province, show a marked increase in the despatch of piece-goods in 1937 over the previous two years, while at Jubbulpore there was an increase in 1937 compared with 1936. Two charts of local prices of cloth and yarn are herewith appended; they show that the fluctuations in prices during the last two years have been slight and that the market remains firm notwithstanding the fall in the price of the raw material :—

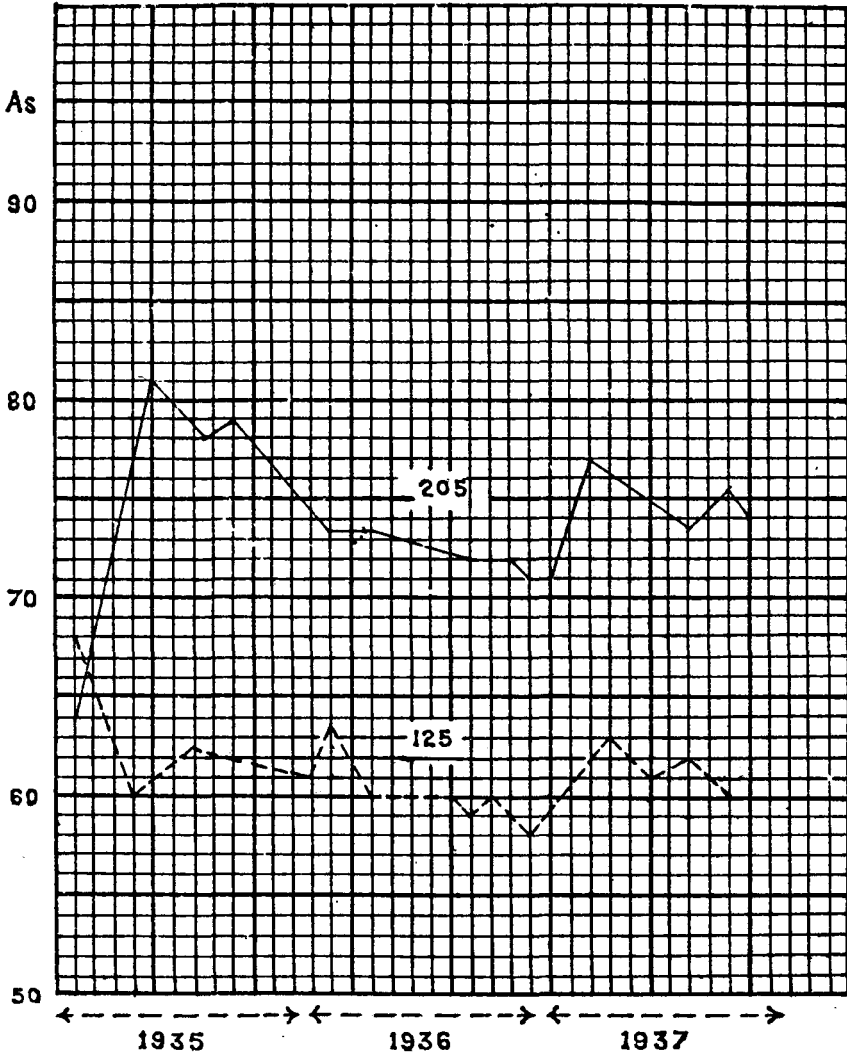
Table 9

Table showing the quantity of cotton piece-goods despatched by rail from Akola, Jubbulpore and Nagpur.

Year	Quantity in Indian maunds		
	Akola.	Jubbulpore	Nagpur
1935—			
January	4,093	2,058	9,655
February	3,397	1,766	6,193
March	3,267	2,406	8,656
April	2,566	2,192	7,626
May	2,782	2,885	6,922
June	3,891	1,112	6,124
July	2,999	1,171	5,567
August	3,508	1,531	7,136
September	3,734	1,254	8,019
October	5,645	1,961	11,844
November	7,074	2,675	12,231
December	4,104	1,521	7,602
Total	47,060	22,532	97,475

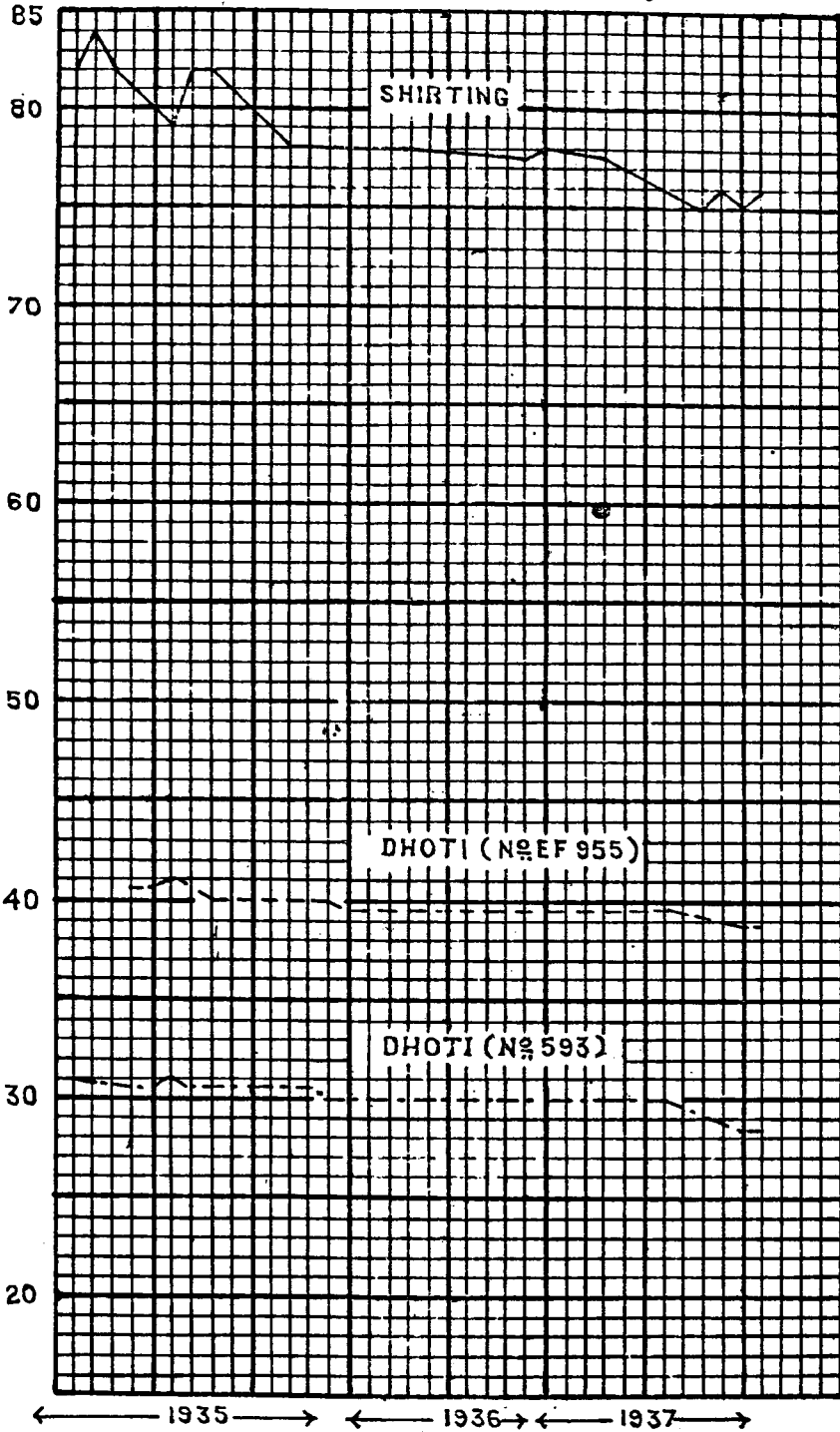
Year	Quantity in Indian maunds		
	Akola	Jubbulpore	Nagpur
1936—			
January	.. 3,580	1,645	6,760
February	.. 3,777	2,158	7,485
March	.. 2,607	1,617	6,036
April	.. 2,028	1,752	6,143
May	.. 2,327	1,287	8,401
June	.. 3,823	974	6,404
July	.. 3,039	773	5,644
August	.. 3,345	868	6,856
September	.. 2,996	1,006	7,316
October	.. 7,036	1,002	17,064
November	.. 5,416	1,035	12,195
December	.. 4,187	1,890	9,491
Total	.. <u>44,161</u>	<u>16,007</u>	<u>99,795</u>
1937—			
January	.. 4,145	1,841	13,319
February	.. 2,389	1,318	5,462
March	.. 2,566	1,220	4,883
April	.. 3,123	1,502	7,638
May	.. 2,384	2,225	7,971
June	.. 2,047	142	5,943
July	.. 3,955	1,250	10,083
August	.. 3,350	1,211	6,191
September	.. 4,768	1,625	10,225
October	.. 9,184	2,126	13,915
November	.. 10,736	2,375	8,848
December	.. 7,575	1,240	11,549
Total	.. <u>56,222</u>	<u>18,075</u>	<u>1,06,027</u>

YARN PRICE (NAGPUR)



As.

CLOTH PRICE (NAGPUR)



CHAPTER V.—FINANCIAL POSITION OF THE MILLS

The financial position of the mills in the province varies considerably; and it is difficult to give a true picture of it by means of a consolidated statement. The Empress Mills at Nagpur has a position of financial strength with which none of the other mills in the province can compare. We have accordingly classified them separately in the statement below, which shows the amounts which have been set aside for depreciation:—

Table 10

Statement showing the details about the depreciation, annual repairs, renewals and addition to block.

(Rupees in lakhs.)

Mills	Total block undepreciated	Depreciation hitherto provided	Depreciation at the over-all rate of 4 per cent on the original block for 1936-37	Amount provided in 1936-37	Maximum provided since 1933	Value of block for the year shown in column 6
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Empress ..	94	89.4	7.33	0.5	0.5 (1936-37)	183.4
Others ..	255	52.6	8.82	2.47	4.0 (1934-35)	241.7
Total ..	349	142	16.15	2.97	..	..

Year	Repairs and renewals	Addition to block
1934-35	.. 2*	12.32*
1935-36	.. 2.46*	6.53*
1936-37	.. 1.63†	2.12*

The Model Mills started working in 1924 and all the remaining mills, excepting a small mill at Ellichpur, are pre-war. It is evident that the total amount of depreciation is inadequate except at the Empress Mills.

2. The Empress Mills has a block value of Rs. 183 lakhs against which it has a depreciation fund of Rs. 96 lakhs. This fund though less than what it would have been if it has been credited with the maximum amount allowed by the income-tax rules is, in the opinion of the management, adequate. In the last four years only Rs. 80,000 have been provided as against Rs. 20 lakhs allowed by the income-tax department. Dividends which were as high as 28 per cent have now dropped to 7 per cent for 1937, having been 8 per cent for the years 1934, 1935 and 1936. The Rs. 100 shares are valued at Rs. 225. The company

* One mill did not submit a statement.

† Three mills did not submit statements.

has Rs. 47 lakhs invested in government securities. The company is in a strong financial position, and although dividends are maintained at their present low rate by making no provision for depreciation, this has been made possible by the conservative financial policy adopted in the past.

3. The Model Mills, Nagpur, 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. 122.5 lakhs, is unduly inflated. The mill is well-equipped, but the only dividend that it paid was 2 per cent in the year 1930. A depreciation fund of Rs. 19 lakhs exists, but it is not separately invested, and at the standard rates there is a deficiency of Rs. 53 lakhs. Even if the block value of the buildings and machinery had been brought down to its real value by writing down the capital value, it is clear that the provision for depreciation is inadequate. Owing to the high prices of machinery at the time of its purchases, the mill had to provide its working capital by borrowing and there is now a debt of Rs. 11 lakhs secured on the personal credit of the managing agents. During the last four years 1933-34 to 1936-37, the total loss has been about Rs. 80,000 without making any provision for depreciation. The difficulties of the mill are aggravated by the fact that interest has to be paid on that portion of the capital by which the subscribed share capital fell short of requirements. It is evident that the financial position of the mill is weak and that it will have no small difficulty in financing the renewal of machinery when this becomes due, unless its finances improve as the result of a considerable period of prosperity in the cotton textile industry. The shares of a face value of Rs. 250 are quoted at Rs. 49.

4. *Sawatram Ramprasad Mills, Akola*.—This is a small concern with a share capital of Rs. 7.55 lakhs. During the last four years it has paid dividends of 6, 6, 5 and 5 per cent in spite of the fact that the depreciation fund made up from profits is only about 40 per cent of that calculated on the income-tax basis. During the last four years, only Rs. 30,000 have been written off the block value by way of depreciation. The mill is in a moderately prosperous condition. The shares are quoted at 400 with a face value of Rs. 500.

5. The Burhanpur Tapti Mills commenced operations before the war and benefited by the low prices then prevailing for the purchase of machinery. The block value is Rs. 24 lakhs from which Rs. 14.33 lakhs have been written off by depreciation. The block value is low, and the depreciation allowed to date is hardly adequate. During the last four years only Rs. 94,000 have been written off. The capital raised by shares is 12 lakhs and this is supplemented by loans to the extent of Rs. 9½ lakhs of which a major portion is advanced by the managing agents. A dividend of 3 per cent was declared in 1934, but none has been paid since then. The shares are said to be at a discount of 50 per cent.

6. The Vidarbha Mills, Ellichpur, was started in 1927. The block value was originally Rs. 19 lakhs which has been now written down to Rs. 16 lakhs. The mill has only twice paid a dividend of 16 per cent in 1928-29 and 4 per cent in 1934-35.

During the last four years only Rs. 57,500 have been allocated to depreciation against the amount of Rs. 3.17 lakhs allowed under the income-tax rules. The mill is not in a strong position.

7. The Raja Gokuldas Mills in Jubbulpore is an old mill purchased by the present company in 1920 or thereabouts. It has a share capital of Rs. 6 lakhs and a block value of Rs. 15 lakhs. The depreciation fund of Rs. 1½ lakhs is insufficient and nothing has been added to it for many years. Being located outside the cotton area, the mill is unfavourably situated as regards raw material and is not in a flourishing condition.

8. The Pulgaon Mill has recently been restarted by a new company after going into liquidation. It is not possible to say how it will fair now.

9. The Berar Manufacturing Company's Mill at Badnera is now working at a loss. The paid up capital is Rs. 5½ lakhs and the block value is nearly Rs. 30 lakhs. It has a depreciation fund of nearly 14 lakhs which is nearly Rs. 3 lakhs short of the total allowed by the income-tax rules, but owing to the age of the mill and the magnitude of the block value compared to the share capital and the fact that the depreciation fund is not separately invested, it is doubtful if the fund is adequate. No additions have been made to it in any of the last four years. The mill is not in a strong position.

10. The remaining three mills, two at Hinganghat and one at Akōla, are proprietary concerns and complete figures are not available. But, from the profits of recent years, it appears that they are in a more favourable position than the majority of the mills owned by companies. They have set aside full depreciation out of profits during the last four years.

11. The statement (Table 11) appended to this chapter gives details of the financial working of the mills (except that at Pulgaon) for the last four years. The figures are not complete, particularly as regards the proprietary mills, and it is a matter for regret that the profits for the latest half year in many cases are not available. It is however, expected that there will be an increase. The general condition of the industry in the province is more akin to that of the mills of Bombay city than to that of the more prosperous concerns in Ahmedabad or Sholapur. We invite attention to the following remarks in paragraph 81 of the Interim Report; "The industry in Ahmedabad and Sholapur has been more fortunate, and the proportion of dividends to paid-up share capital has in no year gone down to the levels it has reached in Bombay. If the present level of dividends in Ahmedabad and Sholapur seems low, it is only as reviewed against the back-ground of a series of more prosperous years." In paragraph 136, the Interim Report points out that Ahmedabad did not suffer from the depression till 1933 and that in recent years it has maintained a fairly high level of commissions and that it has been a centre of expanding activity. About Sholapur, the following statement occurring in paragraph 138 may be quoted in order to show that our industry cannot compare favourably with that centre in the matter of finances: "The Sholapur industry, though not expanding, is in a very strong financial position. It has been able to pay dividends throughout the years of depression in spite of the high interest charges that some of the mills bear".

BETTERMENT

12. For lack of reliable data, it is difficult to assess the actual betterment in the various mills during the year 1937. The figures of profits received from seven mills for the second half of 1937 show that a profit exceeding Rs. 9½ lakhs has been made without allowing any depreciation but deducting the losses made by three mills. The amount of profit (also without deducting depreciation) in the previous twelve months for the same group of mills came to Rs. 7.2 lakhs thus indicating a betterment of more than 100 per cent in 1937-38. The following statement gives an accurate account of the comparison:—

Description	Twelve months of 1936-37	Latter half of 1937 (six months)
Number of mills taken ..	Rs. 7	Rs. 7
Profit in 7 mills after deducting losses in 3 mills and without deducting depreciation (but agents' commission deducted).	7,18,192	9,51,956
Depreciation on income-tax basis ..	14,06,167	7,07,033
Net profit or loss ..	-6,87,975	+2,44,923

It appears that even after allowing full depreciation on the income-tax basis, the seven mills showed profit of nearly Rs. 2½ lakhs in six months or Rs. 5 lakhs in the whole year assuming that the trading conditions remain the same. Four months have passed since the end of 1937 and as yet there are no indications that improvement in the profit margin noticeable towards the end of 1937 will not be maintained.

Table 11

Statement of profit and loss.

[No TR.—L—Indicates loss]

	Empress Mills, Nagpur				
	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	62,372	6,80,664	4,38,444	7,04,670	7,12,951
2. Agents' commission..	6,237	68,066	43,844	70,467	71,330
3. Agents' commission given up.	43,763	..	6,156	..	..
4. Depreciation on income-tax basis.	467,305	4,69,935	5,35,738	5,35,866	2,67,000
5. Actual deduction made for depreciation.	Nil	Nil	Nil	50,000	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	91,13,980	89,33,652	89,09,821	89,48,481	..
8. Dividend declared ..	6,25,000 (8 p.c.)	6,25,000 (8 p.c.)	6,25,000 (8 p.c.)	5,78,125 (7 p.c.)	..
9. Paid up capital ..	96,87,500	96,87,500	96,87,500	96,87,500	..
10. Block value (original)	69,17,822	1,77,73,000	1,82,43,000	1,83,38,000	..

Model Mills, Nagpur

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or de- preciation).	-1,64,363	1,30,689	38,599	8,044	1,16,001
2. Agents' commission..	26,200	25,800	25,800	25,800	12,900
3. Agents' commission given up.	3,800	4,200	4,200	4,200	2,100
4. Depreciation on in- come-tax basis.	5,52,685	5,51,336	5,52,343	5,52,557	..
5. Actual deduction for depreciation.	Nil	Nil	Nil	Nil	..
6. Total deficiency in depreciation.	36,38,080	42,06,020	47,58,363	53,10,920	..
7. Depreciation fund maintained.	..	..	..	..	..
8. Dividend declared ..	Nil	Nil	Nil	..	..
9. Paid up capital ..	99,02,750	99,02,750	99,02,750	99,02,750	99,02,750
10. Block value (original)	1,22,29,863	1,22,06,000	1,22,15,000	1,22,57,000	..

Savatram Ramprasad Mills, Akola

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or de- preciation).	1,83,879	1,17,410	1,20,270	50,288	..
2. Agents' commission..	13,512	10,035	9,966	6,995	..
3. Agents' commission given up.	Nil	Nil	Nil	Nil	..
4. Depreciation on in- come-tax basis.	66,800	66,800	67,000	70,000	..
5. Actual deduction made for depreciation.	54,031	25,897	34,277	..	..
6. Total deficiency in depreciation.	1,14,645	1,81,472	2,48,590	3,18,590	..
7. Depreciation fund maintained.	..	..	..	..	..
8. Dividend declared ..	45,600 (6 p.c.)	45,600 (6 p.c.)	37,750 (5 p.c.)	37,750 (5 p.c.)	..
9. Paid up capital ..	—	—	7,55,000	—	..
10. Block value (original)	12,25,749	12,06,800	11,92,000	12,07,200	..

R. B. Bansilal Abirchand Mills, Hinganghat

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	2,40,450	1,30,760	1,05,935	1,67,201	..
2. Agents' commission..	..	..	..	..	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	85,473	83,726	84,304	83,773	..
5. Actual deduction made for depreciation.	85,473	83,726	84,304	83,773	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	—————		11 lakhs	—————	
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	—————		29 lakhs (block value)	—————	
10. Block value (original)	..	..	..	..	..

R. S. Rekchand Mohota Mills, Hinganghat

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	2,13,487	97,510	1,58,509	..	..
2. Agents' commission..	..	..	..	..	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	97,963	97,963	97,963	..	..
5. Actual deduction made for depreciation.	1,20,222	1,17,247	1,19,154	..	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	..	..	..	..	..
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	—————		28 lakhs (block value)	—————	
10. Block value (original).	..	28,00,000	28,00,000	28,00,000	..

Berar Manufacturing Mills, Badnera

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	L-1,02,367	L-38,193	L-70,860	L-89,819	L-27,651
2. Agents' commission..	26,470	25,800	25,800	25,800	12,900
3. Agents' commission given up.	13,750	12,900	25,800	25,800	..
4. Depreciation on income-tax basis.	45,150	45,492	45,808	46,954	23,477
5. Actual deduction made for depreciation.	Nil	Nil	Nil	Nil	..
6. Total deficiency in depreciation.	1,49,440	1,94,122	2,39,930	2,86,884	..
7. Depreciation fund maintained.	13,89,731	13,89,731	13,89,731	13,89,731	..
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	5,50,000	5,50,000	5,50,000	5,50,000	..
10. Block value (original)	21,47,479	22,94,000	25,75,000	22,12,000	..

Burhanpur Tapti Mills, Burhanpur

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	20,593	99,219	L-22,708	L-50,827	....
2. Agents' commission	15,000	15,000	..	..	..
3. Agents' commission given up.	..	..	15,000	15,000	..
4. Depreciation on income-tax basis.	71,825	71,859	74,944	74,563	..
5. Actual deduction made for depreciation.	10,000	44,000	..	..	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	13,98,399	13,88,832	14,32,832	14,32,832	..
8. Dividend declared ..	..	36,000 (3 p. c.)	..	..	..
9. Paid up capital ..	12,00,000	12,00,000	12,00,000	12,00,000	..
10. Block value (original)	30,62,255	30,94,200	31,55,500	..	..

Rekchand Gopaldas Mills, Akola

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	74,076	80,827	31,611	..	..
2. Agents' Commission..	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	..	..
3. Agents' commission given up.	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	..	..
4. Depreciation on income-tax basis.	38,677	41,202	44,281	..	..
5. Actual deduction made for depreciation.	38,677	41,202	44,281	..	..
6. Total deficiency in depreciation.	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	..	..
7. Depreciation fund maintained.	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	..	..
8. Dividend declared ..	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	..	..
9. Paid up capital ..	—————	19.52 lakhs (block value)			—————
10. Block value (original)	..	19,51,500	19,51,200	..	..

Vidarbha Mills, Ellichpur

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	L-6,223	1,44,996	L-35,287	32,846	L-22,407
2. Agents' commission	..	14,499	..	3,284	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	78,221	79,027	79,585	79,873	40,198
5. Actual deduction made for depreciation.	..	57,541	..	..	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	3,13,000	3,13,000	3,70,541	3,70,541	3,70,541
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	16,70,000	16,70,000	16,70,000	16,70,000	16,70,000
10. Block value (original)	..	19,50,000	19,66,800	19,74,400	..

Raja Gokuldas Mills, Jubbulpore

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	L-15,306	L-39,438	L-6,475	L-23,528	L-15,300
2. Agents' commission..	..	..	..	..	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	40,000	40,000	40,000	40,000	..
5. Actual deduction made for depreciation.	Nil	Nil	Nil	Nil	..
6. Total deficiency in depreciation.	Nil	Nil	Nil	Nil	..
7. Depreciation fund maintained.	1,50,000	1,50,000	1,50,000	1,50,000	..
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	6,00,000	6,00,000	6,00,000	6,00,000	..
10. Block value (original)	14,52,919	14,86,500	14,84,300	14,94,200	..

Table 12

Comparative statement of the average component cost as a percentage of the total cost production in different mills in the Central Provinces and Berar.

Heads	Empress Mills, Nagpur	Model Mills, Nagpur	Rai Bahadur Bansilal Abirchand Mills, Hinganghat	Rai Sahib Reckchand Mohta Mills, Hinganghat
Cotton, yarn, waste, etc.	.. 58.2	65.10	61.07	57.8
Stores	.. 4.4	3.81	8.10	8.1
Dyeing and bleaching charges	.. 3.2	3.23	..	1.9
Labour wages	.. 16.5	12.88	14.80	15.7
Mill salaries	.. 2.5	1.39	2.34	2.8
Manufacturing charges including repairs and depreciation.	2.9	5.32	4.99	8.4
Establishment charges including office allowance and commission.	2.0	0.83	4.23	0.7
Interest	.. 2.3	5.32	..	..
Fuel (Power is included in stores, salaries and wages).	2.2	3.66	..	2.0
Profit or loss	.. 5.8	-0.55*	4.47	2.6

*Shows loss sustained by the Mills.

NOTE.—Figures in cases of the Burhanpur Tapti Mills, Burhanpur, and the Pulgaon Cotton Mills, Pulgaon, are not available from the mills.

Heads	Savatram Ramprasad Mills, Akola	Rai Sahib Reckchand Gopaldas Mohta Mills, Akola	Berar Manufactur- ing Company's Mills, Badnera	Vidarbha Mills, Berar, Ltd., Ellichpur	Raja Gokuldas Mills, Jubbulpore
Cotton, yarn, waste, etc. ..	48.92	54.32	82.43	54.65	56.82
Stores ..	10.18	10.13	5.0	6.57	} 10.27
Dyeing and bleaching charges.	1.46	1.43	..	2.16	
Labour wages. ..	12.21	17.14	7.47	14.31	22.03
Mill salaries ..	4.31	2.67	1.74	1.40	2.98
Manufacturing charges including repairs and depreciation.	13.30	2.99	1.23	8.0	} 1.44
Establishment charges including office allowance and commission.	..	1.92	1.41	2.40	
Interest ..	1.36	4.06	2.48	3.87	4.87
Fuel (Power is included in stores, salaries and wages).	2.99	4.12	2.13	4.47	3.95
Profit or loss ..	4.77	1.20	-3.89*	2.18	-2.36*

*Shows loss sustained by the mills.

NOTE.—Figures in cases of the Burhanpur Tapti Mills, Burhanpur, and the Pulgaon Cotton Mills, Pulgaon, are not available from the mills.

CHAPTER VI.—PROFIT MARGIN

Before we make our recommendations, it is necessary to make a quantitative measurement of the extent of improvement in the profit margin of the industry as a whole. It is a recognized fact in the textile industry that the difference in the price index of raw cotton and the price index of manufactured goods is an index of the margin of profits. As the cost of cotton exceeds the total of the other costs of production, even a slight reduction in the cost of raw materials widens the margin of profits appreciably.

COTTON PRICES

2. The following table (No. 13) gives an idea of the fluctuations in the prices of different varieties of cotton in the last few years. It will be found that the price fall between the last season and the current season averages from 10 to 15 per cent for long staple cotton and about 25 per cent for short staple cotton. It has not been possible for us to ascertain in what proportion the different varieties of cotton are used in the different mills, but on a conservative estimate, there is on the average a fall of 20 per cent in the price of cotton used by the local mills. The mill at Jubbulpore uses 37.23 per cent of foreign cotton while the Empress Mills uses 4.75 per cent foreign cotton and the other mills in the province use practically no foreign cotton but all mills use a varying proportion of Indian cotton of better staple. The average fall in foreign cotton between the years 1936-37 and 1937-38 may be taken at 15 per cent as calculated in the Bombay Report.

3. As, however, the local mills obtain their requirements for raw material in the form of kapas, and it is clear from the statement attached that the fall in price of kapas is even greater than that of baled cotton, the advantage obtained by the local mills will be greater than that indicated by the above figures.

Table 13
Price of Staple Cotton (per Khandi of 784 pounds.)

Variety of cotton	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Percentage fall in prices between seasons 1936-37 and 1937-38.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Verum	464	..	326	209	256	211	209	301	219	215	192	10
Dharmabad	431	312	336	190	307	230	235	329	251	226	210	7
Gangakhed	238	199	186	268	232	223	190	15
Verum Kapas (Amraoti)	55	65	70	64	8
Combodia Kapas (Amraoti)	79	71	63	11
	—	—	—	C. P. No. 1 (Nagpur)			—	—	—	—	—	—
November	181.6	141.2	} 22 (average)
December	..	..	..	..	..	..	..	..	293	183.66	145.6
January	..	..	..	..	..	..	..	..	188.5	184	145.8
February	..	..	..	..	..	..	..	..	184	180	136.6
March	..	..	..	..	..	..	..	..	168.8	..	134.7
April	..	..	..	..	..	..	..	..	172	..	124.6
	—	—	—	Oomra (Amraoti)			—	—	—	—	—	—
November	340	296	244	127	141	203	181	..	} 26 (average)
December	314	296	239	117	183	155	132	211	..	182	..	
January	322	225	217	120	198	145	146	209	..	173	132	
February	299	237	184	142	195	141	164	195	..	189	136	
March	260	227	173	159	190	143	..	..	165	195	..
April	300	240	188	133	147	152	111	..	172	206	..	

NOTE.—Average is worked out for the months of November to February as the mill purchases are highest in those months.

Table 14

The statement showing the prices of kapas ruling during the last five years in two principal markets of Akola and Nagpur.

Year and months	Kapas rate for Oomra (Akola market)	Kapas rate for C. P. No. I, (Nagpur market)
	Rs. a.	Rs. a.
1932-33—		
November 1932	.. 66 8	70 1
December 1932	.. 62 9	63 6
January 1933	.. 61 9	65 4
February 1933	.. 54 4	58 5
March 1933	.. ..	57 1
1933-34—		
November 1933	.. 47 8	55 14
December 1933	.. 50 15	55 15
January 1934	.. 56 15	60 0
February 1934	.. 60 12	60 2
March 1934	.. ..	58 12
1934-35—		
November 1934	.. 73 14	75 8
December 1934	.. 79 15	83 4
January 1935	.. 86 5	88 14
February 1935	.. 84 2	83 4
March 1935	.. ..	73 8
1935-36—		
November 1935	.. 81 4	81 10
December 1935	.. 78 10	77 13
January 1936	.. 70 9	70 8
February 1936	.. 64 8	65 2
March 1936	.. ..	64 12
1936-37—		
November 1936	.. 71 8	67 15
December 1936	.. 73 1	70 4
January 1937	.. 74 9	71 5
February 1937	.. 77 11	72 7
March 1937	.. 81 2	80 0
1937-38—		
November 1937	.. ..	55 0
December 1937	.. ..	58 0
January 1938	.. 53 0	56 12
February 1938	.. 52 3	54 11
March 1938	.. 49 4	53 10

PRICES OF CLOTH AND YARN

The following prices quoted by the two mills at Nagpur for the most common varieties of cloth and yarn produced by them will show that the fluctuations in the prices have been slight during the last two years.

Table 15

Statement showing the contract rates of Dyed Shirting from medium count and Dhoties from medium and coarse counts during the last three years. (Empress Mills.)

Months	Dyed shirting Cypher No. 17600S Warp 24s; Weft 20s.					
	1935		1936		1937	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
January	5	2 0	4	14 0	4	14 0
February	5	4 0	..	..	4	14 0
March	5	2 0	..	..	..	..
April	..	..	..	..	4	13 6
May	..	..	4	14 0	..	..
June	4	15 0	..	..	..	..
July	5	2 0	..	..	..	..
August	5	2 0	..	..	..	..
September	..	..	..	..	4	11 0
October	..	..	..	..	4	12 0
November	..	..	..	..	4	11 0
December	4	14 0	4	13 0	4	12 0

Months	Grey Dhoty Cypher No. EF95S Warp 17s; Weft 14s.					
	1935		1936		1937	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
January	..	..	..	..	2	7 6
February	..	..	2	8 0	..	..
March	..	..	2	7 0	..	..
April	2	8 9	2	7 6	2	7 6
May	2	8 9	..	..	2	7 6
Jun	2	9 0	..	..	..	..
July	2	8 9	..	..	2	7 6
August	2	8 9	..	..	..	..
September	..	..	..	..	..	..
October	..	..	..	..	..	..
November	2	8 0	..	..	2	6 9
December	..	..	..	..	2	6 9

Months	Grey Dhoty Cypher No. 653 Warp 24s; Weft 34s.					
	1935		1936		1937	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
January	1	14 9	1	14 6	1	14 0
February	..	..	1	14 0	..	..
March	..	..	1	14 0	..	..
April	2	14 6	..	..	1	14 0
May	1	14 6	1	14 0	1	14 0
June	1	15 0	..	..	1	14 0
July	1	14 6	..	..	1	14 0
August	1	14 6	..	..	1	13 9
September	1	14 6	..	..	..	..
October	1	14 6	1	14 0	..	..
November	..	..	..	..	1	12 9
December	1	14 6	1	3 6	1	12 9

PRICE MOVEMENTS IN COTTON CLOTH & YARN

(Base Jan. 1935 Prices = 100).

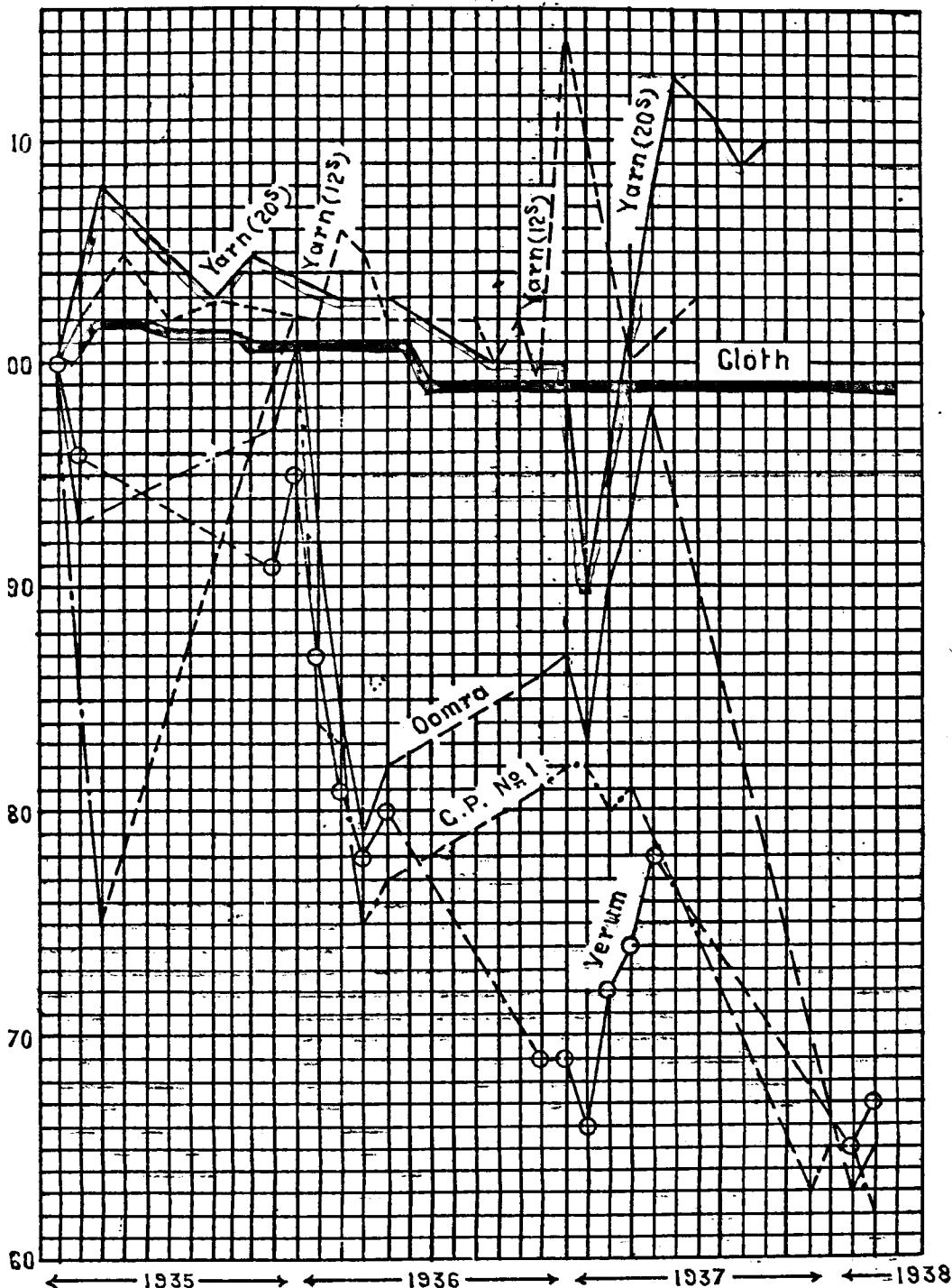


Chart of Price Index for Cotton Cloth and Yarn

Domra ————
 C.P. No 1 ————
 Verum ————
 12s ————
 20s ————

} Cotton Price index
 } "
 } Yarn Price index

Table 15

Statement showing average rates realised by Model Mills.

Description	Cloth number	1935-36			1936-37		1937-38	
		Rs.	a.	p.	Rs.	a. p.	Rs.	a. p.
Dhoti	.. 4643	1	11	7	1	10	6.80	..
Dhoti	.. 8332	1	9	2.9	1	8	7.46	1 8 11.35
Dyed cloth	.. A38700	4	11	7.5	4	7	8.30	4 4 11.22
Dyed cloth	.. A28700	4	6	1.92	4	3	3.6	3 14 1
Dyed Chaddar	.. 1656	1	8	6	1	7	10.7	1 7 8.94
Grey Chaddar	.. 4405	1	0	2.79	0	15	10.48	1 0 2.59

Statement showing the contract rates of yarns Nos. 20-1-2s and 12-1-2s during the last three years.

Months	20-1/2s.			12-1/2s.		
	1937	1936	1935	1937	1936	1935
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a.	Rs. a. p.	Rs. a.
January	.. 4 7 6	..	4 0 0	3 12	3 13 0	4 5
February	.. ..	4 9 6	..	3 13	3 15 6	..
March	.. 4 13 0	..	..	..	3 13 0	..
April	.. ..	4 9 6	4 13 0	3 15	3 13 0	3 14
May	.. ..	..	5 1 6	..	3 13 0	..
June	.. 4 11 0	..	..	3 13	..	..
July	.. ..	..	4 15 6	..	..	3 14
August	.. 4 9 6	..	4 14 0	3 14	3 13 0	3 14
September	.. ..	4 8 0	4 15 0	..	3 12 0	..
October	.. 4 11 6	..	..	..	3 13 0	..
November	.. 4 10 0	4 8 0	..	3 12	3 12 0	..
December	.. ..	4 7 6	..	3 12	3 11 6	..

It has not been possible to obtain reliable data for preparing an index of yarn rates current in the bazar, but the following table (No. 16) showing the cloth price index (Nagpur—retail price) prepared from data obtained from the department of industries will show how well the price has been maintained for over two years. The method followed in preparing the index is the same as that adopted by the Bombay Labour Office. A chart is also given in this chapter to show the trend of prices of the different varieties of cotton used in the province and of cloth and yarn prices. The chart shows clearly that while there has been a substantial fall in the price of cotton, the prices of cloth and yarn have remained steady. Some millowners have asserted that forward bookings are now less easy to make, and that there is a tendency to cut prices in some lines of cloth.

Whatever justification there may be for the apprehensions of the millowners as regards the future trend of prices, we do not consider that it has been established that any fall in prices has yet occurred of sufficient extent to justify our taking it into account.

Table 16

Cloth Price Index (Nagpur.)

Description	Years					
	1927	1928	1929	1930	1931	1932
Dhoti ..	100	96	99	90.5	70	73
Shirtings ..	100	95	98	88	86	78
White Drill ..	100	92	96	95	84	74
Turban Cloth ..	100	96	100	100	95	82
Chaddar ..	100	96	96	89	81	73
Average ..	100	95	98	93	83	76

Description	Years					
	1933	1934	1935	1936	1937	1938
Dhoti ..	66	59.5	63.5	61	60	60
Shirtings ..	69	62	64	64	64	64
White Drill ..	67	59	63	61	61	61
Turban Cloth ..	76	67	73	73	73	73
Chaddar ..	69	62	65	65	65	65
Average ..	69	62	66	65	65	65

WIDENING OF PROFIT MARGIN

4. In the Bombay Report it was found that there was for the province as a whole an increase of profits owing to the fall in the price of cotton of 8 per cent. It was calculated that the cost of raw cotton amounted to 50 per cent of the total expenditure incurred, that indigenous cotton had fallen by 20 per cent and imported cotton by 15 per cent; the percentage of imported cotton was at Sholapur as low as 1/10th and in Ahmedabad sometimes as high as 40 per cent, but taking into account the provincial average for the imported cotton used, the extra profit which would amount to 10 per cent if no imported cotton was used and 7½ per cent if no indigenous cotton was used, amounted to 9.3 per cent. An allowance of 1.3 per cent was made for increase in other costs and the figure of 8 per cent was thus obtained for the increased margin of profit. The principal difference so far as this province is concerned, is that owing to the larger proportion of the spindles to looms and the coarser cloth

produced, the cost of manufacture bears a smaller proportion to total cost, and the cost of raw cotton a higher proportion, than is the case in Bombay. The proportion of the cost of cotton to the total cost for various mills has been given in the previous chapter. It would be fair to take a provincial percentage of 58. On the other hand, a claim is advanced that Indian staple cotton such as Verum (10), Dharmabad (7), Ganga Khed (15) and Cambodia (11) has not fallen in price as much as imported cotton. The figures in brackets indicate the percentage falls in each variety during the last year as disclosed by actual transactions quoted to us by the mills. These two factors appear on different sides of the account, but the former is of greater importance. Owing to the varying proportion of different kinds of cotton used in different mills, it is not possible to make exact calculations, but the extra margin of profit due to the fall in the price of cotton must be in the neighbourhood of 10 per cent as against 8 per cent in Bombay.

5. There is one matter in respect to which the provincial mills are placed at a definite disadvantage in comparison to those in the Bombay city. The fall in the price of cotton began in June 1937 and proceeded with great rapidity. But in this province as there are no facilities for the purchase of cotton in the off season such as exist in Bombay it is necessary for the mills to purchase a year's supply of local cotton during the season. The mills were unable to get any benefit from the fall in the price of cotton until they made purchases of the new crop which in 1937 matured late. The actual time when they obtained the full benefit of the fall in prices varied from mill to mill according to the stocks of old cotton, but having regard to the time when the fall occurred, to the fact that Bombay mills are said to carry two or three months stocks, and to the fact that the cotton season of 1937-38 was late, it is reasonable to allow the wage increase to come into effect 3 months later in this province than it did in Bombay.

CHAPTER VII.

CONCLUSIONS AND RECOMMENDATIONS

It is clear from the account of the textile industry of this province that it approximates more to that of the mills of Bombay city than of either Ahmedabad or Sholapur and accordingly the proposals for increases in the wages of the operatives should be based on those adopted for Bombay city. Owing, however, to the lack of uniformity in the wage cuts, we are of opinion that it will not be equitable to adopt a scheme of graduated rates of increase similar to that adopted in Bombay (*vide* paragraph 133). The objection to the Bombay method is that it gives an advantage to those mills which succeeded in introducing the largest wage cut and are consequently now paying lower wages. It is clear that conditions here are not the same as in Bombay in such important matters as the cost of living, the level of wages and the efficiency of textile labour and, therefore, the Bombay schedule could not be adopted bodily for the mills in this province and would have to be modified so as to suit local conditions. It is for these reasons, that in spite of the attractiveness of the Bombay method in that it gives greater relief to the lower paid workers, we have preferred the system of restoring a fixed percentage of wage cuts.

2. Table 5 of our report shows that the percentage of decrease in wages in Bombay city between 1933 and 1937 is 25.4, whereas for the Central Provinces mills it varies from 10 to 32 per cent. The percentages in column 2 of table 5, however, for the reasons given by us previously, are in excess of the actual percentage of wage cuts. We have shown that in the Empress Mills the decrease in the pay bill caused by cut is 10 per cent, while the percentage of wage cut reduction is 16. In view of the fact that in Bombay city the proposals will result in restoration of 11.9 per cent in wages as against a wage reduction of 25.4 and further as some margin must be left for possible social legislation as in Bombay, we consider that for this province 60 per cent of the actual wage cut should be restored and that, in addition, where new rates have, since the cut of 1933, been adopted for new employees, 60 per cent of the difference between the new rates and the old rates should be added to the new rates. We have calculated the actual effect of these recommendations in the case of certain mills and are satisfied that the increase in the wage bill will be proportionately much the same as in Bombay city with the adoption of the schedule in paragraph 133 of the Interim Report. In actual figures, the effect of our recommendations will be to increase the wage bill of the Empress Mills by nearly Rs. 1,27,000 and of all the mills in the province by roughly Rs. 2,75,000 per annum.

3. One of the members of our Committee desires that the restoration of the wage cut should be 75 per cent instead of 60 per cent recommended by us on the ground that the widening of the profit margin is sufficient to justify such an increase. Our calculations of the margin of profit due to the fall in the price

of cotton, taking into account the percentage of the cost of raw material in the total cost of production, support the view of our colleague, but we feel that in view of the weak condition of the industry in the province it is not desirable to impose on it a burden heavier than that imposed in Bombay city.

4. It has been represented to us that in some mills both labour and the owners may prefer that the increase in wages should be regulated by a schedule similar to that in Bombay. We see no objection to this being done, provided that the total amount of the increase is determined in the manner suggested by us. As, however, there are likely to be differences of opinion between capital and labour as to how the schedule should be worked out and what would be the exact increase in wage we suggest that the services of the Department of Industries should be utilized for the purpose of making the necessary calculations. As there are only 11 mills in the province, the labour involved will not be excessive.

5. In Chapter VI we have indicated our opinion that the benefit from the rise in prices has accrued at least three months later in this province than in Bombay. We also observe that the Government of Bombay recommended the effect being given to the increase in wages from the first pay period after the publication of the Interim Report and the conclusions of Government. We consider that the same principle should be followed in our province and that the increase should be introduced with reference to wages earned after the 1st of May. If, for any reason, the calculation of the increased wages is delayed, we consider that the wage earners should not be prejudiced by the delay and that when the calculations are complete the new wages should be paid with effect from the date indicated by us above. Here we have to make special mention of the case of Empress Mills. The manager of the Empress Mills gave an assurance when there was a stay-in-strike at that mill in February last that his mills will give effect to the increase in wages suggested by Government from the same date from which effect was given in Bombay by the Bombay Millowners' Association. That date is the 1st February. We have no doubt that the management of the Empress Mills will implement their assurance.

6. In conclusion we acknowledge the assistance we have received from our Assistant Secretary Mr. P. K. Sen. who, in the short time available, has worked with diligence and despatch in examining the information we received and in compiling the necessary statistics. We also desire to acknowledge the assistance received by us from Messrs. Batliwalla and Roikar, our associate members, in explaining the technical problems involved in our enquiry. We were much impressed by the moderation and fairness with which these representatives of Capital and Labour presented their cases. The responsibility for the report and recommendations is of course wholly ours.

7. Mr. Kalappa has signed this report subject to a minute of dissent which follows it.

N. J. ROUGHTON,
Chairman.

A. C. SEN GUPTA,
Member.

V. R. KALAPPA,
Member.

C. C. DESAI,
Member and Secretary.

PACHMARHI :
The 29th April 1938.

MINUTE OF DISSENT

Much as I should like to see a unanimous report which will strengthen the case of the textile labour in this province for restoration of the wage-cut, I am constrained to write this minute of dissent, as the recommendations made by the Committee are, in my opinion, neither adequate nor fully justified by the local conditions. The main differences in the local conditions that strike any casual observer lie in the wage-levels which are much lower in this Province than in Bombay city or other centres of the Bombay Presidency as a whole. This has been amply borne out by the evidence before the Committee as well as by a comparison of table IV in this Report with the tables VIII, IX, X and XI of the Bombay Report. The percentage cost of labour-wages to the total cost of production in table XII of this Report when compared with the paragraph 78 of the Bombay Report will show beyond doubt the lower wage-levels obtaining in the Central Provinces and Berar. Even the alleged lower efficiency of labour does not increase the percentage of labour wages in this province as it should, had the allegation been true. The average labour cost in this province works to about 15 per cent as against 22.5 per cent in Bombay. This lower percentage in labour costs conclusively establishes that the need and scope for an adequate increase in the wages of the workers is much greater in this province than in Bombay. The contention of the Millowners that the percentage on labour costs has been depressed due to higher consumption of cotton as shown by its higher costs is negated by the fact that there has been an enormous fall in the price of cotton which has resulted in a larger margin of profit than in Bombay. A reference to the report indicates that the widening of the margin of profit is in the neighbourhood of 11.5 per cent of the cost of production. Even after the deduction of 1.5 per cent due to increase in the prices of coal and stores, the available margin for giving an increase in wages and providing for an improvement of the industry will work to 10 per cent.

The financial position of the mills as revealed by the statements supplied to the Committee shows that it is in no way inferior to that of Bombay city. A comparison of the position in this province with that of the Bombay mills as disclosed in table XXI of the Bombay Report will bear out that the net loss after providing for items (i) and (ii) in the table for the whole of the industry in Bombay average to Rs. 1.3 lakhs per mill. These are the figures for the minimum losses incurred during the period under examination, whereas no mill in Central Provinces and Berar with the exception of the Model Mills has exceeded the above figures of loss during the years 1934—37.

The betterment or improvement in the condition of the industry in this province assessed from the figures available for the latter half of 1937 (six months) is 165 per cent above that of the year 1936-37 (up to June). This percentage in actual figures will be about Rs. 9½ lakhs for seven mills in the Central Provinces and Berar as against about Rs. 7 lakhs for eight mills in Bombay. This makes an irrefutable case for adoption of the Bombay schedule or restoration of the wage cut in full.

Although it is suggested that the restoration should be on the basis of the wage-cut and that the wage-cut effected in Bombay was much higher than the average wage-cut in this province, a comparison of table IV of this Report with table VIII of the Bombay Report will show that the wage reductions in the case of weavers and reelers who form the most numerous of categories of male and female workers respectively are much higher in this province than in Bombay. The conditions in this province are said to be similar to those of Bombay city. But there is clearly a greater material affinity to an inland centre like Sholapur than a seaport like Bombay. The increase in wages secured by the schedule in Sholapur exceeds the cut itself, namely, increase of wages amounted to 14.3 per cent while the wage-cut averaged to only 13.8 per cent. The basis of improvement of wages, was not therefore, the wage-cut as assumed by my colleagues. If that were so, the restoration should have been based on the wage-cut in different centres. The real basis for enhancement of wages, according to the Bombay Report, is not the wage-cut itself but the widening in the margin of profit resulting from the fall in the price of cotton. The percentage of labour wage costs to the total cost of production permitted an increase of about 12 per cent. A schedule therefore, was prepared to fit into this average 12 per cent increase which incidentally works to 11.9 per cent in Bombay as against a cut of 25.4 per cent. But there is no justification whatever for the assumption that the restoration was on the basis of 50 per cent of the cut in Bombay.

I, therefore, strongly feel that the restoration should be based on the widening of the margin in the profits rather than the cut.

I do not suggest that no margin should be left for the improvement of the industry. I do not, however, believe that the industry derives any benefit whatsoever from sweated labour. There are various reasons for the shyness of capital in this province. Joint Stock Companies have to secure the confidence of the investing public by efficient management and there is a considerable body of opinion to the effect that they have not discharged the onus laid upon them.

The increase in the margin of profit is sufficient both for restoration of the whole wage-cut and for the rehabilitation of the industry.

The management of the Empress Mills have already notified the workers in February last that they will follow the lines of the Bombay Millowners' Association. It is now too late to put the interpretation on this pronouncement that this means restoration of 50 per cent of the cut as in Bombay.

I, therefore, recommend the adoption of the Bombay schedule with such modifications as may be necessary to secure the restoration of 75 per cent of the wage-cut as an immediate measure and the restoration of the full wage-cut at the earliest possible opportunity.

V. R. KALAPPA,

PACHMARHI :

The 29th April 1938.

APPENDIX A
QUESTIONNAIRE

- | | |
|--|--|
| <p>(1) What is the profit of your concern exclusive of depreciation for the 6 months preceding the date when your accounts were last made up? Please also state, what commission has been calculated in arriving at this figure. Please bring these figures, if possible, up to the end of December 1937.</p> | |
| <p>(2) What would be the depreciation on the income-tax basis for the same period? Is there any particular factor justifying special depreciation?</p> | |
| <p>(3) Please supply annual statements of profits and depreciation and agents' commissions for the last four years.
(Specify the year adopted.)</p> | |
| <p>(4) Please state the average daily number of persons employed, the total wages bills, wage-rates for typical occupations (<i>vide</i> schedule attached), and the total production of cloth and yarn during six monthly periods from January 1933 to June 1937. If possible, please give figures to the end of December 1937.</p> | |
| <p>(5) Has your financial position improved during this year? If so, what are the factors which have brought about the improvement?</p> | |
| <p>(6) Do you think that the cotton textile industry has been benefited or is likely to benefit as a result of the present position of the cotton and cloth markets? If so, to what extent? State percentage of local and foreign imported cotton used by you in your mill.</p> | |

<p>(7) Please state in detail what cuts in wage-rates, bonuses, allowances, etc., were effected in your mill or in your centre since 1st January 1933 and the reasons therefor.</p>	
<p>(8) In what direction and to what extent have the conditions which may be held to have justified these wage-cuts changed today ?</p>	
<p>(9) Are you of the opinion that in view of the present condition of the industry an immediate increase can be given in any occupation, centre or unit of the industry ? If so, what should be the extent of the increase ? Please state the factors which you would take into consideration in calculating the increase.</p>	
<p>(10) To what extent are increases in wages proposed by the Textile Labour Enquiry Committee of Bombay in para. 133 of their Report acceptable to you ? What modification do you suggest ? What are your reasons ?</p>	
<p>(11) How does the mill labour in this province compare in efficiency with the labour in the mills in other provinces especially Bombay Province ?</p>	
<p>(12) Please state from what date the recommendations for increase in wages should be given effect to, and if you suggest any variation from the Bombay proposal, give reasons.</p>	

(13) What would be the effect of increase in wages as recommended by the Bombay Textile Labour Enquiry Committee (*vide* para. 133 of the Bombay Report) on your wage bill? Support your statement by facts and figures.

(14) Please state the distribution of the average component cost in your mill as a percentage of the total cost of production under the following heads (*vide* para. 78 of the Bombay Report) :—

- (i) Cotton, yarn, waste, etc.
- (ii) Stores.
- (iii) Dyeing and bleaching charges.
- (iv) Labour wages.
- (v) Mill salaries.
- (vi) Manufacturing charges including repairs and depreciation.
- (vii) Establishment charges including office allowance and commission.
- (viii) Interest.
- (ix) Power and fuel.
- (x) Profit.

NOTES.—(1) Eight copies of replies should be sent.

- (2) The reply should reach the Secretary to the Committee by 31st March 1938 at the latest. Special efforts must be made by all mills to submit the replies punctually, to support the information by facts and figures, to adduce reasons for any variation from the Bombay conclusions and to set out the information in a simple and intelligible manner. If necessary, special staff should be entertained immediately, but the reply must be complete and punctual.
- (3) Those interested in the cotton textile industry may send in replies to the Secretary on all or any of the questions in the questionnaire.
- (4) The Committee will summon witnesses from among those who have tendered written evidence.
- (5) If it is desired that information supplied should be kept confidential the Secretary should be informed accordingly.
- (6) All replies should be addressed to the Director of Industries and Secretary to the Textile Labour Enquiry Committee.

C. C. DESAI,

Secretary, Cotton Textile Labour Enquiry Committee.

SCHEDULE

	Total number of workers	Average number of days worked	Average monthly earnings	Average daily earnings
1. Frame Tenters ..				
2. Siders (one side) ..				
3. Siders (two sides) ..				
4. Winders (Grey) ..				
5. Reelers ..				
6. Weavers single loom ..				
7. Weavers double looms				
8. Frame Doffers ..				
9. Spinning Doffers ..				

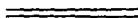
GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT

OF THE

Nagpur Textile Enquiry Committee 1940



NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1940

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COMMERCE AND INDUSTRY DEPARTMENT

RESOLUTION

Nagpur, the 12th June 1940.

No. 1857-397-VII.—The Provincial Government has considered the Report of the Nagpur Textile Enquiry Committee appointed under Commerce and Industry Department Notification No. 1472-397-VII, dated the 1st May 1940, and the representations received from the mill-owners and the Nagpur Textile Union, the last of which was received on the 8th June, in response to the communiqué, dated the 25th May 1940. The Committee was required to examine, in the light of the recent settlement of the textile disputes in Bombay and Ahmedabad, whether any dearness allowance should be granted to cotton operatives in Nagpur on account of the admitted rise in the cost of living due to the war; what the rate of such allowance, if any, should be; how it should be adjusted from time to time and from what date it should be paid. After having given both sides ample opportunity to state and substantiate their case and after a close and careful examination of the whole problem, the Committee has made the following recommendations:—

- (a) that a dearness allowance should be granted to operatives in cotton mills in Nagpur receiving Rs. 100 per month or less;
- (b) that the allowance should be calculated on the basis of one pie 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; and
- (d) that cost price grain shops should be opened by the mill-owners as early as possible.

These recommendations are based on the findings that there has been a definite rise in the cost of living since the outbreak of war, that the average rise in the period of eight months from September 1939 up to the end of April is 6.5 per cent, that the rise in the cost of living has reduced real wages below the pre-war level, which was the same level as in January 1927; that the average daily expenditure affected by the fluctuations in the cost of living was less than 100 pies per day; that, therefore, a rise of one pie per day in the wages will neutralise every one per cent rise in the cost of living since August 1939; that the margin of profit in the industry since the war has probably been maintained at the same or a slightly higher level than before the war and that the industry has capacity to bear the additional burden of the allowance recommended by the Committee, although the future of the industry is to some extent uncertain owing partly to a fall in the price of cotton, partly to a decrease in demand since March 1940 and partly to the general uncertainty on account of the war situation in Europe.

2. Government is satisfied that in the investigation of this problem the Committee has fully weighed all relevant factors and has reached a solution that is reasonable and fair to the interests of the parties to the dispute. Government considers that the recommendations of the Committee are such that they can be accepted by both the mill-owners and the workers and hopes that the parties will give effect to them in a spirit of goodwill in the interests of the industrial peace of Nagpur.

3. Government desires to place on record its warmest thanks to the President, members and Secretary of the Committee for having dealt with a complicated problem in such a prompt and lucid manner and for having made recommendations which could be commended to both parties to the dispute without modification.

By order of the Governor,
Central Provinces & Berar,

C. C. DESAI,

*Secy. to Govt., C. P. & Berar,
Commerce and Industry Department.*

REPORT OF THE NAGPUR TEXTILE ENQUIRY COMMITTEE*

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 19th January 1940; and on the 1st February, a deputation from the Union waited on Sir G. P. Burton, the Financial Adviser 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

*Appointed under Commerce and Industry Department Notification No. 1472-397-VII, dated the 1st May 1940.

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 await 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 lockout.

In the view of the Provincial Government there is need neither for a strike nor for a lockout 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 17th 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 26th, 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 condition 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 dates 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 1929. 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 price 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 the 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 at 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 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

*The figures are given in Note (1) in the Appendix.

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 results 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 (1)—COMPARATIVE TABLE OF INDEX NUMBERS OF THE COST OF LIVING AT NAGPUR:
AUGUST 1939—APRIL 1940

Prices	Nagpur Official			Municipal	Maharashtra	Nagpur	Nagpur Official		
	Weights	Nagpur	Official	Gazette	Official	average	Jubbulpore	Bombay	Ahmedabad
Symbol	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1939—									
August	..	64	100	100	100	100	100	100	100
September	..	64	101	100	103	102	101.5	101	101
October	..	63	100	99	103	102	101.0	99	100
November	..	67	105	104	108	107	106.0	111	110
December	..	74	117	118	114	117	116.5	118	118
1940—									
January	..	71	112	113	111	113	112.3	113	114
February	..	67	105	107	109	104	106.3	106	109
March	..	67	105	105	107	105	105.5	105	108
April	..	68	107	107	110	111	108.8	107	109
Average	106.5	106.6	108.1	107.6	107.2	107.5	108.5

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 the rise 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 word "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. 34-8-0 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 male 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 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. 269.783 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 beddings 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

*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).

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.

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 earning 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 adverse 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 levels 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 number	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		
			Number of days worked	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)
Per worker	Per family = (5) × 1.6	(8)		(9)	(10)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				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 (2) 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

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 adverse 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 levels 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 number	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		
			Number of days worked	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)
Per worker	Per family = (5) × 1.6	(8)		(9)	(11)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				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 (2) 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 (2) 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 Cos of 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)
					Rs.	Rs.	Per cent.	Rs.	Rs.	Per cent.
(1)	(2)	(3)	(5)	(6)	(13)	(14)	(15)	(16)	(17)	(18)
			Rs.	Rs.	Rs.	Rs.	Per cent.	Rs.	Rs.	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	+4
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

Prices Families (1)	Nagpur prices			Bombay prices			Ahmedabad prices			
	Nagpur (2)	Bombay (3)	Ahmed- abad (4)	Nagpur (5)	Bombay (6)	Ahmed- abad (7)	Nagpur (8)	Bombay (9)	Ahmed- abad (10)	
Items	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 light- ing.	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	
Grand Total..	100	146	132	100	141	125	100	128	132	
Grand Total (B o m b a y 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 an 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 or 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 became 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.

Restoration 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 5 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-E 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 2 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 costs 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 86 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 allowance 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 reason 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 was 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

Thus 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 charges ..	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
Total ..	100.0	..	23.7

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 30 per cent above the level in August 1939 for 10½'s and 50 per cent above the pre-war level for 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

* Directly calculated from statements supplied by the Empress and Model Mills.

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 an 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 (5).—EXTRACTS FROM PROFIT AND LOSS ACCOUNTS OF THE EMPRESS MILLS, NAGPUR

(Figures are given in thousands of rupees.)

Year ended 30th June	Total in- come	Profit in- cluding depre- ciation but excluding agents' commis- sion.	Agents' commis- sion charges.	Gross profit in- cluding depre- ciation and agents' commis- sion.	Deprecia- tion.	Net profit plus com- mission	Net profit	Dividend	Labour wages	Dividend plus wages	Contribu- tion to provident fund and welfare work
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1924-1927	.. 6,89,45	91,26	10,26	1,01,52	8,00	93,52	83,26	85,47	79,82	1,65,29	7,98
1928-1931	.. 5,21,23	67,41	7,51	74,92	8,00	66,92	59,41	58,28	83,34	1,41,62	9,97
1932-1935	.. 3,06,06	16,71	1,85	18,56	..	18,56	16,71	32,50	62,89	95,39	9,33
1936	.. 96,01	3,95	44	4,38	..	4,38	3,95	6,25	16,94	23,19	2,15
1937	.. 1,05,65	6,34	70	7,05	50	6,55	5,84	5,78	17,15	22,93	2,22
1938	.. 1,20,50	15,86	1,76	17,62	5,40	12,22	10,46	6,25	19,44	25,69	2,19
1939	.. 1,19,58	11,04	1,23	12,27	4,00	8,27	7,04	7,66	23,01	30,67	2,15
1936-1939	.. 4,41,74	37,19	4,13	41,32	9,90	31,42	27,29	25,94	76,54	1,02,48	8,71
Total for 1924—1939	19,58,49	2,12,57	23,75	2,36,33	25,90	2,10,43	1,86,67	2,02,19	3,02,59	50,478	35,99

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 ..	<u>12.07</u>	<u>10.75</u>	<u>9.53</u>	<u>10.32</u>	<u>15.45</u>	<u>1.84</u>	<u>15.25</u>	<u>13.58</u>	<u>12.04</u>	<u>13.04</u>	<u>19.52</u>	<u>40.06</u>	<u>59.94</u>

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	7,66	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	3.97	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 10.26 per cent in 1938-39 against 14.62 per cent in 1937-38 and 6.67 per cent in 1936-37. After deducting agents' commission and depreciation the net profit was 5.53 per cent, 8.68 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.

Changes in the Cost of Living

1. 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.)

The Level of Wages

2. 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.)

Working Condition of the Industry

3. 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.)

Financial Position of the Industry

4. 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, 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 1940—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 less 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 18th 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 N¹(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 N (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	.. Lb.	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	3
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	Cocoonut oil	.. Do.	2.1	1.3	..	..	0.1	1	2	1	1
								100	100	100	100

II.—Fuel and Lighting.

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

III.—Clothing.

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

IV.—Miscellaneous.

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

Size of family.

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
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Earners per family	1.60	1.53	1.66	1.58	1.48
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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	100.0

TABLE N (1.3).—REDISTRIBUTION OF WEIGHTS

Name of item (1.1)	Original weight (1.21)	New weight (1.22)	Name of item (1.1)	Original weight (1.21)	New weight (1.22)
<i>Bombay.</i>			<i>Bombay—concl'd.</i>		
Rice	22	28	Mustard oil	..	1
Patni	6	..	Til oil	..	1
Jowar	1	5	Sweet oil	2	..
Bajri	4	..	Kerosene	16	18
Arhar	4	1	Matches	2	..
Gram	1	1	Coating	12	..
Lakhori	..	1	Shirt ng	23	15
Masur	..	1	Cloth for trousers	4	..
Urad	..	1	Drill	..	16
Tea	2	7	Turban cloth	..	2
Ready-made	5	..	Chaddar	..	6
Chillies	3	4	Saris	36	46
Turmeric	2	3	Khans	10	..
Tamarind	2	..	Tobacco	..	22
Potatoes	1	6	Supari	25	56
Onions	1	6	Other items	53	..
Brinjals	5	..			
Pumpkins	5	..			

TABLE N (1.3).—REDISTRIBUTION OF WEIGHTS—*concl.*

Name of item (2.1)	Original weight (2.21)	New weight (2.22)	Name of item (2.1)	Original weight (2.21)	New weight (2.22)
<i>Ahmedabad</i>			<i>Ahmedabad—concl.</i>		
Jowar	..	9	Charcoal	..	18
Bajri	..	9	Firewood	..	60
Arhar	..	5	Kerosene oil	..	22
Mung	..	2	Castor oil	..	..
Gram	Matches	..	..
Lakhori	Dhotis	..	23
Masur	Coating	..	..
Urad	Sirting	..	15
Sugar	..	2	Cloth for trousers	..	..
Sweetmeats	..	1	Drill	..	10
Fish	Turban cloth	..	6
Mutton	..	3	Chaddar	..	6
Chillies	..	4	Saris	..	40
Turmeric	Cloth for skirts	..	..
Potatoes	..	8	Khans	..	..
Onions	Tobacco	..	35
Ginjily oil	..	3	Bidis	..	36
Mustard oil	Supari	..	29
Til oil	Soap	..	..
Cocoonut oil			

TABLE N (1.4).—PRICES (IN ANNAS) USED FOR THE NAGPUR COST OF LIVING INDEX AUGUST 1939—APRIL 1940

Serial No ^a	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	Jowar	.. 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	Urad	.. 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	Cocoanut 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
			(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	Groundnut 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. 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 of 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 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.	Cocoanut 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
Total ..	4.3	Travelling to and from native place.	0.59
		Remittance to dependents	0.44
		Others*	0.58
		Total ..	5.00

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

*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.).

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 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.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR
LOCAL SELF-GOVERNMENT DEPARTMENT



REPORT

OF THE

**Committee appointed to examine the Wages
and Conditions of Work of Sweepers in
Municipal and Notified Area Committees in
the Central Provinces and Berar**



NAGPUR
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REPORT OF THE COMMITTEE APPOINTED TO EXAMINE THE WAGES, ETC., OF SWEEPERS IN MUNICIPAL AND NOTIFIED AREAS IN THE CENTRAL PROVINCES AND BERAR.

CHAPTER I—INTRODUCTION

Constitution of the Committee.—The Government of the Central Provinces and Berar in accordance with the declared policy of Harijan Uplift appointed a Committee whose personnel and terms of reference were specified under Local Self-Government Department Notification No. 6341-500-M-XIII, dated the 12th September 1938—

Personnel—

Mr. A. V. Thakkar, L.C.E., General Secretary, Harijan Sevak Sangh, Delhi.—*Chairman.*

Members.

Mr. N. K. Kelkar, Balaghat.

Mr. Chandra Gopal Mishra, B.A., LL.B., Advocate, Harda.

Mr. P. D. Jatar, B.A., LL.B., M.L.A., Advocate, Seoni.

Mr. Dinkar Shastri Kanade, Buldana.

Mr. C. B. Parakh, B.A., LL.B., Advocate, Nagpur.

Khan Bahadur Syed Hifazat Ali, B.A., LL.B., M.L.A., Advocate, Khandwa.

Mr. P. K. Sen, B.Sc. (Edin.), Inspector of Factories, Central Provinces and Berar, Nagpur.—*Secretary.*

The terms of reference were—

(1) to examine the wages paid to sweepers, male and female, and to report on—

(a) their adequacy or inadequacy ;

(b) the desirability and feasibility of introducing—

(i) a system of minimum wages, and

(ii) a system of holidays with pay ;

(2) to examine and report on their conditions of work and living with particular reference to housing and sanitation, and to make recommendations in regard to the measures necessary for bringing about an improvement.

2. The Committee was of the opinion that the terms of reference were liberal enough to include programme, indebtedness, sanitation, corruption, etc. These matters were included in the questionnaire (Appendix I) which was drafted accordingly and was despatched to all municipal and notified area committees, Sweepers' Unions, Harijan Sevak Sanghs and to other bodies and individuals who in the opinion of the Committee, would be able to give useful information on the points raised in the questionnaire.

3. We are glad to mention that the response to our questionnaire was satisfactory, the number of replies received being 100 in all. We are obliged to all those who have helped us with information.

We began oral examination of witnesses at Nagpur on the 12th November 1938, and ended it on the 15th November. We re-commenced the oral examination on the 21st December 1938 and continued it at Jubbulpore, Khandwa, Shegaon, Yeotmal, Gondia and Raipur and ended it on the 5th January 1939 at Raipur. At these centres, we examined local witnesses, also other witnesses from near by places, and the list of witnesses examined is given in Appendix V. In all these places we also inspected the localities inhabited by the sweepers, public latrines, etc. The itinerary is given in Appendix IV.

4. Procedure.—At all the centres visited several selected witnesses out of those who had forwarded replies to the questionnaire were invited to appear before the Committee for oral examination. It enabled the members of the Committee to examine representatives of municipalities and notified area committees, nearly all the associations of sweepers employed by municipalities or notified area committees or the leaders of sweepers, all the leading Harijan Sevak Sanghas and a large number of individual witnesses interested in the social uplift of sweepers. The Committee also inspected the sweeper mohallas or the localities inhabited by the sweepers in these centres and investigated into the housing and living conditions of sweepers' families at each centre visited. In addition, in some centres some members of the Committee met the sweepers in social assemblies and addressed their meetings. A few injured sweepers were also visited in hospitals or their homes to elicit information of the nature and cause of their injuries. The Committee was thus able to secure in some cases evidence of a character which could not have been obtained in a formal way.

CHAPTER II.—CONDITION OF SERVICE

5. The Appendix II which gives a list of municipal and notified area committees also shows the population under the care of each Committee. Seventy municipal committees ministering to the civic needs of a population of 1,362,835 souls, and 15 notified area committees doing similar duty in respect of a population of 92,255 souls, employ nearly 6,500 sweepers. We have noticed a peculiar incidence of their social structure, regarding the largeness of the sweeper families. Early marriages and early consummation, which are incidentally responsible for the size of the families, keep the population multiplied at a considerable rate. In most cases more than one member, or one pair of sweepers, work in a municipal committee from each family, which makes it difficult for one to know the average size of the family. But it would not be over-estimate to state that on an average each of the 6,500 sweepers have a family of 2.5 children, which means that the lives of about 22,750 persons are affected by the good or bad condition of service in the municipal committees.

6. The bulk of the municipal sweepers are employed in cleaning public and private latrines, sweeping roads and cleaning drains, while a small number is engaged in driving night-soil and

refuse carts, in trenching night-soil, or dumping and levelling refuse. In a few municipalities a limited number of sweepers are employed in special gangs for anti-malaria work, and cleaning weekly market places or ganjs.

7. Appointment as jamadars and conservancy peons.— Out of 450 conservancy peons and jamadars and havaldars in 70 committees, only 80, or a little over one-sixth, belong to the sweepers' class. It is only in exceptional cases that these posts are given to sweepers, or held by sweepers promoted from the ranks. In a few municipalities like Nagpur and Amraoti a healthy departure has been recently made by appointing 42 per cent of jamadars from the sweeper rank. It is apparent that the sweepers ordinarily do not get sufficient chances for the posts of conservancy peons and jamadars or havaldars. Where such appointments are made, the result appears to be satisfactory, though there were complaints of slack supervision on the part of sweeper jamadars and conservancy peons, and also a tendency amongst the rank and file to treat them with indifference. The evidence before the Committee was of a conflicting nature. One set of witnesses urged against the appointment of sweepers as jamadars or conservancy peons, on the ground that the sweepers lack executive capacity, that they were somewhat partial to their caste people, and that they were disposed not to take strong attitude against their own people even when they had erred. The other set of witnesses assert that the experience of the municipalities that have given the sweepers a fair trial has proved that these defects were on the decrease. The sense of executive responsibility which may be lacking at first is soon developed under proper guidance. Indeed some of the Secretaries and Health Officers of the Committees that have given the sweepers an opportunity, are of opinion that the efficiency of sweeper peons and jamadars is at least equal to that of others, and that they are better able to manage their own caste men, and supervise their work, than others.

8. Another contention is that the members of the public who come in contact with jamadar and conservancy peons, object to sweepers being appointed to these posts. No Committee would or should accept such objection as valid. In public offices no distinction can be made on the ground of caste prejudices. The evidence before the Committee has been that the distinction between the sweeper and other children reading in primary municipal schools is now completely eliminated, and the two sit side by side without any discrimination or objection, and the Committee is definitely of opinion that this ground is entirely untenable.

9. The Committee, after a very careful examination of the evidence before it, came to the conclusion that there is no inherent lack of executive and supervising capacity amongst the sweepers as a class, though their lack of education, inferior social status, and in some cases inferiority complex, are undoubted difficulties before them. The Committee after the examination of all *pros* and *cons*

was clearly of opinion that whenever a vacancy arose for the appointment of a jamadar or conservancy peon, and a sweeper with requisite experience and qualification was available, he should be given preference over candidates who do not come from sweeper class. The municipal committees must recognise the services rendered by the sweepers working under them by promoting them to such posts hereafter.

10. As a general rule a Committee should not overlook the claims of sweepers, who have gathered experience and have requisite qualification, to these and other appointments on the mere ground that they were sweepers. The rules for appeal against the decision of a Committee should be suitably modified to enable a sweeper, who has a clean record of good work, to appeal to the Deputy Commissioner, in case his claims are overlooked and an outsider appointed in the post of a jamadar or conservancy peons.

11. **Hours of work.**—The hours of work for the sweepers are mostly 8 to 10 hours per day, but variations as high as 11 hours per day, and as low as 4 hours per day, were also noted. An analysis of 80 municipalities and notified areas show the following hours of work for sweepers :—

Hours of work per day		Number of municipalities
11	..	1
10	..	15
9	..	10
8	..	25
7½	..	5
7	..	8
6	..	7
5	..	6
4	..	3

But it has been maintained by the majority of witnesses that they do not work the full period, and that the afternoon work is very light. The evidence before the Committee shows that in addition to the regular work entrusted to the sweepers considerable extra work also is regularly taken by employing them in special batches known as “dalel”. Occasionally they are also employed on “begar” or for special work, with the result that the Sunday afternoon, which in many places is supposed to be their weekly half-holiday, is sometimes taken away from them, even though the nature of the work done may be very light.

12. On an average a sweeper cleans about 50 to 60 private latrines or sweeps five to six furlongs of road per day. Instances were, however, quoted during evidence of a number of sweepers

who had to clean 75 to 100 latrines or six to eight furlongs of road mileage per head. The evidence before the Committee clearly shows that though the sweepers are not ordinarily overworked, there are some cases of excessive work or inequitable distribution of work, as a result of which so much pressure of work is placed on some, that they have to carry it out with the help of their children and family members with no payment to them. The increasing pressure of work due to town development, increase of population in case of big towns, better ideas of sanitation, encroach on their leisure hours, if the staff of sweepers be not increased. Moreover, considering the nature of their work with its attendant difficulties, it places an extra burden on the sweeper staff whenever some of them remain absent either on leave with or without pay or otherwise.

13. The Committee's findings on this subject are as follows :—

- (1) The actual hours of work in the morning and afternoon are fair, but should be regularized so as not to exceed five to six hours in the morning and three to two hours in the afternoon, or eight hours in the whole day. The byelaws which at present prescribe 10 or 11 hours of duty are not suitable nor in conformity with the practice and should be amended accordingly.
- (2) The work allocated to the sweepers officially is as a rule fair and reasonable, but the Health Officer or Secretary should see that the scheduled work is carried out fairly strictly and extra work or work of absentees should not be concentrated on a few sweepers.
- (3) In all municipalities, and particularly in the major municipalities, provision should be made for leave vacancies by the appointment of at least 5 per cent of the staff as reserve for absentees or those on leave including maternity leave.
- (4) All Sunday afternoons or bazar day afternoons, all festivals afternoons should be treated as official holidays, and under no circumstances should sweepers be called to work on these afternoons, except in cases of grave emergencies and then also as few as possible, rotating the men so-called up in a strict order so that the entire staff contributes equally and fairly in the discharge of such duty.

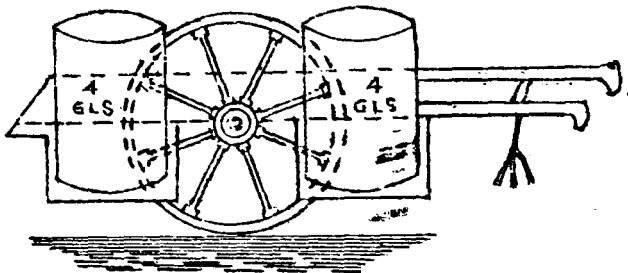
14. **Condition of latrines.**—In most of the municipalities, the latrine holes were found to be not well constructed, with the result that they cause insanitation to the locality concerned and a great hardship to the sweepers who clean them. In some municipalities byelaws have been adopted in order to build, what are known as first class or paved latrines, but the Committee found by ocular examination that even in these municipalities there are a large number of so-called kachha latrines, and that the byelaw for providing well paved latrines are only partially observed. This increases the work

of the sweeper. The Committee recommends that the byelaw should be strictly enforced, and that Government should issue distinct orders for their enforcement.

15. In the majority of municipalities bamboo baskets are used in the latrines as receptacles for night-soil to drop in, though a considerable number of important municipalities prescribe iron pans or drums or buckets. Even in such municipalities in many latrines iron receptacles though first provided, are often substituted by bamboo baskets or are found missing altogether. In a few municipalities no receptacles are used on account of dry-earth system which allow the night-soil to drop on the dry-earth or ash spread over the bottom of the latrine hole. Night-soil after removed from the latrine is carried mostly in bamboo baskets by sweepers on their heads. In a few municipalities iron drums with air-tight covers or galvanized iron buckets are substituted. The Committee recommends that all municipalities should be advised to amend the byelaws so as to compel all owners of private latrines to provide tarred iron receptacles, and that municipal executive should periodically inspect that these and no others were used.

16. The night-soil removed from latrines is invariably carried on head up to the nearest night-soil cart or even to the far-off trenching ground. This is admittedly an inhuman practice, as excreta sometimes trickles through or overflows the basket or drum carried on the head. The use of hand cart with two removable drums closed by air-tight lids, placed in it as shown in the sketch below is recommended for carrying night-soil. As an alternative such drums may be carried by a Kavadi (कावड) on the shoulder with one drum in each side. Even where latrine holes are paved and are washable by sweepers there is no provision for separate receptacles or channels for solid and liquid excreta ; as a result the night-soil and urine and abluion water form a solution which is very difficult to be removed. This defect can be remedied by providing separate channel for carrying abluion water and urine and making a byelaw to that effect to be strictly enforced by sanitary staff :—

HAND CART



17. Brooms, Baskets and Panjas.—The evidence before us shows that very few municipalities provide all the requisites—brooms, baskets and panjas (scrapers)—that are required by the sweepers for their work. Baskets are generally supplied by the municipal and notified area committees, but the brooms are generally provided by the sweepers at their own cost. In a few municipalities sweepers are required to provide their own brooms and baskets at their own cost. This is a burden which costs the sweepers about Rs. 2 per year per head. It is recommended that the sweepers either be supplied with necessary appliances for doing their work or should be paid the full cost of the same.

18. Recruitment.—Sweepers employed in most of the municipalities are local or recruited from adjoining districts. But in places like Nagpur, Wardha, Hinganghat and Berar towns, a large proportion was originally recruited from the United Provinces, Kathiawar, Alwar and Mewar. In Berar there are very few indigenous sweepers and besides those recruited from Mewar, a number of them are brought from Banda, Fatepur, Mathura and other districts of the United Provinces. Recruitment from distant places becomes essential at the time of strike. The appointment of sweepers and scavengers is made by the Secretary or President on the recommendation of Sanitary Inspectors or jamadars. No waiting list is maintained. The appointing authority is generally the power to discharge sweepers or take disciplinary action against them. Punishment is meted out on the report of Sanitary Inspectors or jamadars or other petty officials. In some municipalities there are Standing Committees to hear appeals regarding dismissal, fine or other disciplinary action taken against the sweepers. In other cases the President himself or the Vice-President or the member in charge exercises the same authority.

19. Distribution of wages.—Generally the disbursing authority for the payment of wages is the Secretary, Health Officer or the President himself. The payment is actually done by a Sanitary Inspector or the Cashier in the presence of the disbursing authority, but in many cases the money is actually handed over and passed to the sweepers by the jamadar or havaldar of the gang. Any short payment due to absence, or fine, is explained on the spot or next morning. The pay clerk is not authorised to make any deduction from the wages for moneylenders' dues. It is, however, a common practice that the moneylenders are present and recover their dues immediately from their debtors. The Committees as a rule do not allow moneylenders to foregather inside their premises. The wages are paid generally in the first or second week of the month and rarely payment is deferred beyond the 15th. Even in case of financial difficulties the sweepers are paid prior to all other municipal servants. We came across only one case in which the municipal committee could not pay its sweepers' wages for two months.

20. The Committee without any intention of criticising the municipal administration or casting any reflection on the integrity of the subordinate staff recommends that—

- (a) jamadars and havaldars should not be allowed to make cash payments to the sweepers. Cashier or pay clerk should make all such payments in the immediate presence and direct control of a responsible officer like the Secretary or the Health Officer or the Municipal Chairman or member. If there be no such clerk or Cashier of sufficient standing, the Secretary or the Sanitary Inspector or any member of the Committee should make payments ;
- (b) pay-slip system should be introduced in all big municipalities or wherever possible and the entries on the slip should be written in Hindusthani showing the salary and deductions for the month, if any ;
- (c) the presence of moneylenders in the vicinity of municipal premises at the time of payment of wages should be prevented by the use of the Central Provinces Protection of Debtors Act, 1937 ;
- (d) we approve of the present practice obtaining in some municipal committees, of making repayments to co-operative credit societies from the sweeper members' wages on behalf of those who have borrowed money from such societies. We recommend to other municipal committees to organize such co-operative societies with the help of the co-operative bank or department, and encourage the sweepers to borrow money from them instead of moneylenders, and to make repayments on behalf of sweeper members of the societies from the pay direct. We further recommend that this practice should under no circumstances be extended to any other creditor. This procedure is economically very beneficial to sweepers.

21. **Permanence of Service.**—The greatest drawback in the condition of service of sweepers and scavengers is that they are not permanent servants of the committee and their service throughout their life continues to be temporary. The evidence before us is that a very large majority of the municipalities are in favour of considering their services as permanent like all other employees of the committee but at the same time object on the ground of administrative difficulties that may arise on account of numerous enquiries that will have to be made for taking disciplinary action against sweepers due to their frequent absence without leave. Some of the bigger municipalities which are in favour of continuing the sweepers in temporary service as at present, contend that sweepers getting more than Rs. 10 per month will (if they be made permanent) have the right of appeal to the Deputy Commissioner which they consider is not desirable from the administrative point of view and that it is

essential to remove arrogant and mischievous sweepers summarily. The provision for appeal in their opinion would curtail their power of taking disciplinary action and add to administrative difficulties. It has, however, been admitted by the Health Officer, Nagpur, who controls as many as 825 sweepers, that if rules are altered to provide for summary enquiry in case of sweepers and if the question of their appointment, dismissal or inflicting of punishments be left in the hands of the Head of the Department, he would have no objection to make the service of the sweepers permanent.

22. Curiously enough some committees are labouring under the impression that the services of sweepers are practically permanent. But in no case have we found that they get all the advantages of permanent service. Bulk of the evidence supports the suggestion that the services of the sweepers should be made permanent. There are stronger reasons why of all services that of sweepers should be made permanent. The interests of sanitation and public health would be much better served if the sweepers are given the benefit of permanent service. Those who oppose this suggestion do so mainly on two grounds; first, that administrative inconvenience or difficulties may arise if disciplinary action against sweepers were delayed by the dilatory enquiries that are required to be made before taking such action. In our opinion, this difficulty is not so serious as to justify our brushing aside the overwhelming evidence that is in favour of the sweepers' service being made permanent. The difficulty pointed out by the opponents could be removed by making suitable byelaws under the provisions of the Municipal Act, for disposal of cases involving disciplinary action against the sweepers. The second objection put forward is that if the sweepers' services were made permanent, they would claim the privileges of leave, gratuity, provident fund or pension, etc. In the opinion of the Committee the sweepers' services are very essential for public purposes. Section 25 of the Central Provinces Municipalities Act, specially sub-sections (2) and (4) thereof, empowers the committees to provide for these matters by means of making suitable byelaws. We are sorry to have to remark that so far most of the committees have not attended to these statutory responsibilities with regard to their sweeper servants. It is, therefore, strongly recommended that the services of sweepers should be made permanent after a probationary period which should not exceed three years. As regards granting them leave with pay, gratuity, or provident fund, the sweepers should be placed exactly on the same footing as other permanent servants under municipal or notified area committees.

23. In this connection the recent notification issued by the Bombay Government will be of interest and is given below :—

GOVERNMENT OF BOMBAY
GENERAL DEPARTMENT

Circular No. 2862-33, dated the 30th November 1938.

An examination of the position of Harijan employees of municipalities shows that many municipalities do not admit these employees,

as well as some other classes of inferior servants, to the benefits of leave, gratuity, provident fund, etc., to which other classes of employees are admitted. Government considers that there is little justification for such discrimination. The criterion to be followed should be whether the posts in which such appointments are made are required permanently or not. If they are, then the appointments should be in a substantive capacity with the benefits allowed to the permanent employees and the expedient of making temporary appointments in such posts to avoid legitimate expenditure should not be resorted to. The Commissioners are requested to advise all municipalities in their divisions to treat all classes of their inferior servants employed in such posts (including Harijans) as permanent servants and to give them all the benefits allowed to permanent employees.

2. Government is examining the position of similar inferior servants in its employ.

3. The Commissioners are requested to report, by the 30th November 1939, what action is taken in the matter by municipalities in their divisions.

By order of the Governor of Bombay,

V. S. BHIDE,

Secretary to Government

24. Leave and holidays.—One of the privileges of permanent service is the enjoyment of a stipulated number of holidays and leave with pay. Sweepers in municipal service do not at present get any such leave or holidays. Most of the committees grant half-holidays on Sundays or bazar days. In addition to this, half-holidays varying from 10 to 30 festivals are given by some committees. Casual leave with pay is unknown to the sweepers. Whenever they want such leave, they are required to give substitutes at their own cost. Maternity leave varying from two to six weeks is given to women by many of the committees as a result of Government Circulars issued from time to time; the model byelaws recommending six weeks, two weeks before, and four weeks after the confinement. But even then 25 per cent of the municipalities follow the recommendation of six weeks and some important municipalities have not prescribed any maternity leave as yet. No privilege leave is granted to sweepers and very few municipalities were found to be in favour of giving privilege leave in addition to causal leave.

25. Our recommendations as regards leave with pay are :—

- (a) The grant of leave is discretionary with the committee, but ordinarily each sweeper should be allowed at least a half-holiday every week. This may either be a Sunday or a bazar day. On the occasion of all important festivals, sweepers should be allowed half day off.

- (b) In the course of a year, a sweeper be allowed casual leave not less than seven days.
- (c) Sick leave on medical certificate from a qualified doctor be granted for a period of one month in the course of a year ; half of this period on full pay and the remaining half on half pay.
- (d) Maternity leave be granted for a period of six weeks, two of which may be before delivery and four weeks after.

26. Complaints of bribery.—There is evidence that in some places the sweepers have to give bribes in order to get petty concessions from those above them and failing which they do not get them and to add to the loss, are subject to harassment. In some other places, the sweepers have to give occasional bribe, and have made specific allegations of regular monthly payment of bribe, to the jamadars or conservancy peons. There were also complaints at some places about the maltreatment of sweepers. But we did not make a regular enquiry into the allegations for want of authority. The evidence of some Sweepers' Unions and Harijan Sevak Sanghs also included general allegations of bribery and corruption and assault on sweeper women ; but we cannot accept this evidence as final, because it was indirect and heresay. We therefore do not consider ourselves justified in formulating a definite finding on these allegations. But we cannot, at the same time, avoid our moral impression that such practices do exist in some cases. We therefore urge on the Government that the matter is of special importance to merit a *quasi*-judicial enquiry, where the allegations are pronounced and open as in two cases which are referred to by our Chairman to the Government in a letter, dated 27th January 1939.

CHAPTER III.—WAGES AND ECONOMIC CONDITION OF SWEEPERS

27. Prevailing rates of wages for sweepers.—In our terms of reference we are directed to examine the wages paid to sweepers, male and female, and to report on their adequacy or inadequacy, which necessarily include the consideration of the prevailing rates of wages in the various municipalities and notified areas in the province. The following table shows the prevailing rates of wages in the several municipalities of different sizes in different parts of the province :—

Table

	Population in 1931	Pay of	
		Pay of males per mensem Rs.	females per mensem Rs.
Nagpur ..	215,165	15	11
Chanda ..	28,138	15	11
Yeotmal ..	20,967	13	12
Wardha ..	19,571	12 to 14	10

	Population in 1931	Pay of males per mensem	Pay of females per mensem
		Rs.	Rs.
Dhamangaon (Dattapur)	2,194	10	8
Amraoti ..	46,832	14	11
Khandwa ..	34,622	13	11
Jubbulpore ..	104,317	12	10
Betul Bazar ..	5,378	9	9
Mandla ..	7,997	8	6
Mowar ..	5,206	{ 6 to 9	{ 6 to 9
Gondia ..	14,957	{ 10 to 13-8	{ 8 to 11-8
Raipur ..	45,390	{ 10 to 12	{ 8 to 10
Bilaspur ..	25,735	{ 8 to 14	{ 7 to 13

The table provides a representative picture of wage-level of sweepers employed in the municipalities of the Central Provinces and Berar. Subsequent enquiries have revealed that about 60 sweepers in Raipur and about 20 sweepers in Gondia are employed on drain cleaning and other work on monthly wages varying from Rs. 4 to Rs. 8. Compared to the wages paid to the industrial workers, it is found that the wage-level is generally above that of the unskilled labour, but is below the wage-level of semi-skilled labour in organized industries in the province (*vide* Chapter XII, pages 103 and 104 of the Labour Commission Report). To ascertain the adequacy or inadequacy of these wages, it is necessary to consider the minimum living wages. We have no evidence before us about what the fair living wage for a sweeper and his family is, but after examination of the present cost of living we are of the opinion that four annas per day per head would constitute the minimum living wage.

28. Consideration for minimum wage.—In the opinion of this Committee, it is desirable to lay down the minimum wage for sweepers, but in our opinion it is not feasible to fix a minimum for the sweepers for the whole of the province or for sweepers working under groups of municipal committees. The policy of law governing the municipalities considers every Committee as an autonomous body with regard to its own affairs. In order to conform with this policy the municipal committees should have the power to initiate a system of minimum and maximum wages by means of byelaws with due regard to their respective local conditions. In case the committees fail to make byelaws or if the byelaws made by the committees do not prescribe reasonable minimum wage to sweepers, the Government may be armed with the statutory power to make byelaws or rules for such committees.

29. Our decision for not recommending a minimum wage was arrived at after a very careful thinking and considerable reluctance. There is no other service for which minimum wage has yet been prescribed and apart from the practical difficulties for fixing the minimum wage the legal difficulty has to be considered. We are not unmindful of the fact that a little extra money—it may be even a few annas—would be of some help to sweepers, but we cannot overlook the fact that there is a real danger of this extra money going for extravagant ceremonies, to the gambling den or the moneylenders. On a consideration of all facts, we believe that if any advantage has to be given to the sweeper, it should be so arranged that his whole family should share it. This will necessarily mean that the advantage should not be in the shape of money. We are making recommendations to provide facility for housing and leave on full and half pay and provident fund by which the whole sweeper families would be benefited and which will place a fairly heavy burden on the Committees—a point of view which should not be overlooked in our recommendations. The annual administration reports reveal the existence of an acute financial position in most local authorities. It is not our business to say that in most of the cases it is avoidable, we only take note of the fact that the financial distress does exist in the local authorities. This distress would increase considerably if we make dual recommendation of fixing minimum and maximum wages and providing housing facilities for the sweepers. We are, therefore, content with making a substantial recommendation of providing housing for municipal sweepers and make no recommendation for fixing a minimum wage.

30. **Graded increments in wages.**—The drawback in most cases is the absence of a system of graded increments in the wages of sweepers. In course of our investigations, we came across numerous sweepers who had grown grey in municipal service putting over 30 years of continuous service in its employment, drawing the same pay as that on which they started or their children started. There can be no excuse for the continuance of this state of things and a properly chosen time-scale should be introduced without any loss of time. The consensus of opinion, both official and non-official, is in favour of adopting such time-scale for sweepers at the earliest opportunity, but in many cases the idea is linked with the proposal of reducing existing wages or of making the reduction applicable to new entrants only. It would hardly be administratively possible to reduce wage rates merely to introduce the time-scale of pay, but in case of new entrants it would be feasible to start them on lower scale, if the average of the lowest and the highest wage is maintained at the same level as the present uniform rate of wages.

31. **Standard of Living.**—For a correct appreciation of the economic conditions of sweepers in municipal employment, it was found desirable to have a comprehensive idea of their cost of living, which would also show the adequacy or inadequacy of their income. With this end in view, a schedule was attached to the questionnaire.

circulated, asking for details of average monthly income and expenditure of an average sweeper's family, along with the total number of persons in the family and the wage-rates of those that were in employment. To our misfortune, most of the persons that filled up the schedule supplied incorrect information, with the result that the bulk of the information so collected could not be relied upon, and hence no conclusions could be drawn therefrom. The following table, however, shows four family budgets of sweepers, which appeared to us, on examination, more representative and reliable than others. A glance over the table would give a graphic conception of the standard of living of these sweeper families :—

Table—I

Number of Budgets Number of persons in the family (average)	Number I* Nagpur			Number II Jubbulpore			Number III Akola			Number IV Bilaspur		
	Men ..	1.4	Men ..	1	Men ...	1	Men ..	1	Women	1	Women	1
	Women	1.3	Women	1	Women	1	Women	1	Children	2	Children	3
	Children	1.9	Children	2	Children	2	Children	2	(one earning).			
	Total	.. 4.6		4		4		5				
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.				
Income—												
Wages	..	23 0 0	23 0 0	24 0 0	26 0 0							
Additional earnings	..	0 10 6	1 0 0	..	6 0 0							
Total family income	..	23 10 6	24 0 0	24 0 0	32 0 0							
Expenditure—												
Food	..	9 0 0	8 0 0	11 0 0	10 8 0							
Fuel and lighting	..	2 10 10	3 0 0	2 0 0	1 8 0							
Municipal and nazul ground rent		0 11 2	0 8 0	..	1 0 0							
Clothing and shoes	..	..	1 8 0	2 0 0	2 0 0						
Bedding and household effects		1 3 7	1 0 0	1 0 0	1 8 0							
Miscellaneous—												
Medical expenses	..	0 4 0	..	1 0 0	1 0 0							
Amusements and hotel charges		1 10 7	1 0 0	0 8 0	0 8 0							
Liquor, tobacco, ganja and charas, etc.		1 9 9	3 0 0	1 8 0	8 0 0							
Repayment of debts, etc.	..	11 6 2	3 0 0	5 0 0	6 0 0							
Total	..	28 8 1	21 0 0	24 0 0	32 0 0							

*N. B.—This figure is based on actual enquiry from 62 families consisting of 88 males, 83 females and 122 children.

32. Absence of any surplus in all these budgets clearly indicates that the sweepers, as a class, are living on the brink of indebtedness, with no margin for financial adjustment. So whenever any additional expenditure has to be incurred, it has to be met by fresh borrowings after payment of regular instalments on previous debt. Such debts are generally contracted for social ceremonies connected with marriage, birth, death, moondan and katha or on account of illness, unemployment, or bribery to secure a job, and no allowance for these accidents of life, has been made in the budgets. Budget I shows deficit, which indicates that the income is not even sufficient to meet the barest necessities of life and leads the family to ruinous debts incurred to cover such deficits as well as additional unforeseen expenditure. All the budgets show a good amount spent on repayment of debts which indicates that the regular monthly instalment is from Rs. 3 to Rs. 10 per family, and as this is supposed to represent the interest only, the magnitude of debt on high rate of interest is overwhelming and eats into their slender means of subsistence. During discussions on the adequacy of wages or otherwise with the responsible officials of several municipalities, we found that they had assumed that the sweeper has a fixed standard of life, which was achieved under the existing circumstances, and any increase in wages, if given, will not be utilized in raising the standard of living, but will only increase the liquor bill or lead to extravagant expenditure on social functions. The family budgets given above do not bear out this contention, on the contrary the picture produces a sense of insecurity in life which is detrimental to the moral well-being of the people. Our investigations have convinced us that no such fixed standard of living for sweepers exists anywhere and the standard of living of the sweepers is low which is more due to their heavy burden of indebtedness and the usurious interest charged by their moneylenders than to their drink bill. Many, indeed, are born in debt and it evokes both admiration and regret to find how commonly a son assumes responsibility for his deceased father's debt, an obligation which rests on moral and social, but seldom on legal sanctions. The same arguments regarding fixed standard of living used to be employed against industrial workers which have been definitely and authoritatively negated (*vide* page 209 of the Report of the Royal Commission on Labour).

33. **Additional earnings.**—Uninformed people have exaggerated notions of the additional earning obtained by sweepers by rearing of pigs, poultry farming and making of baskets. The pigs are generally reared for their own consumption during feasts and special functions and sometimes for sale to military cantonments. Poultry farming is not so widely undertaken as pig-rearing, and adds a little to the income of the family through sale of eggs and chicken. Basket work is undertaken by some sub-castes of sweepers only, and they prepare their own brooms and baskets used for the municipal work. Additional income from private latrine cleaning and house cleaning accrues to a fortunate few, who are employed in the rich mohollas or bungalow areas of the town. Most of the

others receive only remnants of food (juthan) or occasionally old clothings from the householders for any special service rendered. Moreover, most of the municipalities prohibit, though without success, any private work to be undertaken by the municipal sweepers and it is, therefore, very difficult to evaluate all these additional earnings from different sources. Even at the most liberal computation the average would hardly come to Rs. 2 per month per family. There are hardly any part-time sweepers employed by the municipalities and children too are employed by a few municipalities only.

34. Fines and deductions from wages.—The discussion of factors affecting the sweepers' income leads us to the question of fines and deductions from their wages. In all municipalities visited, the sweepers complained of the fines inflicted and deductions made from their wages by marking them absent from duty as punishment. Ordinarily such fines or deductions do not amount to much, but few instances were brought to our notice where fines exceeding Re. 1 or more for a single offence were inflicted. To mark a man absent (though present) for unpunctuality or for a slight neglect of duty is unpardonable as it causes the sweeper to lose his daily wage in spite of his having worked for the bulk of the period. It is reasonable to expect that his delinquencies should be reported and then reasonable punishment may be meted out, but it is unjust for the jamadar to take the law into his hand and have the sweepers' wages deducted for the alleged misdemeanour or negligence in duty. In the industrial field the Government has legislated for regulating the extent to which fines and other deductions from wages may be made by employers. In the absence of a law like the Payment of Wages Act applicable to municipalities and local bodies, all fines or deductions imposed for disciplinary measure should at least be spent for the welfare of the sweepers themselves. Nobody should be marked absent, even though present on duty, for disciplinary reasons and no supervisor or petty official should be allowed to mark any sweeper absent unless he is actually absent from duty for the specified period of his work. As regards infliction of fines, it must be admitted that though it is open to abuse, it is necessary for the maintenance of efficiency and discipline. To ensure a check on its abuses the legitimate purposes of fining should be well defined by municipal authorities and sweepers should be allowed to put their cases in appeal before higher authorities.

35. Conditions of Living.—In considering the standard of living of these persons, it was found necessary to take into account their living condition and the social disabilities attached thereto. The sweepers are generally found living on the outskirts of inhabited areas in the city, like social lepers. Practically no house-owner would let them rooms or houses on rent, and only a few landlords allow them land to build their huts on. So, they are found living on low lands or over rubbish heaps, near drains, dumping grounds or near public latrines. In one large town they were found living in old disused public latrines converted into sweepers' quarters. In most

of the sweeper *busties* the huts are all small, kachha, without any plinth, damp and in every way unfit for human habitation, and the same sort of accommodation is provided for themselves as for the pigs they rear. In some sweeper localities, on the contrary, specially in Nagpur Civil Station and Raipur, good commodious pucca buildings were found to have been built and inhabited by sweepers. Their way of living shows that given the opportunity they make the best use of it and can live like any decent being. They are, however, compelled to live in crowded *busties*, that become quagmires inside and pools outside during rains. Even during winter the surroundings are none too clean and are unsuitable for walking over, but has to be skipped over from place to place. In Nagpur itself the members of the Committee had to walk over unnameable filth or wade through the open sewers of the town to visit some of the sweeper *busties*.

Almost all the *busties* complain bitterly about the scarcity of water. Even where the water pipes are laid they are at the tail-end of the mains, as the *busties* are generally in the neglected parts of the city or on its outskirts. Taps are few and far between and do not supply a sufficient quantity of water. Municipal wells and taps are supposed to be open to all without distinction but despite this rule, the high castes have established in some localities a practical monopoly in the use of these wells or taps. In practice the sweepers are allowed the use of these wells or taps on suffrance, if at all, after the demands of the higher castes in the vicinity have been satisfied. None of the sweepers' localities has proper drainage arrangement, and the lanes are extremely narrow, tortuous, kachha and muddy, and are seldom swept. Filth in heaps is the usual sight all round. Their public latrines are extremely dirty without light and water. The whole atmosphere of these localities is foul and there are hardly any arrangements for sanitation and the eye meets with disgusting and loathsome sights all over. Children growing up in such environment in the vicinity of the public latrine or having the dumping ground as their playground can hardly aspire to improve their standard of living in later life; sweepers' families are compelled to live a paralysed existence in the midst of all this filth and dirt; "living in a world of smells and sights day and night, the sweeper himself becomes a human waste-heap, a part and parcel of the same smells and sights." The tyranny of society thus sitting tight upon him, he has little initiative or independence left in him. In spite of these drawbacks, we were glad to notice that he does not lack the sense of personal hygiene which has been conserved through custom. So often the inside of their rooms can be seen to be whitewashed and clean pots well arranged on shelves, and the floor kept tidy, if well paved.

36. No uniform, similar to that supplied to railway sweepers, is supplied to municipal sweepers for their work, and though they try to keep special clothes for scavenging work, it is not always possible for them to keep them absolutely separate and clean. If our town sweepers be supplied with some uniform, at some expenditure to the

city, they will not appear so shabby and unclean as they now do. One of the chief social disabilities to which they are subjected is the refusal of barbers and washermen to serve them, and for which they have to pay double or more, otherwise they have to go unshaven and unclean. In fact, even when they are off duty, the sweepers can be distinguished from some distance by their unclean dress and face.

37. The view of the Royal Commission on Labour that the undoing of the labourers is their credit, is applicable to the sweepers with greater force. The moneylender always finds a profitable field for investment in them and is eager to lend them money at an usurious rate of interest which alone they are unable to pay, let alone the capital borrowed. It is the large debts which are incurred, not from any economic necessity, but on account of social custom and pressure that must enslave the sweepers for life-time. The chief occasion for incurring such large debts are the social functions necessary in connection with marriage, birth, death, moonandan, etc. The unwillingness of the employer (that is, the municipal committee) to provide him with cheap credit or the social worker to teach him to provide his social needs within his own limited means has brought about the economic ruin of this class through indebtedness, with very heavy interest charges.

38. **Provident fund and other provisions for old age.**— In surveying the economic condition of the sweepers, the provision for old age, which is lacking amongst most of them, must be taken into consideration. All the sweepers employed by the municipal or notified area committees being on temporary service, are not entitled to any pension or provident fund. It has been urged by the municipalities, as a counter-argument against, that their pay being usually lower than Rs. 15 per month, it is optional for them to join the provident fund and as they are not in a position to contribute their quota to the fund, they have to be exempted from the benefits of the fund. On enquiry from the sweepers, we found that most of them were willing to contribute half-anna or one anna per rupee and so far they had been ignorant of the existence of the provident fund system. Even the few who got Rs. 15 or more as wages were never asked to join the provident fund and no compulsory deductions were made from their wages.

39. In Cantonment areas, like Jubbulpore, gratuity along with a pension of Rs. 2 per month depending on the length of approved service is paid to inferior servants including sweepers, whose services are less than 30 years; those that have completed 30 years get a pension of Rs. 4 per month instead of the gratuity. Similarly, in railway employment gratuity or provident fund is granted to sweepers according to his circumstances and duration of service. We are unable to see why the systems of provident fund or gratuity should not be made applicable to the sweepers in municipal employment. It is this low-paid staff that needs such help most to fall back

upon in their old age or disablement. Overwhelming evidence before the Committee was in favour of compulsory application of provident fund scheme for sweepers. We therefore think that the rules in this connection should be made applicable to the sweepers also, and compulsory provident fund for sweepers, irrespective of their wages, on the basis of equal contribution is recommended, as in the case of other servants.

40. The controversy of Provident Fund *v.* Pension has raged too long and has been thrashed out threadbare in connection with other services. Opinions are divided as to which scheme is more useful and profitable to the sweepers. It has been urged against the provident fund scheme that the sweepers are too poor to make any contribution from their meagre pay, that they would be continually using up the provident fund by taking loans therefrom and nothing will be left for their old age, and the lump sum received from the provident fund on retirement will be spent soon either in extravagance or snatched away by the moneylenders in settlement of old debts. On the contrary, it has been suggested that provident fund would encourage thrift and effect a compulsory saving, would keep down indebtedness (as they can draw upon the fund) and save them from predatory moneylenders in times of distress, and teach them thrift by the habit of monthly contribution. As a matter of fact it would form a social habit which would quickly improve their economic condition. One of the reasons why we are not in favour of the pension system is that the sweeper being a menial will not be entitled to pension before he reaches the age of 60, which would seriously curtail the period in which he would enjoy pension. Under the existing rules, if a sweeper leaves service without leave, which is generally done, there would be a break in service, which would disentitle him from earning pension for the period he put in before the break. Whereas very few of them would really qualify themselves for pension and earn a dubious provision against old age, which they may enjoy for a short period, and it would not prove of much social value to the sweepers as a class and would not be of any economic benefit to his heirs or dependents.

41. On a consideration of the evidence before us, we have come to the conclusion that it would be just and suitable to grant the privileges of provident fund only. Contributions to the provident fund by the sweepers should be equivalent to that made by the committees. Sweepers will learn the habit of saving. In addition, gratuity may be given particularly in cases where due to an accident during service, a sweeper has been disabled permanently or for a long time, from earning his livelihood. We also propose the following restrictions for the use of the provident fund :—

- (1) The provident fund should be invested in an approved Bank and should not on any account be utilised by the municipality for its own purpose, as was found to have been done in a few cases.

- (2) The contributions by the municipality should be used to purchase annuity in favour of each beneficiary or his heirs for a period of ten years and no advance from this amount should be granted to the sweeper concerned.
- (3) Loans to individual sweepers may be advanced from his own contributions, and the amount should be recovered by easy instalments from his wages.
- (4) The part of the provident fund which consists of the sweepers' contribution and the interest thereon should be handed over on retirement or death to the sweeper or his heirs or assignees.

42. Cases have come to our notice in which sweepers became disabled from work while on duty but no compensation was paid to them even in case of total permanent disablement. In Amraoti we came across a case in which the sweeper had gone blind in municipal service and was knocked down in a road accident while on duty. We would urge that in consideration of such cases the Workmen's Compensation Act should be made applicable to sweepers in municipal or local bodies' employ.

CHAPTER IV.—INDEBTEDNESS.

43. It has been already stated that one of the chief causes responsible for the low standard of living of the sweepers is their indebtedness. Here, as elsewhere, we are confronted with the absence of reliable statistics. No detailed enquiries have been made, nor any reliable statistics collected by the municipal committees or by any social workers, of their indebtedness and of the rates of interest they have to pay. On an average the debts amount to about Rs. 100 to Rs. 200 per family while the general extent of indebtedness varies from Rs. 50 to Rs. 500 in the majority of sweeper families, but in few exceptional cases in big towns, like Nagpur or Amraoti, debts amounting to Rs. 1,000 or more have also come to our notice. Some reliable information has been obtained in the following centres, either through the Co-operative Banks or through enquiries made and statistics obtained by the Harijan Sevak Sangh or other social workers :—

Table—III

Centre	Number of persons indebted	Extent of indebtedness Rs:	Rate of interest per cent per annum		Repayment of settlement of debts
			On pledged ornaments	On credit	
			Rs.	Rs.	
Nagpur	..	200 to 1,000	18 to 37	74 and above	No society for sweepers. None of the organisations have centred their attention on this.
Jubbulpore	.. 150 families.	100 to 200	37	110	Co-operative society is trying to remove indebtedness to a greater extent.

TABLE III—concl'd.

Centre	Number of persons indebted	Extent of indebtedness Rs.	Rate of interest per cent per annum		Repayment of settlement of debts
			On pledged ornaments Rs.	On credit Rs.	
Betul .. ..	..	50 to 200	34 to 150	150 and above.	Debts are being reduced by the intervention of co-operative society organised for the purpose.
Bilaspur ..	60 families.	100 to 500	18 to 37	37 to 70	Harijan Co-operative Society, Bilaspur, is looking into the matter.
Wardha ..	108	100 to 200	12 to 37	74 to 150	Loans have been advanced by an unregistered society to wipe off the old debts.
Hinganghat ..	100	100 to 200	37	37	Loans have been advanced to wipe off the old debts by an unregistered society.
Amraoti ..	12	100 to 500	..	74 to 150	Loans have been advanced by a fund formed by their own community to wipe off the old debts.
Narsinghpur	20	20 to 100	18	..	Co-operative society is taking interest in the matter. It has relieved the sweepers much from their old debts.
Joshangabad	80	100	10	..	Co-operative society is doing much to wipe off the old debt of the sweepers.
Akola .. ..	..	200 to 500	25	30 to 200	No society is in existence and nothing has been done by any individual or organisation to remove indebtedness among the sweeper class.

In smaller municipalities the incidence of indebtedness is, as a rule, much lower than in the larger municipalities. The minimum rate of interest for unsecured debts is usually not less than "one anna per rupee per month", *i.e.*, 75 per cent per annum, but on pledged securities the interest is charged at half-anna per rupee per month or 37½ per cent and sometimes even at 25 per cent per annum. Even on pledged gold ornaments the rate is as high as one pice per rupee per month or 18¾ per cent. Kabulies and others charge much higher rates of interest and interest at two to four annas per rupee per month or 150 to 300 per cent is not uncommon. There is also a practice among these moneylenders to make out a bond of much higher value, practically double the amount advanced as loan, and so the real rate of interest works out much higher than the nominal one, which itself is an exorbitant one. A sweeper once in the clutches of a moneylender, be he a Kabuli or a Marwari or even

his own caste man, can hardly expect to get rid of him, and with his limited earnings he gets deeper and deeper into the mire and ultimately the tyranny of the moneylender degrades him completely, ruins the family altogether, and in many cases makes him run away and settle in some distant place.

44. Causes of indebtedness.—Indebtedness among sweepers, as shown by the evidence before the Committee, is mainly due to their social habits, extravagance on ceremonial or festive occasions, and in some cases to intemperance, which have already been referred to in the previous chapters. It is seldom realised that the real causes lie deeper than the outer manifestations of their social life. It was borne on us by the evidence of the sweepers themselves that a lot of their indebtedness is hereditary or contracted for some family reasons, such as marriage, sickness or death, or settlement at a new place, and in spite of all repayments made throughout their life, the debt goes on increasing in course of time. The social disabilities attached to their profession, the insecurity of their service, the lack of education and of social contact with other classes of the society, the rigidity of social customs imposed by a self-centred caste panchayat, organized though in self-protection against the total disregard and exclusion by the parent society, and the high cost of religious or social ceremonies to be performed by their own Pandits, contribute to the heavy indebtedness of sweepers. In the words of a sweeper union that gave evidence before us, the sweeper is living on the brink of a precipice and the slightest further pressure would roll him down to destruction and economic ruin. The insecurity of service tempts him to bribe his jamadars off and on and induces him to incur debts to get an appointment or to keep it. His lack of education and social contact with others are exploited by his moneylender, trader, or anybody that carries on financial transactions with him or ministers to his social and spiritual needs. The abject misery and boredom of his daily life compel him to seek solace in drink. The rigidity of his social customs enjoin him to be extravagant on occasions on the pain of his being ostracised by his *biradari* (community). Once in the grip of the moneylender he becomes his bond-slave. The debtor is so often in arrears and these facts are recorded against him as so many defaults that go to increase his liability. So the borrowing of a trifling sum or an inherited debt, grows into a permanent heavy load of debt in a few years. As an instance a sweeper in Khandwa borrowing Rs. 50 on the death of his mother said, it increased to Rs. 350 in ten years time in spite of his paying Rs. 300 to the moneylender during this period towards repayment and interest.

45. Organization of co-operative credit.—The obvious remedy for all these troubles of the sweepers due to the indebtedness is to diminish his power of obtaining credit as proposed by the Royal Commission on Labour and reduce his attractiveness as a field for investment by the professional moneylender and to be substituted by organized co-operative credit which would meet with his needs and tide over emergencies. Conciliation of old debts should also

be undertaken through the agency of co-operative credit societies. In contradistinction to the industrial workers, the sweepers are a settled labour force in regular employment under the local authorities, pre-eminently suitable for the supply of co-operative credit. Slight modifications in the general methods of the co-operative movement may be desirable for giving substantial benefit to the sweepers. Approved loans should be advanced on the security of requisite sureties by other members of sufficient character. Fixed instalments are to be realised from the pay every month and the co-operative society has to be organized like a mutual benefit fund. To attain greater success the municipal administration should help and assume a considerable measure of control in the working of the societies. In case of the railway administration the remarkable success of their co-operative credit societies is due to the collection of instalments of loans through pay-bills and the delegation of the executive work to a special officer of the railway. The same procedure may be copied by the municipal administration. The efforts of one sanitary inspector only and the interest taken by him have made a society at Wardha, though unregistered, very successful. The best solution is for the local bodies themselves to start co-operative credit societies with the help of the Co-operative Department. Failing this, the organization of such societies may be undertaken by outside agencies like Harijan Sevak Sangh or other agencies interested in welfare of sweepers, the local bodies rendering them all necessary help. The Co-operative Central or District Bank may also be approached to take up the matter and organize co-operative credit of the sweepers, as has been done in Jubbulpore and Betul.

46. The working of the Co-operative Societies among sweepers.—The following societies of sweepers are already working in the municipalities named against them. The rules and procedures of the Bilaspur Society are included in Appendix VI :—

Name of Society and Committee.

- (1) The Mehtar Mulazim Society—Jubbulpore.
- (2) Itarsi Municipal Sweepers' Society—Itarsi.
- (3) Gadarwara Municipal Sweepers' Society—Gadarwara.
- (4) Pandherkawda Municipal Sweepers' Co-operative House Building Society—Pandherkawda.
- (5) Betul Harijan Society (for Municipal sweepers)—Betul.
- (6) Balaghat Sweeper—Balaghat.
- (7) The Harijan Municipal Employees Co-operative Society, Limited—Bilaspur.
- (8) The Hoshangabad Municipal Mehtar Primary Co-operative Society—Hoshangabad.
- (9) The Harijan Primary Co-operative Society (Municipal sweepers)—Drug.

- (10) The Piparia Notified Area Sweepers' Co-operative Society—Piparia.
- (11) Seoni Sweepers' Co-operative Society—Seoni.
- (12) Banosa Municipal Sweepers' Co-operative Society—Banosa.
- (13) The Chhindwara Sweepers' Co-operative Society—Chhindwara.

The oldest of them is "Balaghat Sweeper" unlimited which is in existence for 10 years and has a membership of 12 only with the result that the average incidence of debt among the sweepers has been reduced to Rs. 40 only. But from the evidence before us the largest and the best of them appears to be the Bilaspur Harijan Municipal Employees' Co-operative Society, Limited, which has liquidated and conciliated debts amounting to nearly Rs. 3,500 in two years and has a membership of 60 sweepers. The special feature of this society is that it is a limited liability society and also constitutes a savings bank for the members who are required to make a compulsory deposit of Re. 1 or more per month continuously and purchase shares with the same. So, the financial position of the society is very solvent and interest at the rate of $9\frac{1}{2}$ per cent per annum only is charged on the loans advanced. A profit of Rs. 102 has been earned by the society in the last two years.

47. From the evidence before us we find that it is essential for the success of such co-operative credit arrangements to have the loan instalments deducted by the Committee directly from the pay of the sweepers and credited to the respective society or bank. Membership of the society need not be restricted to the sweepers only. It is very desirable, even necessary, for making the co-operative society self-sufficient, and to promote thrift among the sweepers to insist on a compulsory monthly deposit (of at least eight annas per month), which in case of a limited liability society may be converted into share certificates in favour of the member concerned and in case of unlimited liability society earn suitable interest from the society. Admission to membership must be controlled by the management of the society and an initial payment of a small entrance fee of purchase of a share may be prescribed. It is necessary to ensure that all debts of foundation members are disclosed before the society is formed, and of later members before admission to membership and that the debtor is prevented from using the improvement in his credit to secure further loans from external sources. The main purpose of these societies is to clear off the old debts of the sweepers and advance loans to them in cases of necessity. Cheap credit should not be made available to them for any and every purpose, when the money is likely to be squandered away, either in drink or costly social functions.

48. **Debt Legislation.**—The observations made on the danger of easy credit to workers, specially in poorer circumstances by the Royal Commission on Labour, as given on pages 229 and 231 of their Report, lay stress on the necessity of reducing their credit to borrow

and their proposals " are mainly directed towards making it unprofitable for the moneylender to advance to workers, amounts which are beyond their power to repay". Accordingly some new legislations have been more or less given effect to in this Province by the Central Provinces Adjustment and Liquidation of Industrial Workers' Debt Act, the Central Provinces Debt Conciliation Act, and the Central Provinces Protection of Debtors Act. The remarks apply with greater force to the sweeper with whom, like the worker, his credit is his undoing. The first two Acts named above should be made applicæble to sweepers. As a matter of fact all the debt relief measures in force in this province should be extended so as to include municipal sweepers.

49. Some of us are of opinion that the Government should be asked to examine the feasibility of introducing legislation to make it impossible for any private moneylender, who advances money to sweepers on loan, to get decrees on basis of such loans in a Court of Law. This would, in the opinion of the members, encourage co-operative credit movement among sweepers and minimize their credit with ordinary moneylenders, which is the object we are aiming at.

50. No apology is needed to quote the concluding part from the Report of the Royal Commission on Labour which applies to sweepers as well :—

" In concluding our discussions of indebtedness we would again stress the importance of the question, and the gains which can be secured by even partially successful attacks on this problem. In dealing with the matters of this kind there seems to us to be a tendency to reject the imperfect weapon and to wait in the hope that at some future date the perfect one will be available. Indebtedness is a formidable question, but its magnitude enhances the importance of attacking it and increases the results to be secured by successful efforts. Some of the methods we have advocated for application to industrial workers may be capable of wide extension, and there is no need to dwell on the great advantages to Indian industry that would immediately accrue from even a small increase in the purchasing power of the masses."

CHAPTER V.—HOUSING

51. **Provision of housing for sweepers by the municipalities.**—In accordance with the terms of reference we are asked to examine and report on the living conditions of sweepers, with particular reference to housing and sanitation and make recommendations for their improvement. After a survey of the conditions of the sweepers employed by the municipal and notified area committees of the whole province, we are definitely of opinion that the most pressing need for their betterment is the improvement of their housing conditions. The sweeper *busties* have been correctly described by all leading social workers as veritable plague-spots in every town.

A general description of some of them has already been given in connection with the living conditions of sweepers in previous chapters and in some places the pig-sties used for human habitation is beyond description. Barring a small number of quarters provided for their sweeper army by some of the most important municipalities in the province like Jubbulpore, Nagpur, Khandwa, Burhanpur, Amraoti and Raipur, no municipalities have provided any quarters for the sweepers employed by them. Most of them have not even thought of a scheme for their housing. In most cases the sweepers live in mud huts or hovels built by themselves on nazul or municipal land or sometimes on private land, in what are known as sweepers' *busties*. A large majority of the committees in this province have never discussed this question, much less appreciated its importance. Speaking generally, the committees in this province seem to have laboured under the impression that it is not their duty or responsibility to provide suitable residential quarters for the sweepers. This may be due to the fact of their ignorance of what is being done in other provinces in this respect by enlightened local bodies. The following table will show the nature of housing provided by the important municipalities, compared to their requirements:—

TABLE IV.—Table showing the housing accommodation provided by some of the municipalities in Central Provinces and Berar.

Name	Number and description of the quarters	Number of families accommodated	Number of sweepers employed	Total requirements
Jubbulpore ..	12 pucca quarters with sufficient space and ventilation. 93 old quarters—bad and insanitary.	105	650	400
Nagpur ..	50 rooms, old godown converted into sweepers' quarters with back to back room and no verandah. Very unsatisfactory.	50	825	500
Raipur ..	40 rooms, old earthshed converted into quarters. Not satisfactory.	35	258	80
Amraoti ..	20 new quarters, quite good, satisfactory room of 12' × 10' × 8' with verandah. 6 good huts not so satisfactory.	23	289	127
Burhanpur ..	A chawl of 12 rooms of 12' × 10' each. 15 huts near public latrines for sweepers attached to them.	27	216	100
Saugor ..	20 quarters for sweepers attached to cattle, public latrines and conservancy shed. Room and verandah of 200 sq. ft. of covered area per unit.	20	295	100
Kamptee ..	14 quarters with average room 10' × 10' together with verandah of 10' × 6'.	14	139	75
Bhandara ..	12 houses, rooms 10' × 10' each	12	77	25
Khandwa ..	Nine good pucca quarters, airy, average size of room 14' × 9' with verandah attached.	9	100	70

52. Most of the municipalities need housing arrangements for their sweepers and their requirements vary from 10 units or so in the smallest municipality to 500 units in a town like Nagpur. It is essential to provide better housing for these sweepers, without which the insanitary condition of their living cannot be improved. Their nature of work and their present surroundings produce an apathy towards better living and promote unclean habits, and which make better housing arrangement and ample washing facilities all the more necessary. The municipalities have a special responsibility in this matter towards their employees as they are in charge of the sanitation of the town and their sanitary departments, and while making numerous requisitions on private house owners, can ill-afford to keep their own employees in very insanitary surroundings. If only financial considerations, as has been urged in most cases, come in the way of discharging this responsibility, local authorities would not find much difficulty in borrowing money for the purpose from the Provincial Government and repay by easy instalments, spread over, say, 30 to 50 years.

53. **Existing Housing—Nagpur**—In Nagpur, the Committee visited the sweeper *busties* at Imambada, Lenditalao, Bhankheda, Pachpaoli, Indora and Gaddigudam. There are 50 quarters provided by the municipality at Imambada and they were found very unsatisfactory with back to back rooms for different families and very few windows. In fact these are some godowns converted into quarters by partitioning them into a number of rooms. Consequently lighting and ventilation are very bad, specially as temporary bamboo constructions have been permitted in the front to increase the available accommodation. There is no plinth and the floor is quite *kuccha*. Parts of the blocks are in a dilapidated condition with roof falling down. The rooms are kept clean and their floors well-plastered with mud by the sweepers. A concrete reservoir has been built for the supply of water for 24 hours.

In Lenditalao, most of the huts or houses constructed or rented by the sweepers are low, dark, damp and insanitary. The *busti* is built on the bank and sloping bed of the nullah which is practically an open sewer of the town. The lanes with drains in the middle cross each other so as to make the whole locality very insanitary. In rainy season the whole area is water-logged and the overflow from the nullah gets into the huts, while the house drains overflow into the lanes and bye-lanes. Roads pass through the nullah and are in very bad state and the lighting arrangement is inadequate. There is a good deal of scarcity of water, as a concrete reservoir built for the supply of water to the sweeper *busti* has been taken possession of by the caste Hindus, who drive away these poor sweepers and they are now provided only with a cast iron cistern which gets very hot in the summer.

In Bhankheda, the sweeper *busti* is situated very close to the public latrines of old pattern and a pail depôt all of which stink very badly. The nazul land rents varying from Re. 0-8-0 to Rs. 2-8-0

per year are paid by the sweepers themselves. Water-supply for drinking and bathing is satisfactory, but the bathing place is open on all sides and there is no privacy even for females. In Pachpaoli *busti*, the greatest drawback is insufficiency of water available on taps. The supply in the water pipe is very poor, open for a very short time, and even during supply hours water trickles through the pipe on account of low pressure. The huts are low and ill-ventilated, but well-kept and not so insanitary as in Lenditalao. There is a block of public latrines in the *busti*, which lacked receptacles under the seats.

54. Jubbulpore—In Jubbulpore the sweeper mohollas in Phutatal, Galgala, Toria, Belbag, Bhantalaiya, Premasagar and Bhadpura, were visited by the Committee. The old quarters provided by the municipality in Belbag, Galgala, Bhantalaiya and other mohollas are pucca and roofed with tiles but literally unfit for human habitation. A room 10' × 8' to 10' × 10' with hardly any verandah is provided for each family by partitioning off long barracks, with no plinths, no windows and practically no arrangement for light and air. Some of these are old disused public latrines converted into sweepers' residential quarters and the partitioning in many cases have been carried out by the sweepers themselves. For want of accommodation they have made additions and extensions in a cramped space with improvised structures with low roof and small doors, which have made the quarters dark, dreary and damp, resulting in congestion and overcrowding. In the centre of the *busti* are public latrines with quarters built round them, some of them hardly 12 feet away from the latrines. There is practically no arrangement for sanitation, and anything better can hardly be expected in the vicinity of such dirty public latrines. Inadequacy of water-supply is generally felt, as it is not available when it is most needed, *i.e.*, after sweepers return from their work. There is no reservoir provided to ensure 24 hours' supply.

Though the municipal authorities of Jubbulpore have provided a large number of quarters free to their sweepers, they appear to be the worst we have come across. Unlike these, twelve quarters built near Bhadpura in 1933-34 at an approximate cost of Rs. 5,000 are quite good and satisfactory. A room of 10' × 12' with a verandah in the front is provided for each family. The rooms are built, on a high plinth, provided with windows, well-lighted and ventilated and are situated in much better surroundings than elsewhere. Corrugated sheets purchased for plague huts have been freely distributed to sweepers for putting on the roofs of their huts in the *busties*. Budget provisions were made for Rs. 5,000 each year in 1933-34, 1934-35 and 1936-37 for building new quarters for sweepers, but unfortunately the money was not utilized for the purpose on the last two occasions. The President assures us that he has taken up the matter in earnest and plans have already been prepared for sweepers' quarters and he is providing Rs. 5,000 for the purpose in the next budget, *i.e.*, for 1939-40. He is prepared to take loan from the Government to undertake the housing of sweepers.

The sweeper *busties* in which the huts or houses are constructed by the sweepers themselves are veritable slums of low, dark and dingy, mean dwellings of mud walls with roofs of corrugated sheets, country tiles or old kerosene tins. The doors are so small that the inmates have to crawl in and out and windows are generally lacking. The size of the rooms is very small, less than 100 square feet in area with the average height less than eight feet. In Toria a colony was found on a hillock, much better situated than others, with better-built houses in healthy surroundings, but suffering from lack of water-supply, paved streets and lights. In these *busties* even public latrines are not properly lighted and the approach road with broken steps was found so dangerous in one case as to call for immediate attention. We found some newly engaged sweepers settled in huts constructed with six corrugated sheets supplied to each by the municipality fixed in the shape of inverted V, with no covering for the open sides, the shelter hardly enclosing a space of 8' × 4'. Others have utilized the sheets to better advantage by constructing small huts of 8' × 10' × 7' high. In some cases pig-sties adjoin the sweepers' living rooms. Most of these *busties* are segregated on the hillocks, or in neglected parts of the town where water-supply does not reach, and the sweepers are put to great trouble for securing water for their daily needs. In one locality only, near Phutatal, adequate water-supply is available, and good bath rooms with enclosures and good privacy for women have been provided. The land is generally provided free by the municipality, but where the houses are built on private lands, ground rent varying from four annas to eight annas per month has to be paid by each family. As a result of paucity of suitable quarters, we came across a couple of families compelled to live in rented dwellings on the roadside adjacent to a sweeper *busti*, paying as high rent as Rs. 4 per month for a good size room, with kitchen and verandah. The dormitory provided by the municipality for the night shift gang of carters is also unsatisfactory. The floor is *kuccha* and always damp, while in rainy season underground springs burst forth and form into rivulets passing across the floor of the room.

55. **Khandwa.**—In Khandwa, the Committee visited the sweeper quarters at Bara Bamb, Rameswar Road, Garikhana, Ghaspura and Dudhtalai. It was observed that the old sweeper settlement at Bara Bamb consists of very good houses compared to other places and even the poor sweepers of that locality possessed decent well-built houses, though old-fashioned and somewhat lacking in ventilation. Out of 30 houses in the locality, only three are in a very bad condition with low grass-thatched roof, dark, and without ventilation. The roads here are good and there is one public water standard, but no arrangement for storage of water for use during non-supply hours.

Apart from the nine quarters built for the sweepers (one each) attached to the nine public latrines, no housing accommodation is

provided by the municipality for its sweepers. But the above nine are good *pucca* quarters well-built and airy with an average-sized room of 14' × 9' and verandah. They are not built too close to the public latrine and face away from the latrines.

The houses in Ghaspura (Methwari) are not so good as those of Bara Bamb but are better than what is generally seen in sweeper mohollas. In this locality 15 sweeper families are living in rented quarters consisting of a decent room varying from, 16' × 12' × 10' to 12' × 10' × 10', with a courtyard attached to some, the rent varying from Rs. 1-8-0 to Rs. 2-8-0 per month. But the worst housing arrangements are in Garikhana where 35 to 40 sweeper families are at present huddled together. The huts are very bad, made of old kerosene tins and bamboos, or mud walls 6' to 8' in height, topped with tin sheet roofing. The rooms are about 8' × 10', partitioned off in some cases, with bad roofing and no verandah. As the refuse carts and bullocks are stabled here, it was proposed to build here 24 quarters for the refuse cartmen at a cost of Rs. 7,200 to the municipality, but the proposal has been given up. There is one water standard in the *busti* and another near the cattle shed, a few yards away and water-supply is maintained for 24 hours. There are two street lights and the approach road is good. The *busti* is proposed to be shifted to Dudhtalai, where the site for building new quarters has been selected. For over five years correspondence is going on between the municipal committee and Deputy Commissioner for the provision of land, and as no land has been provided by the Government, the municipal committee has not formulated any scheme for building sweepers' quarters, nor provided any money. The sweepers strongly objected to being ejected on payment of a nominal compensation for their present huts and being shifted to Dudhtalai.

56. Shegaon.—In Shegaon, the Bhangipura both at Domori (two culverts) and Charmori (four culverts) were visited. There are about 18 houses in the first locality and 18 in the second. Both *busties* are built by the sweepers and are situated on the bank of a nullah which is like an open sewer of the town. The houses constructed of mud walls and tin sheet roofing are comparatively good; and the rooms are capacious with small windows fitted with wire netting. The land being given free by the municipality, no nazul rent has to be paid. The approach road to both the *bustiises* very bad and unpassable during rains on account of the nullah being flooded. In both *busties* water scarcity was very much complained of. In the first, the tap provided is open only between 7 and 8 in the morning and 6 and 7 in the evening, while in the other *busti*, supply is available for 12 hours but water merely trickles from the tap after 10 a.m. So an adequate supply of water at 11 or 12 noon, when the sweepers return from morning duty is practically impossible and the tap being in the bed of the nullah in the second *busti* about two furlongs away from it, the difficulty of getting water in the

rains is very great. There is no well in this *busti* and the public latrine with no pans under half the number of seats is too close to the dwelling houses.

57. **Amraoti.**—In Amraoti, the sweeper moholla of Belpura inhabited by 95 families, Aurangpura inhabited by 12 families, and Masanganj inhabited by about 25 families were visited and the usual slum conditions were noticed. Belpura is very much congested and the *busti* being on the bank of a nullah the approach road passes through it and the surroundings are dirty with garbage and refuse dumped in the low-lying places. There are two water-standards, which are not sufficient for the *busti* and the supply is augmented from the well in the bed of the nullah, but the water thereof is said to be brackish. The houses which are mostly huts constructed by the sweepers themselves have sufficient accommodation and are built all over the place without any plan or lay-out. Mud walls and old kerosene tins or corrugated sheets largely enter into the construction, but a few well-built houses of brick and mud, roofed with country tiles, are also noticed. Rooms are of decent size and kept neat and clean, but due to lack of windows and roof being low, they are mostly ill-ventilated and sometimes dark. In order to improve the layout and relieve congestion it has been proposed to remove 25 families from this locality to another site selected for the purpose, but those 25 sweepers are not willing to shift. Some of us visited the proposed site and found it to be a low-lying place on the side of a similar nullah which has to be diverted, and the unsuitability of the site prompts the sweepers to object to their removal, while they are willing to shift to the Masanganj colony. The Nazul Department is prepared to give the land free of ground rent, on condition that free quarters are provided to the sweepers, but the municipal committee has not yet decided the question, nor provided the funds for building quarters.

Aurangpura is a much smaller *busti*, also on the bank of a nullah, with similar conditions of housing as at Belpura, if not worse. The water pipe line comes through the municipal drain and is placed very close to it. Sweepers' temple belonging to the Valmik Samaj is situated here, which has a well in its compound now dry and out of repairs. The municipal quarters provided free to 22 families are in Masanganj colony, which is the best of the lot. These were built in two blocks at a total cost of Rs. 9,900 in 1919 and 1923 each block consisting of ten rooms of 10' × 12' with a verandah 8' wide. The rooms are well-lighted, well-ventilated and provided with windows, but the verandah in some cases has been covered up and converted into kitchen. Two more families are provided in huts built by sweepers and later on acquired by the municipality. Three more families are living in a block of huts constructed by themselves. The standard of housing in Masanganj is better than in the other two places and the houses are built round an open square. The surroundings too are clean and sanitary, while the public latrine is quite far off. The only difficulty is about water, as there is no

arrangement for tap water in the *busti* and the public water standard is nearly a quarter of a mile away, while the well provided for them is being monopolised by caste Hindus.

58. **Ner.**—On our way to Yeotmal we visited Ner (Sanitation Committee), and found only two or three families of sweepers employed by the local body who are housed in their own low mud huts with grass thatch and none of the conveniences of water-supply, approach road or sanitary conditions.

59. **Yeotmal.**—In Yeotmal, the Bhangipura on the Kalamb road was visited and about 100 families of sweepers were found to be living there. No quarters are provided by the municipality and the houses are mostly built by the sweepers. Nazul land is given to them free of rent for the purpose. A few of the houses are very well built in brick and mud with corrugated sheet or country tile roof, and provided with a cowshed in front and courtyard at the back. But most of the houses are small huts, constructed of timber, bamboo and mud with roof of old kerosene tin sheets. The height of these huts is usually 7' to 8', while of a few it is 8' to 10'. The rooms are of good size, but with poor ventilation and surrounded with piggeries and cow-sheds that make the locality less sanitary than it would otherwise be. There being no public water-supply, and the well water in the moholla being brackish, a good deal of difficulty is experienced. The fresh well water used by sweepers is at a distance of more than quarter of a mile. The housing scheme proposed by the municipal committee is to provide plots, free of ground rent, on a laid out plan and advance loans to the extent of Rs. 100 per family to the sweepers for building their own houses. It does not sound to be a satisfactory proposition at all, as the huts constructed from the amount advanced would be hardly any better than the present ones and the same insanitary conditions as now existing are likely to be perpetuated.

60. **Gondia.**—In Gondia, the Bhangipura was visited and well-built huts of good mud walls and tiled roofs were found with courtyards attached. These are well-kept and clean, but in many cases piggeries adjoin the living rooms, making the place insanitary. The surroundings are dirty and too many refuse pits are in evidence all round. There is one *pucca* road in the middle of the *busti* which is well kept and provided with two lights, one more being needed. There are no drains except a *kuchcha* roadside drain. The land is given by the municipality free of rent to the sweepers and two good wells are provided. A school has been provided by the Harijan Sevak Sangh in the vicinity, and the municipality gives it a good grant-in-aid.

61. **Raipur.**—In Raipur, the sweepers are mostly concentrated in *bustis* in Modhapara (35 families), Baijnathpara (45 families), Bahmanpara (60 families) and Nawapara (25 families), while in other mohollas they live in scattered groups of two or three families.

At Baijnathpara the municipal committee has provided quarters to 35 families free. These were formerly sheds for refuse carts, which have been converted into two lines of quarters in 1920 or thereabout. The size of each room is about 8' × 10', big families occupy two rooms each. No verandah is provided, but temporary verandahs have been erected on both sides thereby leaving a passage 18' only between the two lines. The quarters have tiled roofs and no plinth. The surroundings are very dirty and the middle passage is apparently never swept. The passage becomes very muddy during rains and the children have to play in this dirt and filth. Water laid in pipes is available for 24 hours at both the taps and no water scarcity is experienced. The public latrine (20 seats) nearby has been condemned by the Director of Public Health as very bad and has to be demolished. There being no cesspool connected with it, the liquid excreta passes in the *kuccha* drain. Even proper receptacles are not provided under the seats.

The houses in other mohollas are all built by the sweepers themselves and are far superior to that provided by the municipal authorities. Generally, these are constructed of mud walls with tiled roofs and consists of a living room of about 12' × 10', a verandah of 6' wide, a separate kitchen of about 8' × 6' and a courtyard attached. The only drawback is the lack of windows. But a few of them have three or four small rooms with windows, cemented flooring and *pucca* courtyard. A few of the houses are even double storeyed. The ground rent on nazul lands comes to Re. 1 or Rs. 2 per year, while on *malguzari* land it is Rs. 2 per year or more. At Modhapara two taps and one well with hand pump are provided for the water-supply, which is found adequate. The great need is for a public bath, and one has been improvised by the sweepers for the use of their women folk. There is one lamp on the public road and the drains are partly *pucca* and partly *kuccha*. At Bahmanpara, the approach road is the main throughfare and the feeder lanes are satisfactory. There are about three public water-standards in the vicinity and no water difficulty is experienced. Street lights are provided on the main road.

We understand that a housing scheme for sweepers is under consideration but the site selected for the purpose has been disapproved by the authorities concerned. The Deputy Commissioner was approached for the transfer of the old police quarters, now vacant, to the municipality for the purpose of housing the sweepers, as it was decided to put them up for public auction. The application, however, was rejected on the ground that it would not be in the interest of the State to give away such valuable Government property for the purpose free of charge. A new site has been proposed on the right side of Dhamtari Road opposite the police lines.

62. Responsibility of the municipal authorities.—It is clear from the above survey of a few towns in the province that the conditions of housing of sweepers employed by the local bodies

are far from satisfactory, and substantial improvements are urgently needed. It can hardly be urged with any degree of justification that the conditions are practically the same as in villages, but are much worse in many cases. The congestion in the *busties*, the overcrowding in the limited space of one-room dwellings, the filth and squalor existing in the areas allotted to them in the towns, the proximity of public latrines, sewage bearing nullahs, or refuse dumping grounds of cities, to their habitations, and the insanitary conditions of the most neglected or water-logged part of the town assigned to them for dwelling, these are living conditions not fit for human beings, much less for a useful class of public servants, merely because they have been kept degraded and ignorant. As a matter of fact, hardly any sweeper witness denied the necessity of better housing for themselves and in their persistent demand for better housing arrangements, they have been strongly supported by almost all the municipal authorities. A heavy responsibility devolves on the municipal committee, both as employer and as corporate body responsible for the health and sanitation of the citizens. Moreover it is recognized by all the important municipalities and railways too that the condition of service of these sweepers entitles them to be provided with suitable housing by the employers. For big cities like Nagpur and Jubbulpore where housing conditions are extremely bad, and Amraoti and Raipur where it is less so, the failure to provide necessary quarters must be looked upon as a dereliction of duty on the part of authorities concerned. In all these towns the question has been taken in the past and sporadic attempts have been made to carry out the responsibility, but due to lack of interest, tenacity of purpose and the so-called financial stringency, modest beginnings, where made, were not followed up by well-prepared definite schemes. No systematic effort has been made by any municipality to solve the housing problem for its sweepers. We regretfully observe that except making stray attempts, no municipality, large or small, has given this important question the serious consideration it deserves, much less has it provided the necessary housing.

63. The responsibility for housing sweepers must be realized by the municipal and notified area committees, and the obvious thing for them is to set about it immediately, and devise suitable housing schemes according to the requirements and resources of each municipality or notified area committee which can be carried into effect within a reasonable number of years. The work of planning should be started immediately, and the scheme completed within, say, five years or ten at the most, for large municipalities.

The greatest obstacle to any such scheme is the attendant financial difficulties. But, with a little sympathy from the public and the good will and the determination of the municipal authorities, backed by the Provincial Government, funds can always be made available. Bigger municipalities like Bombay, Karachi, Cawnpore, etc., have taken upon themselves the duty to carry out large housing schemes of their own. In this province, we believe that the big

municipalities of Nagpur, Jubbulpore, Akola, Amraoti and Raipur can obtain funds by borrowing money, either from the Government or the public with the approval of the Government at an interest of 4 to 5 per cent per annum. Smaller municipalities may provide requisite funds per year for this purpose in the budget and build only 5 to 10 quarters per year. It is our considered opinion that the smaller municipalities and notified area committees, that are unable to finance housing schemes for sweepers, should organize and initiate co-operative building societies for sweepers on the same lines as the one functioning in Pandharkawada, and should give them, free of cost, suitable building sites properly laid out, and provided with sanitary conveniences and water-supplies, for allowing the sweepers to erect their own houses according to approved designs under the joint supervision of the society and the municipal officer detailed for the purpose. The Pandharkawada scheme is given in Appendix VI. Strict supervision regarding capacity, dimensions and materials is essential to avoid the prevailing bad conditions being perpetuated. The co-operative society will advance money for house building to sweepers under the rules and conditions of the society and realise reasonable instalments of the loan by monthly deductions from their pay. The best results are likely to be secured by joint action where the expenses are also shared by the municipality and the sweepers, while the right of ejection is vested in the society that undertakes the financing of the scheme. Government contribution to the solution of the problem would be to provide suitable land, free of all charges, to the municipal authorities concerned, who should be responsible for the proper development and lay-out of the housing scheme and to take the responsibility of arranging for necessary financial aid to carry out the scheme. In order to encourage their activities in this direction and to relieve them of at least a part of the burden, we consider that the Provincial Government should announce their willingness to subsidise in this or in other ways housing schemes advanced by municipal authorities and approved by the Government.

64. Feasibility of Housing Scheme for Sweepers.—After due consideration of all the evidence placed before the Committee, we are convinced that it is a practical proposition to execute, within the next 5 to 10 years, a scheme for building cheap houses of better types in healthy surroundings, with necessary sanitary requirements and water-supply provided. Some designs and plans of such cheap houses as built for the workers of Burn and Co., Jubbulpore, Central Provinces Manganese Ore Co. in Bhandara district, and the Empress Mills, Nagpur, are shown in Appendix VII. The cheapest are those of Central Provinces Manganese Ore Co., Ltd., the cost per one quarter consisting of a room (10' × 10') and a covered verandah (10 × 6') being Rs. 260, increasing to Rs. 360 when cement asbestos sheets or reinforced brick in cement are respectively used for roofing. The average cost for a quarter of one room (13') and a kitchen verandah (13' × 4') as built by Burn and Co. in Jubbulpore comes to Rs. 350. Two-roomed houses of suitable size, with adequate light and ventilation

as constructed by the Empress Mills in Nagpur, cost Rs. 350 per unit. The average cost of decent dwellings for sweepers can, therefore, be taken as Rs. 300 per family. It must be remembered that public baths, with water-supply throughout the day, are very necessary for the sweepers. To take advantage of the cheap money market and the cheaper cost of building materials, the housing scheme may be undertaken without delay ; but so long as this is not done, the existing quarters if and wherever provided by the municipalities should be kept in good repairs and improvements in sanitation, lighting and water-supply must be carried out. In all fairness such sweepers as are paying house rent or ground rent for their houses must be paid the amount, on production of necessary receipts. Such an amount is not likely to be large in any case, and if it happens to be so, it is all the more reason to expedite the housing scheme for sweepers. We do not claim to have prescribed for all the evils associated with bad housing, but we believe that, by some combination of the methods we have discussed, many of the worst features now in existence could be greatly improved and even eliminated.

65. After a very careful consideration of all the evidence before us and after what we have experienced during the inspection of the sweeper *busties* in various towns of the Central Provinces and Berar, we make the following recommendations :—

- (1) The provision of houses for sweepers must be made obligatory for all municipal and notified area committees, and necessary alteration should be made in the existing law for making this provision an obligatory duty of the committees.
- (2) The Government should provide nazul land, wherever available, free of premium and rent, for building sweepers' houses. Where nazul land is not available, it should be the duty of the committee to acquire land either under the Land Acquisition Act or through private negotiations.
- (3) The Government should direct that every municipal and notified area committee should prepare a housing scheme for the residence of all sweepers in its service and prepare financial statements showing how and in what period the committee is prepared to carry out that scheme—
 - (a) a period of 5 to 15 years should be given to a committee for completion of the scheme, in accordance with its financial resources ;
 - (b) where a committee is unable to provide money from its own revenue, Government should give it money on loan.
- (4) That along with the compulsion to be enforced by Government on municipal committees, it should be the duty of the State to help them with reasonable grants, and

that it should also be made obligatory by Statute on the Government to provide suitable grants. Therefore, we recommend that, as in the case of Compulsory Education Act, the Government should provide grants to the extent of 50 per cent of the total expenditure on housing scheme, including the cost of land, if nazul land is not available.

- (5) That Government must arm itself with powers to make rules to see that the municipal committees carry out this obligatory duty, within a specified period.

CHAPTER VI.—MODE OF LIFE

66. Health.—We have been impressed by the evidence of all persons including Health Officers who have testified that in spite of their filthy work, the sweepers are neither in physique nor in general health, inferior to or different from the general population of the town concerned. They do not suffer from any occupational diseases as such. We found from our personal observation of their daily life that their general physique is good, and though child mortality may be high amongst them, there is no proneness to diseases, on account of their care about personal hygiene. It has been suggested sometimes that living under such filthy and insanitary environments and being engaged in the removal of night-soil sewage and garbage of the town, they have developed a general immunity protecting them from infection. No vital statistics of sweeper class are separately available, but the effect of their environments, work, and living conditions have adverse effect on longevity and the rate of mortality of their children. Low average longevity of sweepers has been urged as a reason against pension scheme, as contrasted to provident fund, and the high mortality rate of their children has been admitted by many social workers. This seems to be due to the absence of women folk on work from early morning, leaving the children uncared for, coupled with the common practice of administering opium to keep them quiet during the women's absence from home.

67. Education.—It is apparent from the evidence received from all quarters that the education of sweepers' children is as a rule neglected both by the parents and by their employers. It has not only been so in the past, but even under present advanced times, it is being neglected through lack of enthusiasm on the part of the sweepers themselves and lack of interest on the part of the authorities concerned. As a result, the spread of education has made little headway in the sweeper class. Even in towns or areas where primary education is compulsory, the number of sweeper boys and girls attending schools is much less as compared to their actual strength. So often sweepers or their mohollas are exempted from the operation of the municipal byelaws enforcing compulsory primary education, through a mistaken sense of compassion. It is difficult to say whether

such mistaken compassion is tinged with a subconscious feeling of avoiding untouchables in any locality. We are, therefore, of the opinion that the sweepers should never be excluded from the operation of compulsion in the matter of primary education, and wherever possible, schools should be opened near sweeper mohollas to facilitate their attendance. In places where primary education is voluntary, it is usually the case that the officers concerned do not use sufficient persuasion to get the school-age sweeper boys and girls admitted in the municipal or aided schools and, even when such schools are situated near the sweeper mohollas, the attendance of sweeper boys is found to be poor, as was seen in Yeotmal and Gondia. It has been admitted by most of the municipalities that no direct or indirect pressure is exerted on the sweepers to send their children to school. They are admitted in all municipal and aided schools and allowed to sit with other boys without distinction, and teachers too have no prejudice against physical contact, but due to lack of persuasion or pressure on the sweepers employed by the committee, there is no enthusiasm in sending their children to school. We therefore suggest that even where primary education is voluntary, education officers must use special persuasion and even coercion in their case and provide all facilities for their admission to schools.

68. No municipality ever undertook to promote adult education among sweepers or made any arrangements for conducting night classes to remove the illiteracy of elderly people. We propose adult education may be introduced by opening night schools in sweeper mohollas by the help of voluntary teachers, who must be rewarded on the basis of average efficiency attained by his class. If any Welfare Officer, paid or honorary, is appointed it would be his special duty to encourage education amongst sweepers by all possible means. The majority of the municipalites have provision for supply of free books and school requisites, to poor boys, but it is doubtful if the sweeper boys get any benefit out of it. There was no evidence forthcoming to show by figure how much of this amount is spent on sweeper boys. We are, therefore, of opinion that books and school requisites should be provided free to all sweeper boys and girls and the necessary amount should be specially earmarked by the municipal and notified area committees.

69. **Drink.**—We believe that the drink evil, the caste dinners and the bride price are the curse of the social life of sweepers and have been complained of by everybody. Consumption of opium, ganja or any other narcotic drug is much less than of liquor. From the evidence it appears that more than 50 per cent of men are addicted to drink, while less than 10 per cent take narcotics. It has, however, been brought to our notice that barely 10 per cent are hard drunkards, while most of them only take it moderately as a stimulant on special occasions, specially on the pay day. Heavy drinking generally accompanies some social functions or religious ceremonies like marriage or festivals. So, it is more of a custom than habit and can be

eradicated by social uplift. The monthly expenditure generally shown on this head varies from Re. 1 to Rs. 10 per month per family and the average expenditure on liquor and narcotics would not exceed Rs. 2-8-0 per month per family. If drink can be abolished from the community, there will be much improvement in the standard of living and the expenditure incurred on social functions and religious ceremonies will be much reduced. It would also have a salutary effect on their morals and outlook on life, and the sweepers would be economically benefitted to the extent of Rs. 5 or so per month per family. The argument that drink is necessary for their work and health has been refuted by the Health Officers and deputations of sweepers in their evidence. As a matter of fact we were impressed by the keenness of the latter to have the evil stopped even by prohibition legislation. Reformers in their own *biradari* (society) and some of their caste panchayats are enforcing temperance and administering public oaths enjoining complete abstinence. As a result many have given up drink and taken vows not to touch it. The need of legislation to eradicate the drink evil is, therefore, keenly felt by the sweepers, as the method of persuasion or temperance has reached the limit of its usefulness in the community. With the policy of prohibition pursued by the Government, for several years past, if persisted in all the districts of the province, it is expected that the evil will be eradicated and the life of the sweeper class will improve in the very near future.

70. Welfare.—Gambling as a vice is also prevalent to some extent in the sweeper class. Not much propaganda has been carried on to stop this growing evil. There is already a cry against caste dinners, but the social habits and the tyranny of social customs are still too strong to be broken without the help of legislation. In Indore and Baroda States, laws have been passed to prevent extravagance on caste dinners at the time of funerals and marriages. The evil of administering small doses of opium to babies to keep them quiet, while the mother is away on work, is fairly prevalent. The only remedy in a community where the women folk is on work in the mornings and afternoons is to have their babies nursed in creches. We suggest that properly run creches, as prescribed under the Factories Act should be provided and maintained by the municipalities in all sweeper mohallas at least in important towns, and specially in the morning hours.

71. During rains the sweepers on removal of night-soil duty work under great discomfort and expose themselves to rain and inclement weather. It has been suggested that they should be provided with some sort of waterproof cap, umbrella or rain-coat to protect themselves from rain. We consider that cheap waterproof or country-made blankets (*kambals*) should be supplied to the sweepers for protection from rain.

72. Social Activities.—Apart from the six registered trade unions of sweepers, they have organized a few socio-religious associations among themselves which have for their aims social reform

and unity in the community, and their activities centre round some temple or *akhara* (gymnasium) of theirs. Two such organizations in Amraoti have collected sufficient funds to lend money to their brethren on easy terms, so as to clear off their old debts or save them from further indebtedness. Lack of education and organizing capacity are hampering the growth of such associations, but these clearly indicate that they are becoming conscious of their social evils and deficiencies and trying to remedy them. In spite of all the handicaps and social disabilities that are imposed on it, the gradual but sure awakening of the sweeper class is easily perceived. It is, therefore, the most opportune moment for the local bodies to help them in their awakening, and offer all facilities for self-improvement by enlisting their sympathy and co-operation instead of conceding some facilities at the end of strikes and struggles that usually embitter mutual relations, and cause temporary discomforts and insanitation.

73. Strikes.—So far strikes have not been common in this province, and since 1930 there have been only 10 strikes in the municipalities of Umrer, Raipur, Bilaspur, Jubbulpore, Ellichpur, Khamgaon Balaghat and Chhindwara. All these were of short duration and the bulk of the sweepers felt that the provisions of section 26 (3) of the Municipalities Act were unfair and one-sided. Sweepers are under the section liable to imprisonment for attempting collective bargaining, while the permanence of service including benefits of leave, promotion and provident fund is denied to them in their employment. They have a just grievance that while the law enjoins them to give one month's notice, they are treated by their employer as temporary daily-wage servants and can be dismissed at a moment's notice. We consider that the principles of reciprocity should have been acceded to, and persons in such public utility services should have been deemed as permanent servants, entitled to one month's notice for termination of service. Moreover, to avoid trade disputes in such public utility services, we consider it advisable that formation of unions should be encouraged by the municipal and notified area committees, and well-organized unions should be encouraged and recognized by them.

74. Recreation.—We have already mentioned that some of these associations of sweepers are already fighting the double demon of drink and indebtedness without outside help, but the best remedy they have adopted is the organization of *akhara* in many important sweeper *busties*, and which provides healthy recreation to them and combines physical culture with club life. The provision of such a cheap and healthy means of recreation is the best way to bring the drink evil under control, until full-fledged prohibition is introduced and is an effective weapon against other social evils.

75. Prohibition.—The effect of prohibition is seen in the sweepers of Hinganghat and Katni (Murwara), two towns, where prohibition was introduced last year, and in Damoh where it has been in existence for some years. In his evidence the Municipal Secretary

of Hinganghat deposed that drinking among sweepers had been reduced by 60 per cent, but that no appreciable change in saving of money was noticed by him, while the Municipal President of Katni (Murwara) stated that drinking had been practically given up by sweepers which resulted in saving of money and improvement of their character. Considering the success of the prohibition among sweepers and their own organizations for eradicating these evils, we suggest that prohibition by law must be introduced in all towns at the earliest opportunity, as it would stop the waste of money on drink, opium, etc., and result in moral and material benefit to the sweepers, an important and indispensable class of public servants.

76. Appointment of Welfare Officer.—It cannot be denied that the sweepers as a class constitute the most neglected section of the population and have been compelled to live a most degraded life on account of their occupation. The ordinary tax-payer hardly realizes the important functions that the sweeper carries out in the life of the town and the social service he renders to the community in general, until he strikes from work. The municipal or notified area committee generally forgets that on account of his occupation usually considered degrading, he is so useful to the employer, and keeps him in perpetual degradation by not improving his present conditions of work and living, oblivious of his human requirements and general welfare. On account of this general carelessness on the part of the employer, it seems to us necessary to provide a special agency, an officer to work for their welfare and to devise means for their uplift and to make them better and more effective servants of the public. Under the present conditions they are unable to look after themselves, and, just as the Royal Commission on Labour advocated the appointment of a Labour Officer in individual factories or in a group of factories, the President of the Mahakoshal Harijan Sevak Sangh suggested the appointment of a special officer for promoting the welfare of sweepers in individual municipalities or groups of municipalities. From a consideration of all the evidence, we are convinced that the appointment of a competent Welfare Officer under, or better independent of, the Health Officer, who should be in charge of their welfare work, is very necessary in bigger municipalities with large sweeper staff. His duties may cover the following fields of activities, *viz.* :—

- (i) to improve the existing condition of sweepers in general and obtain a greater security of service for them ;
- (ii) to improve the standard of living and suggest better housing conditions with necessary sanitary arrangements ;
- (iii) to take all available steps to reduce indebtedness among them and specially organize co-operative credit societies among them and render all possible help to such societies necessary in their work as well as to prevent them from using the cheap credit in any way detrimental to their interest ;

- (iv) to eradicate the drink habit and other social evils prevalent among them ;
- (v) to encourage spread of education among their children and adults ;
- (vi) to provide suitable medical aid, maternity and child welfare facilities ;
- (vii) to arrange for their healthy recreation and to join as a friend in their sports.

It is immaterial whether the officer is a paid servant of the municipality or not, so long as he is specially appointed for the purpose by the municipality concerned, and is vested with necessary powers and authority for the proper discharge of his duties and possesses wide sympathy, integrity of character, energy, personality and missionary zeal for the welfare of sweepers. It would be necessarily a whole-time job in big municipalities, like Nagpur and Jubbulpore, and would ordinarily require to be a well-paid servant of the municipality with necessary experience and qualifications. We, therefore, advocate the appointment of a qualified Welfare Officer in Nagpur and Jubbulpore, and such other places where the finances of the municipality permits ; but in other municipalities where such appointments may not be feasible the necessary welfare work should be entrusted to honorary workers detailed for the purpose, and who may be provided with some allowance for conveyance, etc.

A. V. THAKKAR,
Chairman.

*N. K. KELKAR,
Member.

D. L. KANADE,
Member.

P. D. JATAR,
Member.

†C. B. PARAKH,
Member.

C. G. MISRA,
Member.

SYED HIFAZAT ALI,
Member.

The 15th June 1939.

MINUTE OF DISSENT

[To be read with paragraph 65 of the Committee's report]

In order to make this note clear it is necessary to take a brief retrospection of one of the Committees' major recommendations, *viz.*, regarding minimum wages in paragraphs 28 and 29 of the report. I was struck by the lowness of wages in some places, and was not alone in feeling that one of the ways in which this defect could be rectified was to fix a minimum wage. This at once confronted us with the facts that the difference in standard and income of different local authorities was so great and varied that it would be impossible to achieve this object without introducing a complicated machinery for determining the standard of each authority and the minimum wage to be enforced therein, or introducing a minimum wage, or wages, which in some cases would not be unfair to the authorities, and in others, to the sweepers. I therefore agreed, with considerable reluctance, to the proposal that each authority should fix a minimum wage, with the aid of byelaws and previous consent of the Provincial Government. While agreeing to this proposal, I had borne in mind that if the sweeper were to be benefited, it should be so arranged that the benefit was shared by the whole family and not by the working member only. Under the present conditions of life, the additional wage, or at least a substantial part thereof, would or might go towards such personal habits as drinking, smoking, gambling, or even wearing fancy clothes, so common amongst sweepers. I therefore thought that the best way of giving the sweeper a little additional money would be to compel the local authorities to provide housing for them, which would enable the sweepers to save one or two rupees which they now spend towards house rent according to the place where they are working.

I was, therefore, very much disappointed when the Committee framed its recommendation for housing [sub-clause (4) of paragraph 65 of the report] in a manner which might make it a dead letter. I am in entire agreement with the Committee's recommendations that it should be obligatory for all local authorities to provide free houses for all sweepers to be erected within a specified time, and that the Provincial Government should provide nazul land free of all charges. I am unable to agree with the Committee's recommendation that Government should bear one-half of this expenditure for idealogical and practical reasons. By giving land free of all charges, the Government would be contributing, more or less, one-third of the housing scheme. By asking for more, we are shifting the responsibility of the local authorities to the Government, which is unsound in principle. The tendency of local authorities to look to the Government for help for all reforms, without making an honest effort or taking the right steps to find out money, is largely responsible for the lacuna in their administration. I feel it my duty to counteract and discourage this tendency which has prevented and would prevent our local authorities from putting their house in order without which no real progress is possible. The practical reasons for opposing

the Committee's recommendations are these. For a major portion of the last 10 years, the Government of the Central Provinces (and Berar since 1937) had to content with deficit budgets. The Government has on its hands schemes which would increase its expenditure and reduce the revenue. It is not within the province of this Committee to criticise the causes or reasons for continuous deficit budgets, or to discuss the merits of the schemes in its hands. The Committee can and should take cognizance of the fact that for a long time to come it would be impossible for the Government to add to the present monetary grants made to the local authorities. Indeed it would be no small mercy if such grants are not curtailed or abolished. Under these circumstances, it is unwise to ask the Government to make monetary grants for the fulfilment of the specially created legal duty of the local authorities. The wording of sub-clause (4) of paragraph 65 of the Committee's report lends itself to an interpretation that if the Government were not prepared to accept its recommendation to contribute one-half of the expenditure of the compulsory housing scheme, the whole scheme should be considered as dropped. From this recommendation I dissent. I am of opinion that compulsory housing accommodation must be the duty of all local authorities, whose financial difficulties should be overcome by spreading over this duty to a number of years, and that the liability of the Government should not exceed the grant of nazul land free of all charges. It would be open to Government, as it always is, to examine individual cases of great hardship and grant monetary assistance in such cases, but the local authorities should not be encouraged to refuse to examine and explore the avenues from which money is available but seldom secured. The danger of the Committee's recommendation in sub-clause (4) of paragraph 65 of its report is that Government, feeling unable to bear the heavy financial burden thrown upon it, may not like any steps at all for amending the Central Provinces Municipalities and the Local Self-Government Acts with a view to make the provision of housing for sweepers a compulsory duty of all local authorities, which would mean that the only recommendation of the Committee which gave a real though indirect monetary assistance to the sweepers would become a dead letter on account of an overstatement of Government responsibility.

EXTRACT FROM MR. KELKAR'S LETTER, DATED
THE 26TH APRIL 1939

* * * *

I sign the report subject to the following observations. No reasonable person can dispute the proposition that every person must get a living wage. Living wage is a question of fact and must be determined with due regard to local conditions and the financial position of the employers. It is improper to make comparisons with others who make huge profits out of industries or whose resources are unlimited and who, even in these days, dare to defy even elementary principles of democracy and impose any taxes. The

scales of wages fixed by them cannot be said to be free from extravagance or are necessarily reasonable worth imitation. We must not, therefore, advise local bodies to imitate them blindly.

I deprecate the idea that prevails in certain quarters that services under the local bodies should be as remunerative, lucrative or liberal as those under Industrial concerns, or Government honorary service, or comparatively cheaper service is the merit of Local Self-Government. The autonomy of local bodies depends largely upon these two merits. If the working of the local bodies is to be got rid of these two essential merits, then it is no use to have Local Self-Government at all. The only alternative is to expect Government to cater to the civic needs of the people.

I am entirely opposed to remunerating any class of public servants by annual increments. In my opinion it is a most unscientific system. It has been largely responsible for the insolvency of the Provincial Government and has almost killed all incentive to work as a labour of love and honour. It is very doubtful if it has improved efficiency.

I don't agree with the suggestion contained in paragraph 13 of the report that the byelaw which prescribes 10 to 11 hours' actual work should be deleted and in its place actual work may be limited to 8 hours a day.

We have overwhelming evidence to show that no committee has abused this byelaw or harassed any sweeper under its authority. As a rule, sweepers don't work for more than 6 hours a day. This can not be said to be hard work. Very rarely they may have worked for longer hours. It is to meet only unforeseen contingencies that the byelaw is made more comprehensive and I would like to retain it without any modification.

It is rightly suggested that sweepers are their own enemies. No department under which they serve would be able to bring about their uplift. To be effective, the uplift work must be undertaken by those non-official bodies or individuals who profess to be their friends. These friends must bear in mind that uplift work does not mean instigation to the sweepers to claim higher wages or to go on strike.

SUMMARY OF IMPORTANT RECOMMENDATIONS

1. The actual hours of work in the morning and afternoon are fair, but should be regularized so as not to exceed five to six hours in the morning and three to two hours in the afternoon, or eight hours in the whole day. The byelaws which at present prescribe 10 or 11 hours of duty are not suitable nor in conformity with the practice and should be amended accordingly (paragraph 13).

2. The work allocated to the sweepers officially is as a rule fair and reasonable, but the Health Officer or Secretary should see that the scheduled work is carried out fairly strictly and extra work or work of absentees should not be concentrated on a few sweepers (paragraph 13)

3. In all municipalities, and particularly in the major municipalities, provision should be made for leave vacancies by the appointment of at least 5 per cent of the staff as reserve for absentees or those on leave including maternity leave. (paragraph 13).

4. All Sunday afternoons or bazar day afternoons, all festival afternoons, should be treated as official holidays, and under no circumstances should sweepers be called to work on these afternoons, except in cases of grave emergencies and then also as few as possible, rotating the men so called up in a strict order so that the entire staff contributes equally and fairly in the discharge of such duty (paragraph 13).

5. (a) Byelaws regarding construction of latrines should be strictly enforced. Municipalities should be advised to amend byelaws so as to compel all owners of private latrines to have a paved bottom to the latrines and provide tarred iron receptacles (paragraphs 14 and 15).

(b) The use of hand-cart as per sketch is recommended for carrying night-soil (paragraph 16).

(c) Provision of separate channel for carrying ablution water and urine in latrines and making a byelaw to that effect which should be strictly enforced by the sanitary staff (paragraph 16).

6. (a) It is recommended that the sweepers should either be supplied with all necessary appliances for doing their work or should be paid the full cost of the same (paragraph 17).

(b) It is recommended that in case of vacancy for the appointment of jamadar or conservancy peons, a sweeper with requisite experience and qualification should be given preference over other communities (paragraph 9).

7. The Committee without any intention of criticizing the municipal administration or casting any reflection on the integrity of the subordinate staff recommends that—

(a) Jamadars and havaldars should not be allowed to make cash payments to the sweepers. Cashier or pay clerk should make all such payments in the immediate presence and direct control of a responsible officer, like the Secretary or the Health Officer or the Municipal Chairman or member. If there be no such clerk or Cashier of sufficient standing, the Secretary or the Sanitary Inspector or any member of the Committee should make payment.

(b) Pay-slip system should be introduced in all big municipalities or wherever possible and the entries on the slip should be written in Hindustani showing the salary and deductions for the month, if any.

- (c) The presence of moneylenders in the vicinity of municipal premises at the time of payment of wages should be prevented by the use of the Central Provinces Protection of Debtors Act, 1937.
- (d) The Committee approves of the present practice, obtaining in some municipal committees, of making repayments to co-operative credit societies from the sweeper members' wages on behalf of those who have borrowed money from such societies. The Committee recommends to other municipal committees to organise such co-operative societies with the help of the co-operative bank or department, and encourage the sweepers to borrow money from them instead of from moneylenders, and to make repayments on behalf of sweeper members of the societies from the pay direct. The Committee further recommends that this practice should under no circumstances be extended to any other creditor. This procedure is economically very beneficial to sweepers (paragraph 20).

8. It is strongly recommended that the services of sweepers should be made permanent after a probationary period which should not exceed three years. As regards granting them leave with pay, gratuity, or provident fund, the sweepers should be placed exactly on the same footing as other permanent servants under municipal or notified area committees (paragraph 22).

9. The Committees' recommendations as regards leave with pay are—

- (a) The grant of leave is discretionary with the municipal committee, but ordinarily each sweeper should be allowed at least a half-holiday every week. This may either be a Sunday or a bazar day. On the occasion of all important festivals, sweepers should be allowed half-day's off.
- (b) In the course of a year, a sweeper be allowed casual leave for not less than seven days.
- (c) Sick leave on medical certificate from a qualified doctor be granted for a period of one month in the course of a year ; half of this period on full pay and the remaining half on half-pay.
- (d) Maternity leave be granted for a period of six weeks, two of which may be before delivery and four weeks after (paragraph 25).

10. The Committee has no evidence before it about what the fair living wage for a sweeper and his family is, but after examination of the present cost of living, the Committee is of opinion that four annas per day per head would constitute the minimum living wage (paragraph 27).

11. In the opinion of this Committee, it is desirable to lay down the minimum wage for sweepers, but in the Committee's opinion it is not feasible to fix a minimum for the sweepers for the whole of the province or for sweepers working under groups of municipal committees, but a properly chosen time-scale should be introduced without any loss of time (paragraphs 28 and 30).

12. As regards infliction of fines, it must be admitted that though it is open to abuse, it is necessary for the maintenance of efficiency and discipline. To ensure a check on its abuses, the legitimate purposes of fining should be well-defined by municipal authorities and sweepers should be allowed to put their cases in appeal before higher authorities (paragraph 34).

13. On a consideration of the evidence before it, the Committee has come to the conclusion that it should be just and suitable to grant the privileges of provident fund only. Contribution to the provident fund by the sweepers should be equivalent to that made by the municipal committees. Sweepers will thereby learn the habit of saving. In addition, gratuity may be given particularly in cases where due to an accident during service, a sweeper has been disabled permanently or for a long time, from earning his livelihood. The Committee also proposes the following restrictions for the use of the provident fund :—

- (a) The provident fund should be invested in an approved Bank and should not on any account be utilized by the municipality for its own purpose, as was found to have been done in a few cases.
- (b) The contributions by the municipality should be used to purchase annuity in favour of each beneficiary or his heirs for a period of ten years and no advance from this amount should be granted to the sweeper concerned.
- (c) Loans of individual sweepers may be advanced from his own contributions, and the amount should be recovered by easy instalments from his wages.
- (d) The part of the provident fund which consists of the sweeper's contribution and the interest thereon should be handed over on retirement or death to the sweeper or his heirs or assignees (paragraph 41).

14. After a very careful consideration of all the evidence before it and after what was experienced during the inspection of the sweeper *bustis* in various towns of the Central Provinces and Berar, the Committee makes the following recommendations :—

- (a) The provision of houses for sweepers must be made obligatory for all municipal and notified area committees, and necessary alteration should be made in the existing law for making this provision an obligatory duty of the committees.

- (b) The Government should provide nazul land, wherever available, free of premium and rent, for building sweepers' houses. Where nazul land is not available, it should be the duty of the Committee to acquire land either under the Land Acquisition Act or through private negotiations.
- (c) The Government should direct that every municipal and notified area committee should prepare a housing scheme for the residence of all sweepers in its service and prepare a programme and estimate showing how and in what period the committee is prepared to carry out that scheme—
- (i) a period of 5 to 15 years should be given to a committee for completion of the scheme, in accordance with its financial resources ;
 - (ii) where a committee is unable to provide money from its own revenue, Government should give it money on loan.
- (d) That along with the compulsion to be enforced by Government on municipal committees, it should be the duty of the State to help them with reasonable grants, and that it should also be made obligatory by statute on the Government to provide suitable grants. Therefore, the Committee recommends that, as in the case of Compulsory Education Act, the Government should provide grants to the extent of 50 per cent of the total expenditure on housing scheme, including the cost of land, if nazul land is not available.
- (e) That Government must arm itself with powers to make rules to see that the municipal committees carry out this obligatory duty, within a specified period (paragraph 65).

15. From a consideration of all the evidence the Committee is convinced that the appointment of a competent welfare officer under, or better independent of, the Health Officer, who should be in charge of their welfare work is very necessary in bigger municipalities with large sweeper staff. His duties may cover the following fields of activities, *viz.* :—

- (i) to improve the existing condition of sweepers in general and obtain a greater security of service for them ;
- (ii) to improve the standard of living and suggest better housing conditions with necessary sanitary arrangements ;
- (iii) to take all available steps to reduce indebtedness among them and specially organize co-operative credit societies as well as debt conciliation among them and render all possible help to such societies necessary in their work as well as to prevent them from using the cheap credit in any way detrimental to their interest ;

- (iv) to eradicate the drink habit and other social evils prevalent among them ;
- (v) to encourage spread of education among their children and also adults ;
- (vi) to provide suitable medical aid, maternity and child welfare facilities ;
- (vii) to arrange for their healthy recreation and to join as friend in their sports.

It is immaterial whether the officer is a paid servant of the municipality or not so long as he is specially appointed for the purpose by the municipality concerned and is vested with necessary powers and authority for the proper discharge of his duties and possesses wide sympathy, integrity of character, energy, personality and missionary zeal for the welfare of sweepers.

APPENDIX—I

Questionnaire for the Central Provinces and Berar Municipal Sweepers' Enquiry Committee for sweepers of Municipal and Notified Area Committees

(1) Statistics of sweepers

1. What is the total strength of sweepers and scavengers engaged for the municipal work? How many men and women are engaged for the road sweeping work, how many for cleaning of public latrines, how many for cleaning private latrines, how many for driving refuse carts, how many for driving night-soil carts, how many engaged in digging trenches and how many engaged for special work, *e.g.*, malaria gangs, etc.?

2. How many conservancy peons, mates or jamadars are engaged in all by the committee? To which castes do they belong? How many of them come from the sweepers' castes? In case there is none from the sweeper caste, do you not think that they should be engaged from experienced sweepers whenever vacancies occur?

(2) Recruitment of sweepers

1. Who is the officer who does the actual engagement of sweepers and scavengers when vacancies occur? Is there any list of waiting persons kept?

2. From which districts the present sweepers and scavengers are drawn? In case of further recruitment from which district would you draw them? How many are drawn from your district?

3. Who is authorised to discharge sweepers and to take disciplinary action against the defaulters in work?

4. Who is authorised to hear their appeals against dismissals, fines, reduction of pay, etc.?

(3) Distribution of wages.

1. Who is the person authorised to actually pass the pay money to sweepers according to pay-sheet?

2. In presence of which officer or officer-bearer of the committee is the monthly payment made?

3. In case of short payment due to absence for some days in the month, or to fines inflicted, is the complaint made on the spot to the officer and the matter explained to the sweeper?

4. Is any reduction for moneylenders' dues made from the pay by the pay-clerk, and if so, or whom?

5. Do any moneylenders remain present in the office or just outside at the time of the monthly payment or recovery of their dues from sweepers' pay? Are they Pathans or Kabulis or local moneylenders?

(4) *Wages*

1. What is the monthly wage per male sweeper, female sweeper and per working child, in different categories of workers?

2. What is the maximum number of persons engaged from one and the same family and what is the total strength of the family? What is the average number of persons at work in the committee from a single family?

3. Are all the workers full-timers or some of them part-timers and, if so, how many of the latter type? What is the pay of part-timers, male, female and child?

4. What is the minimum wage you would recommend for new entrants, male, female and working child, for sweeping work and scavenging and other work? What is the minimum wage of other menial staff in the committee?

5. Is there any scale of promotions for continuous service? If so, what increment is given and after how many years? If not, would you recommend a time-scale for sweepers? Do other menial servants of the committee get time-scale increment?

6. Approximately on what date is the pay distributed every month? Does the date vary from month to month or is it approximately the same date in all months?

7. Have the male sweepers or female sweepers any other source of income from house-holders, and, if so, for what work? How much is the monthly or annual income from such source and how many sweepers in all earn extra in this way?

8. In case private latrines are not cleaned by and through the committee, what is the charge made by sweepers to house-owners per latrine seat?

9. Are the sweepers engaged on monthly wages by the committee allowed to do private work for house-owners?

10. Please state the average cost of living of an average sweeper family, giving details as per schedule attached and say whether the wage rates in your opinion are adequate or inadequate as compared to the above cost of living.

(5) *Holidays or leave with pay*

1. Is any day in a week observed as a whole or a half-holiday, and, if so which is that day?

2. If no such whole or half-holiday is given every week, would you recommend a half-holiday on every Sunday afternoon, or market day afternoon, if there is a market day, without any inconvenience ?

3. Is any leave given to sweepers on festive occasions, or on public holidays, and, if so, for which and how many days in a year ?

4. Is any casual leave given, and, if so, how many days in a year, as a matter of right ? If none is given, how many days in a year would you recommend ?

5. Is it customary to give sick leave with doctor's certificate on full or half-pay and, if so, for how many days in a year ? If not given at present, how many days in a year would you recommend ?

6. Is maternity leave given to women, and, if so, how many days before, and how many days after, the confinement ? If not given, how many days would you recommend before and after the confinement ?

7. Is any privilege leave given to sweepers now ? If not, how many days in a year would you recommend ?

(6) *Housing and sanitation.*

1. How many houses will be necessary for the committee to construct for accommodation of all the sweepers employed by the committee ?

2. Are there any municipal quarters or huts built for sweepers, and, if so, for how many families ? What is the superficial area, *i.e.*, of the room and the verandah, occupied by each family ?

3. What is the rent charged for municipal quarters, if they exist ?

4. If there are no municipal quarters for them, has the committee any scheme in contemplation or execution for providing quarters ?

5. If the sweepers have their own houses or huts, on whose land are they built ? Have they to pay any rent for the ground ?

6. What is the present arrangement for the supply of water for drinking and washing in the locality or localities of the sweepers ? Are there taps or sweet water wells or tanks in the localities ?

7. Has the committee provided any lights in the locality, and, if so, how many of kerosene, gas, electricity, or any other type ?

8. Are the streets of the sweepers' locality metalled, or brick-paved, or stone-paved, or merely made of earth ? If merely made of earth, is there any scheme for paving the streets or lanes of the locality ?

9. Is there at present any drainage in the locality either for rain water or sewage water ?

10. Is any sweeper engaged for daily sweeping the streets of the locality? If not, does the committee intend to have it regularly swept daily?

11. Are any public latrines or private latrines situated close to the sweepers' locality, say, within a distance of hundred feet?

(7) *Condition of work.*

1. What are the hours of work for sweepers and their spread over every day?

2. How often and at what hours is the muster taken of all the sweepers?

3. What are the receptacles, whether iron pans, bamboo baskets or kerosene tins used for night-soil to drop in, in the case of private latrines and public latrines? Are these receptacles carried on head by sweepers? Do you consider this inhuman? If so, what other methods would you suggest?

4. Are there any byelaws for the construction of private latrines? If so, please supply eight copies?

4-A. Does the municipality supply the sweepers with brooms and baskets for municipal work, and, if so, at what intervals? If not, do the sweepers supply themselves these things of their own make? What do you think is the value of brooms and baskets required in a whole year by one man or woman?

5. Is the bottom of latrine-hole paved with stones or with bricks generally, and is it washable by the sweeper?

6. If private latrines are cleaned by committee, what is the number assigned to one scavenger to be cleaned daily? According to the conditions of your town is the number sufficient or insufficient in your opinion? Is the cleaning done once or twice a day?

7. Are there any complaints of "rishwat" or bribe being taken by supervisors of sweepers, either for first recruitment, or every month, or when they are given leave with pay or without pay?

8. Do sweepers offer any bribes when they wish to shirk the work assigned to them, and, if so, to whom?

(8) *Indebtedness.*

1. What is the extent of indebtedness of sweepers per family? Have statistics been ever taken and verified? What are the chief causes of indebtedness of the sweepers?

2. Who are the creditors, Pathans or Kabulis, municipal employees or their friends or relatives, Baniyas, Bohras or sweepers or any others?

3. What is the rate of interest charged by these moneylenders—
 - (a) on money given on credit, and
 - (b) on money given on pledged ornaments or pledge of movables ?

4. Does a co-operative society exist either for municipal sweepers or for all municipal employees ? If so, how many sweepers are members thereof ? How many have received loans for wiping off their old debts ? If none exists, would you recommend the co-operation of the committee in the formation and running such a society.

5. If a co-operative society be organised hereafter, will the committee be prepared to deduct loan instalments from the sweepers' pay directly every month ? If not, what are your objections to the said procedure ?

6. Have you ever asked the Co-operative Department to organise such a society for your sweepers, or to do propaganda for the same.

7. Do your sweepers practise any thrift or compulsory deposit in any way ?

8. Name three or four public spirited gentlemen of your town who will help in organising and successfully running such a society, of course, in co-operation with the committee.

(9) *Provident fund and gratuity.*

1. Is the provident fund scheme introduced for committee employees of a permanent class ? If so, how much is deducted from the salary, and how much contributed by the committee ?

2. Is the scheme introduced for sweepers also ? If not, would you advocate the introduction for them ? If it is, have they taken advantage of it ? If not, why not ? Are you in favour of the pension or the provident fund scheme ?

3. Is any gratuity given at the time of retirement, if so, after how many years' service ? If not given, would you recommend it now and, if so, on what scale ?

4. Is any compensation given to sweepers in case of accident in course of employment, causing disablement or death ? If so, on what scale ?

(10) *Permanence of service.*

1. Do you think sweepers should be made permanent servants of the committee or continued to be temporary as at present ? If temporary, why so ?

2. If they should be made permanent, after what period of service ?

3. Should there be a system of apprenticeship or period of probation and, if so, for what period ?

(11) *Education.*

1. Is the primary education in your town voluntary or compulsory for boys and girls? If voluntary, do the sweepers send their children to municipal schools? If compulsory, is it enforceable for sweepers? If voluntary, what is the total number of boys and girls, separately, who attend primary schools?

2. Are they freely admitted in municipal and aided schools, and made to sit along with all other boys without any distinction? Do the teachers touch them physically?

3. Are there any mission schools which they resort to, and, if so, how many boys and girls attend such schools? What is the distance of the mission schools from their locality?

4. Is any indirect pressure or persuasion used on sweepers to send their children to schools?

5. Is any money earmarked by the committee for the supply of books or dress and school requisites to children of sweepers? If not, would your committee recommend the same being done?

6. Are there any evening or night classes where adult sweepers can be asked to go? If not, would you recommend the starting of any?

(12) *Sweepers' union.*

1. Is there a union of sweepers in your town? If so, how many have joined it?

2. Who are the office-bearers of the union, and are they from the sweepers or outsiders? Please give their names?

3. What is the monthly fee charged to the members of the union?

4. Is the union recognised by the committee? Has the union ever sent complaints about individual cases or of sweepers in general? If so, with what results?

(13) *Strikes.*

1. Was there any strike or strikes among the sweepers since the year 1931 or in previous years?

2. What were the demands of the strikers in each case, and how were they met?

3. What was the result of these strikes in general and their impression on the public mind, or inconvenience to the public of your town?

4. In case of a strike in future, where would you get your substitutes from and at what cost?

(14) *Drink and drug.*

1. What is your impression about the drink habit among sweepers, male and female, of your town ?

2. Is there any habit of taking opium, ganja or any other drug among them ? If so, how many people are addicted to it ?

3. How many families are, in your estimate, addicted to drink ? What is the monthly expenditure on this item amongst those—

(a) who drink heavily,

(b) who drink moderately ?

4. Is any charitable man or association working to dissuade them from drink and drug habit ?

5. If the drink be abolished, either by persuasion or by legislation, will the sweepers be benefitted, and if so, to what extent ? Will they be better municipal workers by leaving off this habit ?

6. If prohibition is in full force in your town, what effect has it produced on the morale and the mode of living of the sweepers ?

NOTES.—(1) Eight copies of replies should be sent.

(2) The reply should be sent to the Secretary to the Committee by the 31st October 1938 at the latest. Special efforts must be made by all to submit the replies punctually, to support the information by facts and figures, and to set out the information in a simple and intelligible manner.

(3) Those interested in the condition of sweepers may send in replies to the Secretary on all or any of the questions in the questionnaire. They may add any other remark or evidence which may be of interest to the Committee.

(4) The Committee will summon witnesses from among those who have tendered written evidence.

P. K. SEN,

*Secretary, Municipal Sweepers' Enquiry Committee,
Central Provinces and Berar.*

SCHEDULE

1. Average number of persons in the family with age—
 (a) Men.....(b) Women.....(c) Children under 12.....
2. Average monthly earnings of the family—

Earning members	Occupation	Wage	Overtime or extra pay	Additional earnings (if any) with source	Total income
		Rs.	Rs.	Rs.	Rs.
(a) Men—					
(1)	..				
(2)	..				
(b) Women—					
(1)	..				
(2)	..				
(c) Children—					
(1)	..				
(2)	..				
Total family income	..	_____	_____	_____	_____

	Rs.	a.	p.
3. Expenditure on—			
Food			..
Fuel and lighting			..
House rent			..
Clothings and shoes			..
Bedding and household effects			..
Miscellaneous—			
Medical expenses			..
Amusements			..
Liquor, tobacco			..
Repayment of debt, etc.			..
Total	..	_____	_____

APPENDIX II

Names of Municipal Committees in the Central Provinces and Berar.

		Population	
<i>Nagpur District.</i>			
1.	Nagpur	..	215,165
2.	Kamptee	..	20,787
3.	Ramtek	..	8,939
4.	Khapa	..	8,115
5.	Kalmeshwar	..	4,665
6.	Umrer	..	17,913
7.	Mowar	..	5,206
8.	Saoner	..	7,969
9.	Katol	..	10,900
<i>Chanda District.</i>			
1	Chanda	..	28,138
2.	Warora	..	9,811
<i>Wardha District.</i>			
1.	Wardha	..	19,571
2.	Arvi	..	16,293
3.	Deoli	..	6,209
4.	Hinganghat	..	22,601
5.	Pulgaon	..	7,845
<i>Chhindwara District.</i>			
1.	Chhindwara	..	17,080
2.	Pandhurna	..	11,570
3.	Sausar	..	5,919
4.	Seoni	..	16,081
<i>Betul District.</i>			
1	Betul	..	9,614
<i>Jubbulpore District.</i>			
1.	Jubbulpore	..	104,317
2.	Sehora	..	5,764
3.	Murwara	..	21,959
<i>Saugor District.</i>			
1.	Saugor	..	39,822
2.	Deori	..	5,638
3.	Etawah	..	7,430
4.	Khurai	..	6,951
5.	Damoh	..	20,728
<i>Mandla District.</i>			
1.	Mandla	..	7,957
<i>Hoshangabad District.</i>			
1.	Hoshangabad	..	12,332
2.	Harda	..	16,031
3.	Seoni-Malwa	..	6,410
4.	Pachmarhi	..	1,437
5.	Sohagpur	..	8,141
6.	Itarsi	..	11,787
7.	Narsinghpur	..	11,077
8.	Gaderwara	..	9,077
9.	Chhota Chhindwara	..	3,671
<i>Nimar District.</i>			
1.	Khandwa	..	34,622
2.	Burhanpur	..	44,066
<i>Raipur District.</i>			
1.	Raipur	..	45,390
2.	Dhamtari	..	11,505
<i>Drug District.</i>			
1.	Drug	..	13,172
<i>Bilaspur District.</i>			
1.	Bilaspur	..	25,735
<i>Bhandara District.</i>			
1.	Bhandara	..	16,738
2.	Tumsar	..	10,061
3.	Pauni	..	12,525
4.	Gondia	..	14,957
<i>Balaghat District.</i>			
1.	Balaghat	..	9,605
<i>Amraoti District.</i>			
1.	Amraoti town	..	46,832
2.	Amraoti Camp	..	10,268
3.	Ellichpur City	..	28,592
4.	Ellichpur Civil Station	..	9,799
5.	Anjangaon Surji	..	11,597
6.	Morsi	..	9,988
7.	Warud	..	10,038
8.	Badnera	..	15,000
9.	Daryapur	..	11,619
<i>Akola District.</i>			
1.	Akola	..	47,632
2.	Akot	..	18,693
3.	Karanja	..	16,615
4.	Basim	..	14,409
5.	Murtizapur	..	11,541
6.	Balapur	..	11,245
<i>Buldana District.</i>			
1.	Buldana	..	7,504
2.	Khamgaon	..	23,462
3.	Shegaon	..	14,699
4.	Malkapur	..	17,565
5.	Jalgaon	..	10,463
6.	Mehkar	..	7,009
7.	Chikhli	..	7,041
8.	Nandura	..	11,212
<i>Yeotmal District.</i>			
1.	Yeotmal	..	20,867
2.	Wun	..	12,567
3.	Digras	..	9,398
4.	Darwah	..	9,661
5.	Pandherkawda	..	7,577
6.	Pusad	..	9,862

List of Notified area committees in the Central Provinces and Berar.

		Population
1. Ballarpur	.. Chanda	.. 5,737
2. Sindi	.. Wardha	.. 6,883
3. Betul Bazar	.. Betul	.. 5,378
4. Multai	.. Do.	.. 5,513
5. Bamora	.. Saugor	.. 1,829
6. Pohar Pipria	.. } Hoshangabad	.. { 3,968
7. Kareli Ganj	.. }	.. { 2,316
8. Bhatapara	.. Raipur	.. 7,974
9. Champa	.. }	.. { 1,358
10. Kota	.. } Bilaspur	.. { 3,915
11. Mungeli	.. }	.. { 6,665
12. Wara Seoni	.. Balaghat	.. 5,449
13. Chandur Railway	.. }	.. { 7,094
14. Chandur Bazar	.. } Amraoti	.. { 5,804
15. Shendurjana-Malakpur	.. }	.. { 8,946
16. Dhamangaon Dattapur	.. } Do.	.. { 9,813
17. Telhara	.. Akola	.. 6,136
18. Deulgaon Raja	.. Buldana	.. 5,837
19. Umarchhed	.. }	.. { 7,957
20. Ghatanji	.. } Yeotmal	.. { 3,858

APPENDIX III

*List of Trade Unions and Harijan Sevak Sanghs.***Trade Unions**

1. The Central Provinces and Berar Municipal Employees' Association, Nagpur.
2. The Khamgaon Municipal Employees' Union, Khamgaon.
3. The Raipur Municipal Employees' Association, Raipur.
4. The Sudarshan Sanitary Workers' Union, Nagpur.
5. The Federation of Local Bodies' Employees' Union in the Central Provinces and Berar, Khamgaon.

6. The Amraoti Town Municipal Employees' Union, Amraoti.
7. The Mehkar Municipal Employees' Union, Mehkar.
8. The Municipal Workers' Union, Jubbulpore.
9. The Anjangaon Municipal Employees' Union, Anjangaon.
10. The Shegaon Municipal Employees' Union, Shegaon.
11. The Mahakoshal Local Bodies' Employees' Association' Central Provinces, Jubbulpore.
12. The Bhandara Municipal Employees' Association, Bhandara.

Harijan Sevak Sanghs.

1. The Secretary, Harijan Sevak Sangh, Saugor.
2. The President, Harijan Sevak Sangh, Jubbulpore.
3. The President, Harijan Sevak Sangh, Mandla.
4. The Secretary, Harijan Sevak Sangh, Harda.
5. The Secretary, Harijan Sevak Sangh, Narsinghpur.
6. The Secretary, Harijan Sevak Sangh, Betul.
7. The Secretary, Harijan Sevak Sangh, Balaghat.
8. The Secretary, Harijan Sevak Sangh, Chhindwara.
9. The Secretary, Harijan Sevak Sangh, Bilaspur.
10. The Secretary, Harijan Sevak Sangh, Raipur.
11. The Secretary, Harijan Sevak Sangh, Khandwa.
12. The Secretary, Harijan Sevak Sangh, Gondia.
13. The Secretary, Harijan Sevak Sangh, Chanda.
14. The Secretary, Harijan Sevak Sangh, Buldana.
15. The Secretary, Harijan Sevak Sangh, Akola.
16. The Secretary, Harijan Sevak Sangh, Yeotmal.
17. The President, Harijan Sevak Sangh, Drug.
18. The President, Harijan Sevak Sangh, Nagpur.
19. The President, Harijan Sevak Sangh, Wardha.
20. The President, Harijan Sevak Sangh, Amraoti.

APPENDIX IV

Tour programme of the Municipal Sweepers' Enquiry Committee, Central Provinces and Berar, for the months of December 1938, and January 1939.

20th December 1938	..	Arrive Jubbulpore.		
21st December 1938	.. } to 23rd December 1938 .. }	Halts.		Inspections of latrines and localities of sweepers and examining witnesses.
24th December 1938	..	16-21 p.m. } Leave Jubbulpore		
25th December 1938	..	8.31 a.m. } Arrive Khandwa.		Do.
25th December 1938	.. } 26th December 1938 .. }	Halts.	..	Do.
27th December 1938	..	{ 8.38 a.m. Leave Khandwa 13.58 p.m. Arrive Shegaon.		Do.
28th December 1938	..	{ 8.56 a.m. Leave Shegaon. 12.2 p.m. Arrive Amraoti.		Do.
28th December 1938	.. } 29th December 1938 .. }	Halts	..	Do.
30th December 1938	..	{ Leave Amraoti by motor Arrive Yeotmal by motor.		Do.
31st December 1938	.. } 1st January 1939 .. }	Halts	..	Do.
2nd January 1939	..	{ Leave Yeotmal by motor Arrive Dhamangaon.		Do.
2nd January 1939	..	{ 6.30 a.m. Leave Dhamangaon. 11.42 a.m. Arrive Gondia.		Do.
3rd January 1939	..	Halt.		Do.
3rd January 1939	..	0.47 a.m. Leave Gondia	..	Do.
4th January 1939	..	4.54 a.m. Arrive Raipur	..	Do.
4th January 1939	.. } 5th January 1939 .. }	Halts	..	Do.
5th January 1939	..	Leave Raipur	..	Do.

APPENDIX V

*Witnesses examined by the Committee.***Nagpur**

1. Dr. Tuli, Health Officer, Municipal Committee, Nagpur.
2. Messrs. Page and P. D. Marathe.
3. Jodhalal, Ramcharandas, Hiralal and Jwala Prasad. (Sweepers representatives.)
4. Secretary, Municipal Committee, Umrer.
5. Secretary, Municipal Committee, Wardha.
6. Secretary, Municipal Committee, Chanda.
7. Mr. Valunjkar of Wardha.
8. Secretary, Municipal Committee, Hinganghat.
9. Secretary, Municipal Committee, Chanda.
10. Mr. Bhikulal Chandak.
11. Laxman, Sweeper of Chanda.
12. Mr. Phadake, Secretary, Harijan Sevak Sangh, Chanda.
13. Officer in charge Municipal Committee, Mowad.
14. Secretary, Municipal Committee, Nagpur.
15. Secretary, Civil Station Sub-Committee, Nagpur.

Jubbulpore

16. Secretary, Municipal Committee, Saugor.
17. Health Officer, Municipal Committee, Jubbulpore.
18. Mr. S. K. Deshpande, Katni Workers' Union, with three sweepers.
19. Secretary, Municipal Committee, Katni.
20. Secretary, Mahakoshal Local Bodies' Employees Union, Jubbulpore.
21. Rajendra Prasad Singh and Mr. Pagore.
22. President, Municipal Committee, Jubbulpore.
23. Secretary, Harijan Sevak Sangh, Saugor.
24. Joint Secretary, Katni Workers' Union, Katni.
25. Mr. Nitraj Singh, Secretary, Harijan Sevak Sangh, Narsinghpur.
26. Secretary, Municipal Committee, Seoni.

Khandwa

27. Mr. T. P. Rawat, Secretary, Municipal Committee, Hoshangabad.
28. Secretary, Harijan Sevak Sangh, Betul.
29. Kashiram Jamadar of Betul.
30. Secretary, Municipal Committee, Khandwa.
31. Sanitary Inspector, Municipal Committee, Khandwa.
32. Secretary, Harijan Sevak Sangh, Khandwa.
33. Khandwa sweepers (Partu, Bema, Sheodin, Husen and others).
34. Mr. Janardan, Secretary, Municipal Committee, Burhanpur.
35. Mr. G. P. Verma, Secretary, Municipal Committee, Harda.

Shegaon

36. Mr. U. P. Mudliar, Secretary, Municipal Committee, Shegaon.
37. Mr. Yadorao Mudliar, President, Municipal Committee, Shegaon.
38. Sadashiva Gopa.
39. Mr. Chande, President, Trade Union, Khamgaon.
40. Secretary, Municipal Committee, Khamgaon.
41. Sweepers of Buldana. (Two in number.)
42. Gulam Husen, Nursu and one more.

Amraoti

43. Secretary, Municipal Committee, Amraoti.
44. Mr. R. P. Dube, Secretary, Amraoti Sweepers' Union.
45. Secretary, Notified Area Committee, Shendurjana.
46. Secretary, Municipal Committee, Ellichpur City.
47. Secretary, Municipal Committee, Ellichpur Camp.
48. Secretary, Municipal Committee, Akola.
49. Mrs. Patwardhan, Secretary, Harijan Sevak Sangh, Amraoti.
50. Municipal Committee's School Inspector, Amraoti.
51. President, Municipal Committee, Amraoti.
52. Secretary, Harijan Sevak Sangh, Akola.
53. Secretary, Anjangaon Municipal Employees' Union.

Yeotmal

54. Mr. B. L. Navlekar of Pandharkawada.
55. Secretary, Harijan Sevak Sangh, Yeotmal.
56. Secretary, Municipal Committee, Yeotmal.
57. President, Municipal Committee, Yeotmal.
58. Sweepers of Yeotmal.
59. Secretary, Municipal Committee, Pandharkawda.

Gondia

60. Secretary, Municipal Committee, Balaghat.
61. Secretary, Harijan Sevak Sangh, Balaghat.
62. President, Municipal Committee, Gondia.
63. Sweepers of Gondia (Ramprasad and Ghatain).
64. Raghunath Mehtar, Bhandara.
65. Sakharam Palsudkar of Gondia (Sweepers' representative).

Raipur

66. Health Officer, Municipal Committee, Raipur.
67. Mr. Murlidhar, Secretary, Municipal Committee, Raipur.
68. W. N. Sharma, Secretary, Municipal Committee, Drug.
69. Mr. Pyarelal Singh, President, Municipal Committee, Raipur.
70. Secretary, Municipal Committee, Bilaspur.
71. Secretary, Harijan Sevak Sangh, Bilaspur (Mr. Bhave).
72. Sweepers of Raipur (Padam, Danla, Jagam Billi.)

APPENDIX VI

Byelaws of the Bilaspur Harijan Municipal Employees' Co-operative Society, Ltd.

I.—PRELIMINARY

The name of the society is Bilaspur Harijan Municipal Employees' Co-operative Society, Limited, and its registered office is at Bilaspur.

2. The objects of the society are to encourage thrift by enabling the borrowing members to save part of their income in a safe and convenient way with the prospect of a fair profit and to redeem old debts and to prevent indebtedness by making loans available on reasonable terms and to improve the material and moral condition of the borrowing members.

II.—FUNDS

3. Funds may be raised—

- (1) By subscriptions and shares.
- (2) By loans and deposits.
- (3) By donations and entrance fees.

4. The amount of capital to be raised by the sale of shares shall not exceed Rs. 3,000 for the present. The nominal value of such share shall be Rs. 10. Out of the authorised capital not more than half the capital shall be held by non-borrowing members hereinafter described.

5. (a) Deposits and loans may be received for fixed periods at such rates and to such an amount as may be determined by the managing committee provided that the total of loans and deposits shall never exceed three times the paid-up share capital plus the reserve fund.

(b) The Society shall not accept loans or deposits except with the previous sanction of the Registrar.

6. The funds of the society when not utilized shall be invested or deposited as required by section 32 (1) (a), (b) or (d) of the Co-operative Societies Act.

III.—MEMBERSHIP

7. (a) The membership shall be divided into two classes—

- (1) Borrowing members.
- (2) Non-borrowing members.

(b) (i) The borrowing membership shall be open to municipal employees of the Bilaspur municipal committee, who shall empower

the municipal committee to make deductions on account of the instalments of loans, monthly subscriptions and other dues for payment to the society.

(ii) Non-borrowing membership shall be open to the persons interested in the promotion of the welfare of these menials in the co-operative manner.

8. No person shall be a member unless—

- (i) His written application for membership has been approved by the two-thirds of total members of managing committee subject to the confirmation of the general meeting.
- (ii) He has paid an entrance fee of rupee one.
- (iii) He has either purchased at least one share or paid his first monthly subscription under byelaw 13.

Members who signed the original application for registration are exempt from byelaw 8 (1).

9. Every duly elected member shall sign his name in the byelaws of the society, and to accept the rights, obligations and responsibilities of membership as defined in these byelaws.

10. Any member may withdraw from society at any time after giving two months' notice to the Managing Committee, provided that he is not in debt to the Society (or surety for another member who is in debt to it).

11. A member of the society may be expelled by vote of General Meeting :—

- (1) If he is a persistent defaulter.
- (2) If he wilfully deceives the society by a false statement.
- (3) If he is a bankrupt or legally disabled.
- (4) If he is criminally convicted.
- (5) If he intentionally does any act likely to injure the credit of the society.
- (6) If he fails for three successive months to pay his monthly subscription.

Expulsion may involve the forfeiture of all shares held by him.

12. A person ceases to be a member—

- (1) On death.
- (2) On acceptance of his resignation by the Managing Committee.
- (3) On expulsion.
- (4) On the transfer or forfeiture of all the shares held by him.
- (5) In case of borrowing members when he ceases to be in the employment of the Bilaspur municipal committee.

IV.—SHARES AND SUBSCRIPTIONS

13. Every borrowing member shall be required to pay to the society a monthly subscription at the following rates according to his pay excluding allowance, if any, payable to him by the municipal committee :—

Pay	Subscription
	Rs.
Rs. 1 to 12 ..	1
Rs. 13 to 22 ..	2
Rs. 23 to 30 ..	3
Rs. 31 to 40 ..	4
Rs. 41 to 50 ..	5

In exchange for each subscription paid, he will receive a receipt ticket. As soon as he has acquired tickets worth Rs. 10 he may produce them before the Secretary who will cancel them and issue to him a share certificate for one Rs. 10 share. The certificate will be dated and will rank for dividend.

14. In addition to the shares purchased from the monthly subscriptions any member is at liberty to apply to the Managing Committee for further shares and to pay for them in a single cash payment provided that no non-borrowing member shall individually hold more than 10 shares.

15. The liability of a member is limited to the nominal value of the shares held by him.

16. A member may transfer his share or shares after holding them for one year to another member with the approval of the Managing Committee. The transfer is not complete until the name of the transferee has been entered in the Share Transfer Register, and such fee as the Managing Committee may prescribe for effecting the transfer has been paid.

17. A share certificate bearing a distinctive number shall be issued for each share subscribed.

18. In the event of membership ceasing under byelaw 10 or 12 the part value of the shares held by a member after deducting any amount due by him to the society shall be paid to him within six months from the date of the cessation of membership.

19. Any member of the society may by a writing under his hand deposited with the society nominate any person (other than a servant or officer of the society) to whom the whole or any part of his interest in the society should be transferred in the event of his death. A fee of two annas per share will be charged for recording such nominations and any subsequent revocation or variation.

20. On the death of a member the amount standing to his credit by way of shares or dividends or subscription shall subject to deductions on account of his liabilities, be paid to his heir nominated by him, or in the absence of such nominee, to such person as may appear to the Committee to be entitled to receive the amount as heir or legal representative of the deceased member on his executing a deed of indemnity to the society. The deposits of the deceased may be withdrawn by such heir only if the period of deposits has expired.

V.—GENERAL MEETINGS

21. The annual general meeting shall be held during the month of December after the annual audit.

22. The functions of the Annual General Meeting are—

- (1) To elect a President for the ensuing year, whose duty shall be to preside at General Meetings, to supervise the administration of the society generally and to summon through the Secretary, General Meeting, whenever necessary.
- (2) To appoint persons to audit the accounts of the society during the ensuing year and to fix their remuneration.
- (3) To elect four members of the Managing Committee for the ensuing year and to appoint a Secretary and Joint Secretary if necessary and to fix their remuneration.
- (4) To receive from the Managing Committee the balance sheet of the last year and to sanction the distribution of the profits.
- (5) To consider any communication or audit memorandum that may have been received from the Registrar or any other business duly brought forward.
- (6) To sanction admission of members.
- (7) To consider appeals against the orders of the Managing Committee in matters in which the power of receiving appeals has been specifically reserved by the General Meeting, and generally to exercise supreme authority in any matter relating to the work of the society.

23. A special General Meeting can be summoned by the President or by a majority of the Managing Committee, whenever he or they think fair and must be summoned on a requisition from the Registrar, or from 25 ordinary members.

24. In the case of an Annual General Meeting 14 days' notice and in the case of a special General Meeting seven days' notice, shall be given. The notice shall specify the date, hour and place of the meeting and business to be transacted.

25. With the permission of two-thirds of the members present at a General Meeting, any member may bring forward a proposal not mentioned in the notice convening the meeting, provided that such proposal does not relate to the expulsion of a member or the alternation of a byelaw.

26. The President shall have a casting vote in addition to his ordinary vote.

27. Each member shall have one vote. Voting by proxy shall not be allowed.

28. In order to constitute a quorum for the General Meeting at least two-thirds of the borrowing members shall be present. For adjourned meetings no quorum shall be necessary.

VI.—MANAGING COMMITTEE

29. (1) The management of the society shall be carried on by a Managing Committee, consisting of three members holding office *ex officio*, namely—

- (1) President,
- (2) Secretary,
- (3) Joint Secretary, and
- (4) Members elected at the Annual General Meeting.

The Chairman of the Committee shall be the President elected under byelaw 22.

(2) The committee may elect its own Vice-Chairman. Each member shall have one vote.

30. Subject to the byelaws and the resolution passed at a General Meeting, the Managing Committee shall have full authority to carry on the business of the Society. It shall meet for the transaction of the business not less often than once a month. Four members shall form quorum.

31. Vacancies among the elected members of the Managing Committee from death or any other cause shall be filled up by the Managing Committee.

32. A committee minute book shall be maintained by the Secretary, in which the names of members present and the proceedings at such meeting shall be recorded. It shall be open to the inspection of all members.

33. No member shall be present or vote on any matter in which he has personal interest.

34. The powers of the Managing Committee shall be—

- (1) To admit new members.

- (2) To appoint, suspend, fine or dismiss all salaried servants of the society, subject to an appeal to the General meeting.
- (3) To appoint treasurer with the approval of Registrar.
- (4) To hear and deal with complaints.
- (5) To deal with applications for loans.
- (6) To supervise and check the accounts.
- (7) To enquire into and take action in cases of default.
- (8) To prepare annual balance sheets.
- (9) To raise loans and deposits on such terms as may be decided upon.
- (10) To institute, defend or compromise legal proceedings.
- (11) Generally to conduct the business of the Society.

35. It shall be the duty of the auditors appointed under byelaw 22 (2) to audit the accounts and documents of the Society quarterly and of the Managing Committee to produce all the requisite books for their inspection. This audit shall be in addition to the audit made by the regular staff of the Registrar.

36. The services of all the members of the Committee shall be gratuitous.

37. The Managing Committee shall control the Secretary whose duties shall be—

- (1) to carry on the correspondence of the Society and to maintain all the books, accounts and registers ;
- (2) to receive applications for loans, withdrawals of deposits, etc., and to lay them before the Managing Committee, and to prepare receipts and vouchers ;
- (3) to receive and disburse money on behalf of the society under orders of the Managing Committee ; and
- (4) to attend to all other business entrusted to him by the Managing Committee.

VII.—LOANS.

38. Any qualified borrowing member wishing to obtain a loan shall forward to the Secretary an application, stating the amount required, the purpose, surety or security offered and the period of repayment desired.

39. A loan may be granted at the discretion of the Managing Committee to any member up to the amount of his and his joint members salaries for three months, subject to a maximum limit of Rs. 200. For each loan two sureties from amongst the members shall be produced.

39-A. It shall be at the discretion of the Managing Committee to lend once only, irrespective of the limit contained in this byelaw, a sum which in the opinion of the Committee will suffice to pay off any existing debt contracted prior to admission into the society.

40. Loans shall ordinarily be repayable in not more than 12 monthly instalments. But the Committee may if it thinks fit (for reasons to be recorded) extend it to a longer period not exceeding 18 months. The usual monthly subscriptions shall be payable in addition to the instalments.

41. Loans may be granted on a mortgage of unencumbered immovable property or on an assignment of an insurance policy, the surrender value of which covers loan.

42. Interest on loans shall be $12\frac{1}{2}$ annas per cent per month (equivalent to $1\frac{1}{2}$ pies per rupee) and to Rs. 9-6-0 per annum.

On loans taken before the 16th of a month interest for the full month shall be charged and those taken on or after the 16th, interest for half of that month shall be charged.

43. On overdue loans interest shall be charged at 18 per cent per annum from the date of default.

44. When a member takes a loan from the Society or becomes surety under byelaw 41 he shall undertake not to resign service in the municipal department until his liability is discharged.

45. It is the duty of the Managing Committee to take prompt action for the recovery of overdue loans. The Committee shall be liable jointly and severally for any loss befalling the society on account of any loan or instalment which has been overdue for more than six months *without its permission*, unless in that period a suit has been filed or the case referred to arbitration.

VIII.—DEPOSITS

46. Deposits may be received at any time for fixed period on such conditions as the General Meeting may decide.

IX.—DISTRIBUTION OF PROFITS

47. The distribution of profits shall be decided on at the Annual General Meeting. The balance remaining after carrying 25 per cent to reserve and paying a bonus, if any, to paid servants, shall be available for paying a dividend on shares; dividends will be added to members' subscriptions unless any member applies to have his dividend paid to him.

48. The dividend shall in no case exceed 12 per cent.

X.—RESERVE FUND

49. In addition to the sum prescribed under section 33 of the Act, receipts on account of forfeited shares, fines and donations, unless they have been given for specific purpose shall be carried to reserve.

50. Not less than half the reserve fund shall be invested as the Registrar may direct.

51. Any loss on the year's working may, with the previous sanction of the Registrar, be made good from the reserve fund.

XI.—ACCOUNTS AND RECORDS

52. Accounts and records shall be maintained in the forms prescribed by the Registrar, with such additions as the Managing Committee think necessary. The Chairman and the Secretary shall have power jointly to execute documents, grant receipts and sign share certificates on behalf of the society.

53. Any member of the Society may inspect any of the registers or records during office hours so far as they relate to his own business transactions with the previous sanction of the President in writing.

XII.—AMENDMENT OF BYELAWS

54. Subject to the rules framed by the Local Government, byelaws can be amended, by a resolution of a General Meeting carried by a two-thirds majority of the voters present after sanction of the Registrar, Co-operative Societies, Central Provinces and Berar.

Memorandum of Association of the Pandharkawada Municipal Sweepers' Co-operative House Building Society, Ltd.

We, the undersigned employees of the municipal committee, Pandharkawada, and residents of the same place, beg to apply for the registration of the " Pandharkawada Municipal Sweepers' Co-operative House Building Society, Ltd." and request you to register the proposal in the name of " the Pandharkawada Municipal Sweepers' Co-operative House Building Society, Limited ", Pandharkawada.

2. The registered office of the society shall be at Pandharkawada and its area of operation will be limited to the Pandharkawada municipal limits.

3. *Objects.*—The objects of the society are as under :—

- (1) To help members by securing them loans for erecting or acquiring houses, for repairing houses or making suitable modifications or accretions thereto as may be necessary or convenient.

- (2) To build suitable building for personal use for letting them out to members.
- (3) To establish and carry on business of manufacturing or purchasing bricks or other building materials and selling them to members for their own use.
- (4) To encourage thrift, self-help and co-operation amongst the members of the society and to promote their economic interests in accordance with co-operative principles.
- (5) To establish and conduct social, recreative and educational work or institution.

4. *Liability of members.*—The liability of the members of the society shall be limited to three times the face value of the shares held by them.

5. *The Capital.*—The Capital of the Society shall be raised by—

- (1) issue of shares,
- (2) raising loans,
- (3) acceptance of deposits,
- (4) creation of any other fund out of profits.

We have read and understood the byelaws of the society and we agree to abide by them. We further agree to purchase the number of shares specified against our names.

Name of member	Age	Residence and occupation	Number of shares to be purchased	Signature
Dhoundu Isri	.. 42	Pandharka w d a Munici p a l S e r v i c e (sweeper).	1	(sd.) Dhoundu Isri.
Budhu Maiku	.. 45	Do. ..	1	(sd.) Budhu Maiku.
Hira Isri	.. 38	Do. ..	1	(sd.) Hira Isri.
Nau Kawana	.. 30	Do. ..	1	(sd.) Nau Kawana.
Pardesia	.. 30	Do. ..	1	(sd.) Pardesia.
Kalla Chatu	.. 35	Do. ..	1	(sd.) Kalla Chatu.
Ganeshia Maiku	.. 35	Do. ..	1	(sd.) Ganeshia Maiku.
Bilasia Chothu	.. 30	Do. ..	1	(sd.) Bilasia Chothu.
Sakroo Bajrang	.. 28	Do. ..	1	(sd.) Sakroo Bajrang.
Sitaram	.. 25	Do. ..	1	(sd.) Sitaram.

To

The PRESIDENT,
Municipal Committee,
Pandharkawada.

Sir,

We, the undersigned municipal sweepers, beg to bring to your kind notice that with a view to construct sweepers' quarters for our own use, we have agreed to form a co-operative society and propose to borrow the necessary amount from the Central Co-operative Bank, Yeotmal. We learn that a plot has been allotted by Government for this purpose and by constructing buildings on that plot we would be better housed and we would have a right to use decent buildings. The buildings would continue to be our property and in case of our death or resignation or dismissal the property would be transferable to some one who is a member of the society or in his absence to a municipal sweeper. If no purchaser is found the owner of the building would be entitled to recover rent from the occupier who would always be a municipal sweeper. If the rent is not recoverable the person constructing the building would be at liberty to dispose of the materials, provided that the dues over the building have been fully paid.

We agree that if an advance is made by the Central Bank we would be willing to get our instalment deducted from our pay by the secretary, municipal committee, and as agreed to by the Managing Committee and further agree that all the dues would be paid within 10 years of the advance made.

We hope that your honour would be pleased to inform the Central Bank about this and take all such steps in the matter which would facilitate the recovery of the amount due from us. If necessary a resolution of the municipality agreeing to the proposal may be passed and intimation may be sent to the Central Bank.

We have every hope that your honour would be pleased to approve the proposal.

We beg to remain,
 Sir,
 Your most obedient servants.

DHONDU ISRI.
 BUDHU MAIKU.
 HIRA ISRI.
 NAW KAUNA.
 PARADESIA.
 KALLA.
 GANESHIA MAIKU.
 BILASIA CHOTHU.
 SAKROO BAJRANG.
 SITARAM.

Pandharkawada.

From

B. L. NAVLEKAR,

Pleader,

Pandharkawada.

To

The CHAIRMAN

Central Co-operative Bank.

Yeotmal.

Pandharkawada, the 6th November 1937.

SUBJECT—*Formation of Municipal Sweepers' House Building Co-operative Society*

SIR,

I have great pleasure in forwarding a proposal for the organization of Municipal Sweepers' Co-operative House-Building Society herewith. The main difference in the present society and the one, I am forwarding is that in this case the sweepers would not be the owners of the plots. They would only be the owners of houses and materials.

For this reason the maximum advance to a member would not be more than Rs. 150. Sweepers get Rs. 10 to Rs. 12 per month and in one family there are two or three earning members and so we would be getting, say, Rs. 4 per house per month. In any case the amount would be recovered within 10 years. In case of death or resignation or dismissal we are providing that the municipality should rent out the building to another municipal sweeper and the sweeper should be charged rent equal to the instalment payable and in this way we would be recovering the amount without any hitch. The Municipal President is agreeable to the proposal.

Unless some such thing is done the sweepers will continue to be housed in bad and unhealthy quarters. Is it not high time that the educated classes should do for housing this class of persons!

I hope that taking all factors into consideration you would agree to forward the proposal for registration.

I have the honour to be,

Sir,

Your most obedient servant,

B. L. NAVLEKAR.

**BYELAWS OF THE PANDHARKAWADA MUNICIPAL
SWEEPERS' CO-OPERATIVE HOUSE-BUILDING
SOCIETY, LIMITED, PANDHARKAWADA**

1. Name, office and objects .—This society shall be called “ The Pandharkawada Municipal Employees’ Co-operative House-building Society, Limited ”.

2. The registered office of the society shall be at Pandharkawada, taluq Kelapur, district Yeotmal.

3. In these byelaws unless there is anything repugnant in the subject or context :—

- (a) “Act ” means the Co-operative Societies Act, II of 1912, or any other Act that shall hereafter take its place.
- (b) “ Rules ” means the rules for the time being in force under the Act.
- (c) “Society ” means the Pandharkawada Municipal Employees’ Co-operative House-Building Society, Limited, Pandharkawada.
- (d) A “Member ” means a person joining in the application for registration of the society or a person who is admitted as a member of the society in accordance with these byelaws.
- (e) The “ Registrar ” means a person appointed under the Act to perform the duties of Co-operative Societies in the Central Provinces and Berar.

4. The objects of the society are :—

- (1) To help members by securing loans for erecting or acquiring houses redeeming mortgages or houses made in favour of outside creditors and for repairing houses or making suitable modifications or accretions thereto as may be necessary or convenient.
- (2) To build suitable buildings for personal use or for letting them out to members.
- (3) To acquire land by purchase or by lease or otherwise for erecting dwelling houses for the society or members.
- (4) To establish and carry on business of manufacturing or purchasing bricks or other building materials and selling them to members for their own use.
- (5) To encourage thrift, self-help and co-operation amongst members of the society and to promote their economic interest in accordance with co-operative principles.
- (6) To establish and conduct social, recreative and educational work or institutions.

7. Business.—The business of the society shall be circumscribed as under—

- (a) Subject to such limits as the Registrar may impose from time to time on its maximum borrowing powers and the maximum rate of interest to be paid on its borrowing, the society may raise money by receiving deposits either from members or non-members or by borrowing by opening current accounts, or by mortgaging lands, buildings or other property of the society, or of members, or by such other means as the managing committee may deem expedient provided that :—
- (1) The issue of bonds or debentures by the society shall be subject to such conditions as the Registrar may prescribe.
 - (2) The total borrowings shall not exceed twelve times the paid up share capital and reserve and other funds of the society.
- (b) The society may lend money to its members only on such terms and conditions as it thinks fit provided that the rate of interest to be charged on loan shall be determined within the maximum limit sanctioned by the Registrar.
- (c) The society may invest its funds in accordance with section 32 of the Act, II of 1912, or under relative provisions of any other Act that may hereafter take its place.
- (d) The society may accept donations, subscriptions or contributions.
- (e) To sell, lease or dispose of otherwise, deal with the whole moveable and immovable property and assets of the society or any part or any interest thereon.
- (f) To encourage thrift, self-help and co-operation among the members of the society and to promote their economic interest in accordance with co-operative principles.

8. Capital.—The authorized share capital of the society would be of Rs. 1,000, divided into 100 shares of Rs. 10 each. The amount of share or shares shall be paid in lump sum or in the manner laid down by the managing committee. No increase of the share capital shall be made unless it is approved of by the members at a special general meeting and sanctioned by the Registrar.

9. Membership (a).—The membership of the society shall be open to persons above the age of 18 years and who are in receipt of monthly income from the Pandharkawada municipal committee as its paid servants, either in municipal office or in the institutions under the direct control of the municipal committee.

(b) The members shall consist of :—

- (1) Those who are approved of and admitted by the managing committee of the society.

- (2) Those who have subscribed to the application for registration.

10. The value of the member's interest shall be the face value of the shares held by him together with the amount of any deposit made with or loans advanced to the society by him and any interest due on such deposits or loans *minus* any sums due from him to the society.

11. (a) Applications for membership shall be made in writing to the secretary in the form prescribed by the managing committee.

(b) Every member shall purchase at least one share of Rs. 10 and shall pay an entrance fee of Rs. 3 each.

(c) After approval of his application and election a member shall be deemed to have accepted all the obligations and responsibilities as laid down in these byelaws.

12. (a) Loans may be granted to members for the construction, repairs, purchase or redemption of houses, land, wells or their appurtenances but no member can claim loans as of right.

(b) The principles to be observed in granting the initial loan to members for building purposes shall be that the member shall supply his own plot of land in addition to his subscribed share capital and that the society may then give loan to the extent of five times the face value of the share held by him; but a member who can supply security in the shape of a building or any other suitable assets approved of by the managing committee may be given necessary financial help, provided that he purchases shares of the face value equivalent to not less than eighth of his borrowing. Roughly the ratio between a member's investment (consisting of the share capital and the value of the plot, etc.) and the loan, exclusive of the amount of shares purchased from the society should be 1 to 4.

(c) Before sanctioning a loan the managing committee shall require a mortgage of immovable property or the hypothecation of securities or the life insurance policies (the last to the extent of three-fourth of their surrender value or any other fund or savings which could lawfully be hypothecated) approved of for the purpose.

(d) No member shall at any time be indebted to the society as a principal debtor to the extent of more than two thousand rupees.

13. (a) For the recovery of any debt due to the society from a member, the society shall have the first lien on any shares, debentures, deposits or loan, fund, or loan stock standing in the name of the said member and may set off any sum credited thereon in or towards the payment of such debt.

(b) No dividend or interest on debenture, etc., shall be paid in cash to a member who is indebted to the society but the sum due to him shall be credited to his loan account.

14. (a) A member taking a loan from the society shall effect in its favour a usufructuary mortgage of his plot and the building erected or to be erected thereon together with all the appurtenances and annexations, present and future, as a security for the loan. Such a member shall also execute an agreement in favour of the society stating that the society is authorized to receive directly from the municipal committee a fixed portion of his salary as determined by the managing committee from time to time and an approval of the municipal committee to the arrangement so arrived at and in case recovery is made impossible in this manner the member shall execute an agreement that within one month of the completion of the building he would agree to pay a monthly rent for the building occupied by him representing one per cent of the loan advanced to him.

(b) Property mortgaged to the society can be redeemed at any time on payment of the entire dues to the society.

15. **Cessation.**—Membership shall cease by death, resignation, transfer of shares or expulsion from the society or forfeiture of interest.

16. **Penalty, forfeiture, or eviction.**—(a) If a member fails to pay his monthly instalment of rent punctually, *i.e.*, before the 10th of every month in advance and in the case of the member in whose case the municipality has agreed to deduct his pay per month according to the recommendation of the managing committee if the members' instalment is not credited within three days of the receipt of his pay from the municipality he shall be required to pay interest at double the rate charged on loans during the period of default.

(b) If a member fails to pay three successive instalments or if the municipality fails to credit the amount due from the member for three successive months, or if he fails to abide by the rules made by the managing committee in respect of lease money or instalment as the case may be, the managing committee may require him to vacate the building or the plot within 15 days from the issue of notice to quit. The houses or plots when vacated may be rented or leased out to any one preferably a member of the society, the rent being credited to the defaulter's account.

17. (a) A member may be evicted from the building or plot and expelled from the society by the managing committee for any of the following reasons :—

- (1) Dishonest dealings with the society.
- (2) Habitual default in payment of rent or other instalments
- (3) Grave misconduct.
- (4) Neglect of building premises.
- (5) Insanitary habits.
- (6) Disgraceful behaviour.
- (7) Bankruptcy.

18. (a) Transfer of the building or of the plot erected partly or entirely from the society's loan shall be made with the previous notice to and the sanction of the society. No transfer shall be recognized unless it is registered. A transferee shall not be a member unless he is elected under these byelaws and his transfer is approved by the managing committee.

(b) In case a member desires to dispose of the building erected from the society's loan, after redemption of the mortgage with the society, the society shall have a right of pre-emption.

(c) Upon any transfer of a share or a building, a fee of a rupee and rupees five, respectively, shall be charged by the society. No transfer shall be recognized unless prescribed fee as stated above is paid.

(d) A member may nominate his successor to share or interest in the society in case of his death on payment of registration fee of annas eight. In the absence of nomination, the interest will vest in his legal representative.

(e) If a member does not wish to occupy the house built by him, the society will rent it to some body else, preferably a member and credit the house rent to his account. This clause will operate if the instalments sanctioned by the managing committee and agreed to by the member and the municipal committee are not received by the society as per agreement. If the instalments are being paid regularly the member would be at liberty to rent the house to any one preferably a member and receive the rent for himself if he permits the receipt of the rent to be recovered by the society as in that case he would be reducing his liabilities to that extent.

19. **Dispute.**—All disputes arising between a member or past-member or any person claiming through a member or past-member and the society or any officer thereof shall be dealt with as provided by arbitration rules framed under the Act.

20. **General meetings.**—The managing committee may convene general meeting whenever they think fit, but they shall convene them also upon receiving written requisition of not less than ten members. Any requisition by members shall express the object of the meeting proposed to be called and shall be sent to or left at the registered office of the society.

21. The supreme authority shall vest in the general body consisting of the members of the society. The annual general meeting of the society shall be held once a year on any convenient day before the 31st of October.

22. Upon the receipt of any such requisition the managing committee shall forthwith convene a general meeting and if they neglect to give notice convening such meeting within a fortnight from the receipt of such requisition the requisitionists may themselves by a notice signed by at least six of them convene a meeting for the objects so specified.

23. At least seven days' notice of every general meeting specifying the day, place and hour of the meeting and the objects and business thereof shall be given. The non-receipt by a member of the notice of any general meeting shall not affect the validity of the proceedings of the meeting.

24. Every notice of a meeting convened by the managing committee shall be signed by the chairman or secretary or such officer appointed by the managing committee in that behalf.

25. Except with the permission of the chairman of the meeting no business other than what has been specially mentioned in any notice convening a meeting shall be transacted.

26. One-fifth of the total membership of the society or seven whichever is lesser shall form a quorum at every general meeting.

27. If within one hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon a requisition of members shall be dissolved. In any other case, it shall stand adjourned to such other time and date not earlier than fifteen days and not later than a month from the date on which it has convened, as the members present at such meeting may determine. For an adjourned meeting no quorum shall be required.

28. All general meetings shall be presided over by the chairman, and in his absence by the vice-chairman, if any. In the absence of both the members present shall elect one from amongst themselves.

29. The chairman with the consent of the majority of members present at any meeting may adjourn the same from time to time, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting adjourned.

30. Every member shall have one vote irrespective of the number of shares held by him. Votes shall be given in person only.

31. Except as otherwise provided, every resolution submitted to a meeting shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall have a casting vote.

32. A declaration by the chairman of any meeting that a resolution has been carried or lost upon a show of hands shall be conclusive, unless a poll is demanded by any member immediately upon the declaration of the result of the show of hands. If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

33. The functions of the annual general meeting shall be—

- (1) To pass orders on the annual report submitted by the managing committee.

- (2) To elect the chairman, vice-chairman, if so deemed necessary, secretaries not more than two, supervisor of buildings and members not more than three to constitute the managing committee as required by byelaw 34.
- (3) To pass byelaws of the society or amendments thereto.
- (4) To fix the maximum limits of borrowings in the form of deposits, loans and debentures for the year.
- (5) To determine the distribution and appropriation of profits subject to byelaw 45.
- (6) To transact any other business of the society.

34. Managing committee.—Subject to the control of the general body the business of the society shall be carried on and managed by the managing committee which shall consist of—

- (1) the chairman,
- (2) not more than two vice-chairmen,
- (3) not more than two secretaries,
- (4) the supervisor of buildings, and
- (5) not more than three elected members.

35. The managing committee shall have and exercise all such powers, enter into such arrangements, make all such arrangements, take all such proceedings, and do all such due management of the affairs of the society and for the carrying out of the affairs of the society and for the established and for securing and furthering the interests subject to the provisions of the Act and rules which may be passed by the Local Government in pursuance of the said Act and subject to any byelaws which may be duly made by the said society.

36. Without prejudice to the general powers conferred by these byelaws, the managing committee shall have the following powers and duties :—

- (a) With the previous sanction of the members given at a general meeting to increase from time to time the share capital of the society.
- (b) To allot so many of the shares as are unsubscribed on payment of full amount thereof to such persons as they in their absolute discretion shall think fit.
- (c) With the previous sanction of the Registrar to purchase, buy, take on lease, or otherwise acquire any building or land (whether free-hold, lease hold or otherwise) from any person with or without a house or houses, buildings thereon and to erect, construct and build or alter any building or buildings for the purpose of an office or as a residence for any person in the employ of the society and to pay for such land and buildings whether purchased, leased, acquired, or built or constructed by the society either in cash or otherwise.

- (d) To purchase all furniture and other things necessary for any office and residence with all things which the managing committee may deem necessary or convenient for carrying on the business of the society.
- (e) To raise or borrow such money as may be required from time to time for the purposes of the society in accordance with and subject to the provisions of these byelaws and the Act and the rules made thereunder.
- (f) To undertake on behalf of the society the payment of all rents and the performance of all convenient conditions and agreements contained in, or reserved by, any lease that may be granted or assigned to, or otherwise acquired by, the society.
- (g) To insure and keep insured all or any of the building goods, or other property or any securities of the society either separately or conjointly for such period and such extent as the managing committee may think fit and to sell, assign, surrender, or discontinue any policies of insurance of their powers.
- (h) Subject to byelaw 12 to lend moneys to members of the society, to fix the terms of loans and amounts of security of mortgage required from members.
- (i) To execute all agreements, deeds, contracts, extracts, receipts and other documents that may be necessary or expedient for the purposes of the society.
- (j) To consider cases of overdue loans and pass orders thereon making such arrangements as may be necessary to provide against loss.
- (k) To appoint, dismiss, suspend or otherwise punish any officer, clerk, or menial servant of the society, to fix their remuneration, give increments to them and keep such staff, temporary or permanent and on such remuneration as they may deem necessary.
- (l) To appoint an auditor and an engineer and a supervising officer and if not available to render honorary service to fix their remuneration.
- (m) To compromise any debt, or claim or refer the same to arbitration or to give time for payment of any debt.
- (n) To commence, institute, prosecute and defend all such actions and suits as the managing committee may think necessary or proper to bring or defend and compromise and submit the same to arbitration.
- (o) To invest the funds of the society in accordance with section 32 of the Act.
- (p) To transfer by sale, mortgage, lease, hypothecation or otherwise by registration or endorsement any property belonging to the society.

- (g) To fix the rates of interest on deposits, debentures, loans, cash credits, and the amount of subscription and contributions.
- (r) To inspect and direct the business of the society and to act on its behalf in all matters pertaining to it.
- (s) To approve plans and estimates of buildings proposed and submitted by the members.
- (t) To call general meetings of the society as often as may be necessary and to submit an annual report to the annual general meeting, the annual balance sheet, profit, and loss statement duly audited up to the previous 29th June, to submit a budget and a brief report on the previous year's working.
- (u) To manage the affairs of the society in such a way as not to encourage commercial or profit making spirit amongst the members.

37. The managing committee is authorized to delegate all or any of the powers to the chairman, vice-chairman, if any, or the secretaries or secretary of the society.

38. The chairman and in his absence the vice-chairman shall preside over all the meetings of the managing committee. In the absence of both, the members present shall elect from amongst themselves a chairman of the meeting.

39. The managing committee may meet and adjourn as often as may be necessary and shall have power to fill up vacancies caused during the year. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of equality of votes, the chairman shall have a second or a casting vote.

40. The acts of the managing committee notwithstanding any vacancy caused therein shall be as valid as if no such vacancy had existed.

41. The quorum at a meeting of the managing committee shall consist of four members. For an adjourned meeting, there shall be a quorum of three members.

42. The proceedings of all general meetings and the meetings of the managing committee shall be recorded in the minute book specially kept for the purpose. All these minutes shall be signed by the person who shall have presided as a chairman at the general or special meeting or the meeting of the managing committee at which the business minuted shall have been transacted and all minutes purporting to have been signed by the chairman of the special or general meeting of the managing committee shall for all purposes whatever be *prima facie* evidence of the actual and regular transaction

of occurrence of the proceedings and other matters purporting to have been so recorded and of the regularity of the meeting at which the same shall appear to have taken place and of the chairmanship and signature of the persons appearing to have been signed as a chairman.

43. The following shall be the duties of the secretary :—

- (a) To summon and attend all meetings of the managing committee.
- (b) To record or cause to be recorded the proceedings of all the general or special meetings and the meetings of the managing committee in a minute book.
- (c) To sign on behalf of the society such receipts, deed, instruments, and other documents as the managing committee may empower him to sign.
- (d) To conduct all correspondence on behalf of the society in respect of duties allotted to him.
- (e) Generally to supervise and manage such business of the society as may be entrusted to him by the managing committee under byelaw 37.

44. **Seal.**—The society shall have a common seal for its purpose and it shall be used by the members of the managing committee.

45. **Profits.**—(a) 25 per cent of the net profits shall be carried to the reserve fund.

(b) The remaining 75 per cent shall be utilized as follows :—

- (1) In paying dividends not exceeding 9 per cent per annum on the paid up share capital and in distributing bonus to the share holders provided that the dividend and the bonus together do not exceed 12 per cent of the share capital.
- (2) In making provision for bad and doubtful debts.
- (3) In conducting social, recreative and educational work for the benefit of the members or any other common object for their convenience and comfort.
- (4) In granting bonus to the servants and officers of the society for their good work.
- (5) In creating such funds as the annual general meeting may decide.
- (6) The balance, if any, be devoted to any object specified in the objects clause, as may be decided in the general meeting.

46. Reserve fund.—Subject to the sanction of the Registrar, the reserve fund shall be available for any of the following purposes :—

- (a) To meet urgent calls of the society the amount being reimbursed as early as possible.
- (b) To cover any other incidental losses.
- (c) To serve as security for deposits, loans and debentures.

47. Notice.—Every member shall be deemed to have notice of every meeting, resolution, or any other matter, if the same is sent to him by post or delivered at the address registered in society's book or any other manner the managing committee may decide in the matter.

48. All notices to be given to the members shall be left at or sent through post to the registered office of the society.

49. Miscellaneous.—All members shall agree in writing to abide by the byelaws of the society, the decisions of the managing body and the resolutions of the general body.

50. Every member shall submit a plan and estimate of his proposed building to the managing committee for approval.

51. Every member shall pay regularly the monthly instalment as agreed and approved by the municipal committee and in the absence of these, the lease money, nazul rent, the municipal taxes and all other charges, dues and cesses failing which the society shall be at liberty to pay and debit them to his account and charge interest at double the rate charged on loans.

52. The money due under clause 51 shall be a charge over the mortgaged property and it shall be included in any award or proceeding that may be started against the member.

53. In granting loans the managing committee shall give preference to the members who do not own houses.

54. Dissolution.—Save as provided in section 39 of the Act, the society may be wound up not earlier than two years from its registration, if three-fourths of the members present at a general meeting specially convened for the purpose agree to it.

55. Amendment of byelaws.—None of the byelaws shall be altered or rescinded and no byelaw shall be added except by a vote of majority of at least two-thirds of the members present at a general meeting. Every alteration, amendment, rescission or addition resolved upon by such majority shall be submitted to the Registrar for his sanction and shall take effect from the date on which the intimation of the Registrar's approval is received.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
REVENUE COMMITTEE, 1938
ON THE
CENTRAL PROVINCES TENANCY ACT

NAGPUR

GOVERNMENT PRINTING, C. P. & BERAR

1939

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REPORT OF THE REVENUE COMMITTEE, 1938

ON THE

CENTRAL PROVINCES TENANCY ACT

In view of the various measures introduced in the Central Provinces and Berar Legislative Assembly involving piecemeal amendment of the Central Provinces Tenancy and Land Revenue Acts, and the need for overhauling the tenancy and land revenue systems in the Central Provinces on well-considered and comprehensive lines, the Provincial Government issued a direction, on the 17th August 1938, for the appointment of a Committee, known as the "Revenue Committee", to suggest the changes considered desirable in the revenue laws. The personnel of the Committee, which includes those members of the Legislative Assembly who have introduced Bills to amend the Acts, was as follows:—

The Hon'ble Mr. S. V. Gokhale, Minister for Revenue and Education—*Chairman*.

The Hon'ble Mr. D. K. Mehta, Minister for Finance.

Mr. P. B. Gole, M.L.A.

Mr. V. M. Jakatdar, M.L.A.

Mr. M. P. Kolhe, M.L.A.

Mr. K. P. Pande, M.L.A.

Mr. Abdul Razak Khan, M.L.A.

Mr. R. G. Tiwari, M.L.A.

Beohar Rajendra Sinha, M.L.A.

Mr. Kanhaiyalal, M.L.A.

Sardar Amarsingh B. Saigal, M.L.A.

Mr. D. B. Naik, M.L.A.

Mr. Biharilal Deorao Patel, M.L.A.

Mr. B. A. Mandloi, M.L.A.

Mr. K. R. Khandekar, M.L.A.

Mr. P. S. Patil, M.L.A.

Mr. N. Y. Deotale, M.L.A.

Mr. Bhikulal L. Chandak, M.L.A.

Mr. P. D. Jatar, M.L.A.

Rai Bahadur Chhotelal Varma.

The Revenue Secretary to Government—*Secretary*.

2. The terms of reference to the Committee are the following:—

(1) To overhaul the existing tenancy and land revenue systems of the Province and to propose such changes therein as it considers necessary.

(2) In particular to examine and make proposals in regard to the following matters:—

(a) to examine the system of pre-emption of absolute-occupancy holdings with a view to simplification and improvement;

- (b) to examine the rights of proprietors in their home farm and to suggest what changes are needed to prevent the accumulation of unduly large home-farms;
- (c) to examine and if necessary to suggest modification of the system for the recovery of rents by proprietors and to suggest simplification and greater safeguards for tenants' rights;
- (d) the grant of increased rights of transfer to occupancy tenants;
- (e) to examine the question of expropriation of the cultivating classes from proprietorship of villages;
- (f) to examine the relationship between sadar-lambardars, patti-lambardars, and without weakening joint and several responsibility for payment of land revenue to improve the machinery of collection;
- (g) to examine the relations of village officers with Government and the village community and suggest modifications;
- (h) to examine the position as regards rights of tenants in waste and communal land with special reference to the problem of grazing, nistar and rights to fruit trees.

3. The report of the Committee, which is presented herewith, is confined to the terms of reference in so far as they relate to the Tenancy Act. A separate report will be submitted on the changes necessary in the Land Revenue Act.

4. The Committee held in all six meetings, at Nagpur. Two preliminary meetings were held on the 13th and the 14th September 1938. At the first meeting the method of procedure for the Committee was laid down, and the members of the Committee were posted with a statement (Appendix C) showing in a tabulated form the various suggestions in official and non-official Bills for the amendment of the Acts. At this and the second meeting the provisions of the tenancy were also considered in a general manner. The third, fourth, fifth and sixth meetings were held on the 17th, 18th, 25th and the 26th November 1938. At these sittings, the Tenancy Act was examined in detail, section by section, and the changes required were discussed and decided.

5. The detailed recommendations of the Committee are given below. As an introduction to these recommendations, it would be desirable to indicate briefly the main changes introduced by the Committee and the reasons therefor.

6. The underlying basis of the existing Tenancy Act is to protect the tenant and to keep him on the land by providing him with fixity of tenure on the one hand, and on the other making his holding inalienable and not liable to attachment and sale in execution of decrees. Since the enactment of this Act times have changed, and the Committee has been impressed with the public demand that tenancy laws should undergo change with

changed conditions. One result of the inalienable character of the tenures, especially occupancy, is that the tenants have little or no credit. This hampers improvement of land or the methods of cultivation. Proposal has, therefore, been made to liberalize in this respect the provisions of the Act. Care has been taken to move slowly as also to secure to the landlord his just rights. It is further proposed that provision should be made to enable absolute-occupancy and occupancy tenants to acquire malik makbuza rights on payment of fair nazarana to the malguzar. The scale at which the nazarana is to be calculated has been fixed. The laws regulating the devolution of the holdings have also been simplified and liberalized.

7. The question whether occupancy tenants should be enabled to acquire absolute-occupancy rights was discussed by the Committee at considerable length, but it was felt that absolute-occupancy tenancies largely owed their existence to historical reasons, and their number is now fast diminishing. In the interests of simplification of the tenancy law it was considered inadvisable to revive a tenure which is dying a natural death.

8. The provision in the existing law regarding the pre-emption of absolute-occupancy holdings by malguzars is extremely cumbrous and leads to a good deal of unnecessary litigation. It also takes away a considerable portion of the revenue officers' time. This part of the law has been simplified. Similar provisions regarding pre-emption have had to be introduced in the case of occupancy tenants in consequence of the greater powers of transfer proposed to be conferred on them. The provisions of sections 13 and 14 regarding the avoidance of unauthorized transfers by occupancy tenants have had to be retained, although the Committee is aware that they also lead to much avoidable litigation. But in view of the fact that the occupancy tenants have been given much wider powers of transfer, it is felt that cases under these sections will in future be very few, and these sections will soon outlive their usefulness.

9. The next important change proposed to be introduced in the law is regarding the procedure for recovery of rents for absolute-occupancy and occupancy holdings. Under the present law, a civil suit has to be filed which has to be transferred to the revenue side for execution. This causes unnecessary delay. The Committee feel that it is in the interests of both the malguzars and tenants that the procedure should be simplified. Provisions have, therefore, been recommended doing away with the necessity of civil suits and providing for recovery of rent by an application to the revenue officer.

10. The Committee appreciate that with the conferral of increased powers of transfer on occupancy tenants, there is considerable danger of the growth of a new class of middlemen, who would rack-rent the sub-tenants or the actual tillers of the soil. Provisions of sections 40 and 41 of the Tenancy Act are, therefore, proposed to be stiffened up in order to check this evil.

11. The present law is silent as to whether the right of the sub-tenant is heritable. Provision has been proposed to remove this defect.

12. Sections 49 and 50 no longer serve any useful purpose. Experience shows that it is but seldom that permission is refused by the Deputy Commissioner. These sections are a relic of a bygone age. The malguzars are now well able to look after their interests. These sections necessitate unnecessary resort to revenue courts, and also add to their work. The Committee, therefore, propose that the malguzars should be permitted to sell their *sir* land without the permission of the Deputy Commissioner. But in the opinion of the Committee, time has not yet arrived when *sir* land should be made liable to attachment and sale. The Committee has made proposals accordingly.

13. The present sections 95, 96 and 97 also give rise to much confusion of dispute regarding the rights of tenants in the trees in their holdings. The Committee has, therefore, suggested the principles on which the law should be amended. The proposals will not involve hardship or injustice either to the malguzars or to the tenants as a class. They will also lead to the simplification of the position.

14. Safeguards have also been proposed to prevent further fragmentation of holdings in consequence of the recommendations of the Committee.

15. The detailed proceedings of the Committee are contained in Appendix A. Appendix B contains the Government Bill substituting sections 23 and 24, Tenancy Act. And Appendix C contains the tabular statement of the various bills which formed the basis of discussion.

DETAILED RECOMMENDATIONS OF THE COMMITTEE

16. *Preamble*.—The language of the preamble should be amended in the light of paragraph 2 of the proceedings, dated the 26th November 1938.

17. *Section 2 (9)*.—The words “but shall not include nazarana” should be added at the end of the definition of “rent”.

18. *Section 6*.—The following amendments should be made in this section:—

(a) The words “or bequeath by will in accordance with his personal law” should be inserted after the word “transfer” in clause (a) of sub-section (1) of section 6.

(b) The procedure for pre-emption should be simplified. The landlord should be entitled to pre-empt at the amount entered in the sale-deed as the purchase price of the absolute-occupancy holding plus stamp duty and registration charges, if any. If he does not choose to pre-empt, he should be entitled to receive nazarana at 5 per cent of the consideration entered in the sale-deed. The detailed procedure is left to be drafted by the Law Department, including the question whether the pre-emption should take place only after a completed sale or that some system of giving a notice to the landlord should be adopted.

(c) The right of absolute-occupancy tenants to sub-lease their lands should be limited to five years, and necessary changes should be made in clause (c) of sub-section (1) of section 6.

19. *Section 9.*—(a) The procedure for recovery of rent of absolute-occupancy holdings should be brought into line with the procedure proposed by the Committee for recovery of rent of occupancy holdings. It should not be necessary to file a suit for recovery of rent and to transfer the decree for execution to the revenue side. The landlord should be able to effect recovery by an application to the Deputy Commissioner, and sale of the holding or a sufficient portion thereof, if necessary, should be permitted in the course of recovery proceedings, provided that in the latter case this does not involve splitting up of the holding into a part less than 10 acres in area.

(b) The existing sub-section (3) of this section should be retained with necessary changes and should apply to occupancy as well as absolute-occupancy holdings.

20. *Section 11.*—This section should be redrafted and brought into line with section 5, so that the right of an occupancy tenant would also devolve by inheritance or survivorship in accordance with his personal law.

21. *Section 12.*—(a) Clause (i) of sub-section (1) of this section should be redrafted as follows: “He may sublet any right in his holding for five agricultural years”.

(b) After clause (ii) of sub-section (1), a third clause should be added, authorizing the occupancy tenant to sell, but not to mortgage his holding or any part thereof to a person who is (a) mainly, and (b) a *bona fide* agriculturist. In such a case, the malguzar should be entitled to pre-empt at the consideration or to take consent money at 7½ per cent of the consideration. The consent money should be recoverable from the purchaser as arrears of land revenue. Government should be empowered by rules to prescribe for each local area that the sale should not involve the formation of a holding below a specified area.

NOTE.—This right of pre-emption would not arise in the cases covered by clauses (i) and (ii) of sub-section (1) of section 12, but would be confined to sales under the proposed clause (iii).

(c) Occupancy holdings should be made attachable and saleable in enforcement of bail bonds executed in favour of Government under the provisions of the Criminal Procedure Code and other criminal enactments.

22. *Section 12-A.*—Sub-section (1) of this section would need modification in view of the fact that the right of transfer to a person who is mainly a *bona fide* agriculturist is proposed to be conceded.

23. *Section 13.*—Co-tenants also should be empowered to apply for setting aside transfers of their holdings by occupancy tenants in contravention of law. The consequential amendments necessary in this section and in section 14 in view of the recommendations of the Committee should be made at the time of drafting.

24. *Section 16.*—Government should examine the utility of sub-clause (iii) of clause (b) of this section, and if it is found to be obsolete or to have outlived its usefulness, it should be deleted.

25. *Sections 23 and 24.*—These should be deleted and substituted by the Government Bill (Appendix B) on the subject, with the following modifications:—

(a) The words “six months” should be substituted for the words “two months” in sub-section (1) of the proposed section 24.

(b) The court-fee payable on applications for recovery of arrears of rent should be as follows:—

(i) In the case of uncontested applications—One-fifth of the court-fee payable on a plaint for the same amount.

(ii) In the case of contested applications—One-third of the court-fee payable on a plaint for the same amount.

26. *Section 25.*—(a) Clause (a) of this section should be deleted.

(b) Ejectment on account of diversion of land to non-agricultural purposes should be confined only to the area so diverted and to such other land as may be considered necessary by the Deputy Commissioner for its reasonable enjoyment.

NOTE.—While drafting, the Agra Tenancy (Amendment) Act should be referred to, and the policy of Government against fragmentation should also be kept in view.

27. *Section 38.*—(a) In the first proviso, the words “five years” should be substituted for “one year”.

(b) Provision should be made for the devolution of the right of a sub-tenant if he dies during the currency of the term of the sub-lease. The right of the sub-tenant should devolve as if it were land in accordance with his personal law, subject to the terms of the contract of the sub-lease.

28. *Section 40.*—(a) The words “in any local area..... be in force” should be omitted from sub-section (1).

(b) Revenue officers should be empowered to take action under this section *suo motu*.

(c) The rent payable by the sub-tenant on the conferral of occupancy rights should be the assessed rent on the holding, the whole of which should go to the malguzar, and the original occupancy tenant who is found guilty of habitual sub-letting of his land should lose his rights altogether.

(d) An explanation should be added to make the meaning of the word “habitual” clear, bearing in mind the period for which absolute-occupancy and occupancy tenants are proposed to be entitled to sub-let their holdings.

(e) If the original tenant is an occupancy tenant, then under this section, the sub-tenant should get occupancy rights; if the original tenant is an absolute-occupancy tenant, the sub-tenant should get absolute-occupancy rights.

29. *Section 41.*—(a) The words “who is a member of the proprietary body of the mahal in which such land lies” should be deleted from this section.

(b) Plot proprietors in malguzari areas on whom malik-makbuza rights may not have been conferred should also be brought within the ambit of this section.

(c) If any malguzar is found subletting his *sir* land or a malik-makbuza holder subletting his malik-makbuza land for more than five years solely with a view to obtaining rent, the sub-tenant should be entitled to acquire occupancy rights under this section.

(d) The revenue officer should be empowered to fix the rent in the event of accrual of occupancy rights on the sub-tenant. Such rent should not exceed the sub-rent.

(e) Provision should be made to enable Government to make rules for regulating the proceedings and for assessment of rent.

30. *Sections 42 to 48.*—The drafting of these sections should be scrutinized in the light of paragraph 2 of the proceedings, dated the 26th November 1938.

31. *Sections 49, 50 and 51 (2).*—(a) These should be deleted.

(b) Malguzars should be permitted to sell *sir* land without the Deputy Commissioner's permission, but should not be permitted to mortgage it or to create a charge on it. In the case of sale of *sir* land in execution of a decree, occupancy rights should accrue to the malguzar.

NOTE.—Section 19 of the United Provinces Tenancy Act (published in *United Provinces Government Gazette*, Extraordinary, dated the 21st April 1938) should be referred to while drafting the amended sections.

32. For the reasons which have been given already, the Committee propose that occupancy and absolute-occupancy tenants should be enabled to acquire malik-makbuza rights on payment of fair compensation to the malguzar in the shape of nazarana. The nazarana should be twelve and a half times the rent in the case of occupancy tenants, and ten times the rent in the case absolute-occupancy tenants. With the object of preventing non-agriculturists taking advantage of this provision, the Committee consider that this concession should be limited to *bona fide* agriculturists, the criterion being the possession of agricultural land by the applicant either himself or through a person from whom it has devolved on him by inheritance for at least ten years before the date of the application.

The detailed rules regarding the procedure to be followed should be framed by Government. The Committee consider that a tenant wishing to acquire malik-makbuza rights should be required to make an application to the Deputy Commissioner accompanied by a deposit of the nazarana according to the scale suggested above.

The provisions embodying the above suggestions should be inserted in the Tenancy Act at a suitable place.

33. *Section 82.*—The words “six per cent” should be substituted for the words “twelve per cent”.

34. *Sections 78 to 86.*—These sections will have to be deleted or consequential changes made where necessary.

35. *Section 87.*—It should be made clear that the right conferred by this section on a tenant will in future be available only in his own village or patti and only against his own landlord and not in other villages or pattis or against persons who are not his landlords.

36. *Section 88-A.*—(a) The consent of the member of the family of a tenant (provided he has attained majority) engaged by a *malguzar* should be necessary under sub-section (1) and not the tenant's consent.

(b) The word “family” in this section should apply only to such near relations of a tenant as live jointly with him and this should if necessary be made clear.

37. *Section 89.*—This section should be amended so as to prohibit surrenders of a part of a holding.

38. *Sections 91 and 92.*—(a) These sections should be amended so as to permit of voluntary exchanges of land between tenants or between tenants and landlords or *malik-makbuzas*. Each party should have the same right in the land which he gets after the exchange as he had in the land before the exchange. No question of payment of *nazarana* to the *malguzar* in the case of such exchanges should arise.

(b) Provisions relating to exchange by custom in section 91 should be deleted.

39. *Section 94.*—This section should be repealed and a new section substituted, providing that if *sir* and *khudkasht* lands are leased out on the same set of conditions, the lessee should acquire the same right in the *sir* land as he would acquire in *khudkasht* land. The effect of this would be that the lessee would be an occupancy tenant of the whole land and *sir* right would be destroyed.

40. *Sections 95, 96 and 97.*—These sections should be repealed and substituted by sections providing for the following:—

(i) Ownership in trees should not be divorced from ownership in land. Therefore a transfer of any kind of the right of proprietorship in trees should be forbidden unless the right of proprietorship in the land is also similarly transferred. The right of proprietorship in trees should also be exempt from attachment and sale in execution of a decree or order of a Civil Court, unless the land itself is also attached and sold, as provided for in section 97 of the Act.

(ii) Notwithstanding any contract or any custom or entry in the village administration paper or a decree of a Civil Court, a tenant other than a sub-tenant, should have during the period of his tenancy the same right in all trees in his holding as he has in the holding itself:

Provided that—

- (1) he should be entitled to fell and take timber of any *babul* tree in his holding or to clear his land of scrub jungle, or with the permission of a Revenue officer any other tree, which interferes with the cultivation of the holding, the tree after being cut to belong to the malguzar, and
- (2) he should have the same right in *palas* trees in his holding as he has in the holding itself and should be entitled to propagate lac on such trees and to take the produce thereof.

Clauses should be drafted embodying these suggestions.

41. After section 97, a new section should be added, authorizing a tenant to transfer his *abadi* site to an agriculturist who is a resident in the village or who owns cultivation therein or who is an agricultural labourer or an agricultural artisan, subject to the payment of nazarana to the malguzar at the rate of 5 per cent on the sale price.

42. The remaining provisions of Chapter IX and Chapter X should be scrutinized while drafting for such consequential amendments as may be necessary. The schedules to the Tenancy Act should also be examined with the same object. In the other provisions of the Act also, such consequential amendments as may be required in the light of the decisions of the Committee should be made at the time of drafting the Bill.

S. V. GOKHALE.
 D. K. MEHTA.
 V. M. JAKATDAR.
 ABDUL RAZAK KHAN.
 SARDAR A. S. SAIGAL.
 R. G. TIWARI.
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 N. Y. DEOTALE.
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 BEHARILAL PATEL*.
 B. L. CHANDAK.
 D. B. NAIK.
 K. R. KHANDEKAR.
 C. L. VARMA.
 B. RAJENDRA SINHA*.
 P. B. GOLE.
 P. D. JATAR.

*Subject to the note of dissent by B. Rajendra Sinha and Mr. Beharilal Patel printed as appendix D.

APPENDIX A

Proceedings of the meetings of the Revenue Committee held on the 13th and 14th September and the 17th, 18th, 25th and 26th November 1938

The Committee met in the Select Committee Room of the Central Provinces Legislative Assembly Hall on the 13th and 14th September 1938.

The following were present :—

Chairman.

(1) The Hon'ble Minister for Revenue.

Members.

- (2) The Hon'ble Minister for Finance.
- (3) Rai Bahadur Chhotelal Varma.
- (4) Mr. V. M. Jakatdar, M.L.A.
- (5) Mr. P. B. Gole, M.L.A.
- (6) Mr. Abdul Razak Khan, M.L.A.
- (7) Mr. Biharilal Deorao Patel, M.L.A.
- (8) Mr. N. Y. Deotale, M.L.A.
- (9) Mr. M. P. Kolhe, M.L.A.
- (10) Mr. B. A. Mandloi, M.L.A.
- (11) Beohar Rajendra Sinha, M.L.A.
- (12) Mr. Bhikulal Chandak, M.L.A.

Secretary.

(13) The Revenue Secretary to Government.

It was decided that the best course of action would be for the Secretariat to tabulate as concisely as possible the various suggestions in Bills, non-official and official, for amendment of the Tenancy Law as well as the recent changes suggested in other Provinces, especially the United Provinces and Bihar. The general changes to be made were discussed, and though no final decisions were arrived at it was tentatively decided that changes on the following lines were desirable.

2. The definition of "land" and "agriculture" given in section 2 (6) of the Tenancy Act was discussed, and it was decided that no change was desirable.

3. *Absolute-occupancy tenants.*—As the general feeling was that the present section 6 of the Tenancy Act is too complicated and leads to an unnecessary amount of litigation, the tentative decision was that matters should be simplified by providing that the landlord should be entitled to pre-empt at the amount entered in the sale-deed, and if he did not choose to pre-empt at the amount so entered, he should receive nazarana at 5 per cent of the consideration entered in the sale-deed. It was suggested that a provision should be made that an absolute-occupancy plot should not be saleable for execution of a money decree. No decision was reached on this point and it was left for further consideration.

4. Another matter that came up for discussion was the tendency to further fragmentation of large holdings. It was believed that about 50 per cent of holdings in the Central Provinces are under 5 acres and the tendency of holdings to become smaller is noticeable. No solution was, however, suggested and the point was noted for further examination.

5. The Committee then considered occupancy holdings. They thought that these should devolve according to the personal law of the tenant, but that proviso (2) to section 11 of the Tenancy Act might now be omitted. It was also suggested for consideration that the tenant should have power to bequeath a holding by will.

6. Another suggestion was that nazarana on transfers of occupancy holdings should be limited to 5 times the rent, the Provincial Government having power to reduce this in selected tracts. The general view, however, was that occupancy tenants should have the right to sell their holdings only, to anybody, but not to mortgage. The existing exemption for attachment, etc., by the civil courts should continue in force. It was further thought that a sub-lease for a period of five years should be permitted. The Committee also were inclined to the view that the landlord should be allowed to pre-empt a holding sold, at the price stated in the sale-deed, or, alternatively, to demand nazarana from 10 to 12½ per cent of the consideration so stated. The general effect would be that section 13 of the Tenancy Act as at present drafted will have to be omitted *in toto*.

7. It was agreed that provision should be made for sale instead of ejection of occupancy holdings for arrears of rent, and the Committee also considered that the Government proposal to allow partial sale, provided that the area sold and the area left after sale should not be less than 10 acres was suitable.

The Committee then adjourned *sine die*.

The Committee met in the Select Committee Room of the Central Provinces and Berar Legislative Assembly Hall, Nagpur, on the 17th November 1938.

The following were present :—

Chairman.

The Hon'ble Mr. S. V. Gokhale, Minister for Revenue and Education.

Members.

The Hon'ble Mr. D. K. Mehta, Minister for Finance.

Rai Bahadur Chhotelal Varma.

Mr. P. B. Gole, M.L.A.

Mr. V. M. Jakatdar, M.L.A.

Mr. Abdul Razak Khan, M.L.A.

Beohar Rajendra Sinha, M.L.A.

Mr. B. A. Mandloi, M.L.A.

Mr. Kanhaiyalal, M.L.A.

Mr. N. Y. Deotale, M.L.A.

Sardar Amarsingh B. Saigal, M.L.A.

Mr. Biharilal Deorao Patel, M.L.A.

Mr. K. R. Khandekar, M.L.A.

Mr. B. L. Chandak, M.L.A.

Mr. D. B. Naik, M.L.A.

Secretary.

The Revenue Secretary to Government.

1. The Chairman opened the proceedings by reading out the minutes of the last meeting, as some of the members since appointed were not present at the last meeting. Thereafter it was decided to proceed with an examination of the Tenancy Act and to go through it section by section, considering in due course the proposals for the amendments contained in the various bills. The following decisions were arrived at.

2. *Section 2 (6)*.—The decision of the Committee at the last meeting that no change in the definition of “land” was necessary was approved.

3. *Section 2 (9)*.—It was decided that the words “but shall not include nazarana” be added at the end of the definition of “rent”. This was considered necessary in view of the decision of the High Court that nazarana was rent and that proceedings for the recovery of nazarana were governed by the Tenancy Act.

4. *Section 2 (11)*.—The question whether a sub-tenant of *khudkasht* land for one year should be excluded from the definition of tenant was also considered, but finally the proposal was negatived.

5. *Section 3*.—There was also considerable discussion regarding amendment of section 3, which defines the various classes of tenants. It was resolved that no change in the section was necessary.

6. *Section 4*.—During the discussion on this section, the question whether legal provision should be made for the acquisition of absolute-occupancy rights in future came in for a good deal of comment. This also gave rise to the question whether absolute-occupancy and occupancy tenants should be empowered to acquire higher rights, *e.g.*, malik-makbuza, and in the case of occupancy tenants also absolute-occupancy rights. It was finally decided that it was not desirable to revive the system of absolute-occupancy tenants, which was slowly becoming obsolete and dying a natural death. It was also decided that it was not necessary to make provision to enable occupancy tenants to acquire absolute-occupancy rights afresh in future. There was, however, a general consensus of opinion that absolute-occupancy tenants and occupancy tenants should be empowered to acquire malik-makbuza rights on payment of compensation to the malguzar. It was considered that the law should provide for the acquisition of this right on payment of a sum of twelve and a half times the rent as nazarana or purchase price to the malguzar in case of occupancy tenants, and ten times the rent in case of absolute-occupancy tenants. It was further decided that only *bona fide* agriculturists should be enabled to acquire malik-makbuza rights, the criterion being the possession of agricultural land by the applicants either by themselves or through a person from whom it has devolved by inheritance, for at least ten years from the date of the application. The detailed rules regarding the procedure to be followed should be framed by Government. The view of the Committee was that a tenant wishing to acquire this right should make an

application to the Deputy Commissioner accompanied by a deposit of the nazarana according to the scale laid down above. In view of the above conclusions, it was considered that no change was necessary in the definition of an absolute-occupancy tenant.

7. *Section 6.*—There was a good deal of discussion on section 6. It was generally felt that the present procedure of pre-emption was cumbrous and led to a great deal of avoidable litigation and stood in need of simplification.

The following decisions were taken :—

(1) The words “or bequeath by will in accordance with his personal law” should be inserted after the word “transfer” in section 6 (1) (a) of the Act.

(2) The tentative decisions contained in paragraph 3 of the proceedings of the last meeting were approved. It was decided that the landlord should be entitled to pre-empt at the amount entered in the sale-deed, *plus* stamp duty and registration charges, if any; and if he did not choose to do so, he should be entitled to receive nazarana at 5 per cent of the consideration entered in the sale-deed. The procedure to achieve this was left to be determined in the Law Department, *viz.*, whether the pre-emption should take place only after a completed sale or that some system of giving a notice to the landlord should be adopted.

8. *Section 9.*—With regard to this section, it was decided that the procedure for the recovery of rent of absolute-occupancy holdings should be brought into line with the proposed procedure for recovery of rent of occupancy holdings. There should be no necessity of filing first a civil suit and having the decree transferred to the revenue side for sale. It was decided that the landlords should be able to effect recovery of the rent by an application to the Deputy Commissioner. The Act should permit sale of a part of the holding, if necessary, provided that this would not involve splitting up of the holding into a part less than 10 acres in area. The application for recovery should bear the same court-fee as would be required for a suit for recovery of rent of the same amount. In short, the procedure which the Committee would lay down for the recovery of rent of occupancy holdings should apply *mutatis mutandis* to absolute-occupancy holdings also. The provisions of sub-section (3) of section 9 should be incorporated both in the case of occupancy as well as absolute-occupancy holdings.

9. The Committee then adjourned to meet at 12 noon on the 18th November 1938.

The Committee met in the Select Committee Room of the Central Provinces and Berar Legislative Assembly Hall, Nagpur, on the 18th November 1938.

The Committee re-assembled on the 18th November 1938 at 12 noon.

The following were present :—

Chairman.

The Hon'ble Mr. S. V. Gokhale, Minister for Revenue.

Members.

The Hon'ble Mr. D. K. Mehta, Minister for Finance.
 Rai Bahadur Chhotelal Varma.
 Mr. P. B. Gole, M.L.A.
 Mr. V. M. Jakatdar, M.L.A.
 Mr. K. P. Pande, M.L.A.
 Mr. Abdul Razak Khan, M.L.A.
 Mr. B. A. Mandloi, M.L.A.
 Mr. Kanhaiyalal, M.L.A.
 Beohar Rajendra Sinha, M.L.A.
 Sardar Amarsingh B. Saigal, M.L.A.
 Mr. N. Y. Deotale, M.L.A.
 Mr. D. B. Naik, M.L.A.
 Mr. B. L. Chandak, M.L.A.
 Mr. Biharilal Deorao Patel, M.L.A.

Secretary.

The Revenue Secretary to Government.

Chapter III of the Tenancy Act was taken up for consideration by the Committee. The provisions of sections 11 and 12 provoked much discussion.

2. *Section 11.*—With regard to this section, the general feeling was that there was no point in excluding devolution by survivorship and that the exclusion of remote heirs in proviso (2) to this section was also unnecessary and unjust. The view of the Committee, therefore, was that section 11 should be brought into line with section 5, so that the right of an occupancy tenant also would devolve by inheritance or survivorship in accordance with the personal law.

3. *Section 12.*—This section led to acute controversy, and there was a wide divergence of opinion. The general feeling was that the restrictions at present imposed on the tenants right of transfer were too severe and hampered improvement of cultivation. It was also generally felt that the credit of occupancy tenants should be improved. The following decisions were arrived at:—

(1) In sub-section (1) (i) of this section, the word "five" should be substituted for "one" and the proviso should be omitted. Section 12 (1) (i) will then read as follows:—

"He may sublet any right in his holding for five agricultural years."

(2) No change in clause (ii) of sub-section (1) of section 12 was considered necessary.

(3) After clause (ii) of sub-section (1) of section 12, a third clause should be added, authorizing the occupancy tenant to sell not to mortgage his holding or any part thereof to a person who is (a) mainly and (b) a *bona fide* agriculturist. The *malguzar* should be entitled to pre-empt at the consideration or to take consent money at 7½ per cent of the consideration. The consent money should be recoverable from the purchaser as arrears of land revenue. Government should be empowered by rules to prescribe for each local area that the sale should not involve the

formation of a holding below a specified area. The consequential amendments and detailed procedure should be drafted by Government.

(4) No change was considered necessary in the remaining sub-section 12.

4. *Section 12-A.*—This empowers the persons specified in clauses (a), (b) and (c) of sub-section (1) to take a holding at the sum last bid in case the holding is knocked down to a stranger. This provision would need modification in view of the fact that the right to transfer to a person who is a *bona fide* and mainly an agriculturist is conceded.

5. *Section 40.*—After the discussion of section 12, sections 40 and 41 were taken up as they related to cognate objects. These sections also gave rise to much discussion. It was felt that in view of the fact that occupancy tenants were being authorized to sub-lease their holdings for five years, there was considerable danger of a new class of middlemen in the shape of absentee occupancy holders coming into being and sub-tenants being rack-rented. It was, therefore, considered necessary to stiffen up and make section 40 of the Act more effective. With this object in view, the following conclusions were arrived at:—

(1) The words “In any local area.....to be in force” should be omitted from sub-section (1) of section 40, so that this section would be applicable to the whole province.

(2) At present revenue officers are not entitled to take action *suo motu*, and the tenants are not aware of their rights. So this section has remained more or less a dead letter. It was agreed that revenue officers should be empowered to take action *suo motu*.

(3) The rent payable by the sub-tenant on the conferral of occupancy rights should be the assessed rent on the holding, the whole of which should go to the malguzar, and the original occupancy tenant, who is found guilty of habitual subletting of his land, should lose his rights altogether.

(4) It was also suggested that an explanation should be given to make the meaning of the word “habitual” clear. It will in this connection be noted that an absolute-occupancy tenant is proposed to be entitled to sublet for 5 years.

(5) If the original tenant is an occupancy tenant, then under this section the sub-tenant would get his occupancy rights; and if he is an absolute-occupancy tenant, the sub-tenant would get absolute-occupancy right.

6. *Section 41.*—It was decided that the words “who is a member of the proprietary body of the mahal in which such land lies” in section 41 should be deleted, and that plot proprietors in malguzari villages on whom malik-makbuza rights may not have been conferred should also be brought within the ambit of this section. When occupancy rights are conferred under this section on a sub-tenant of a malik-makbuza or a plot proprietor, the revenue officer should be empowered to fix the rent which should not exceed the sub-rent.

7. It was decided that the Committee should meet again on the 25th November 1938, at 12 noon at Nagpur.

The 25th November 1938.

The Committee resumed its sittings at 12 noon on the 25th November 1938, in the Select Committee Room of the Central Provinces Legislative Assembly Hall, Nagpur.

The following members were present:—

Chairman.

The Hon'ble Mr. S. V. Gokhale, Minister for Revenue and Education.

Members

The Hon'ble Mr. D. K. Mehta, Minister for Finance.

Rai Bahadur Chhotelal Varma.

Mr. V. M. Jakatdar, M.L.A.

Mr. K. R. Khandekar, M.L.A.

Mr. Kanhaiyalal, M.L.A.

Beohar Rajendra Sinha, M.L.A.

Mr. N. Y. Deotale, M.L.A.

Mr. B. L. Chandak, M.L.A.

Mr. D. B. Naik, M.L.A.

Mr. R. G. Tiwari, M.L.A.

Sardar Amarsingh B. Saigal, M.L.A.

Mr. P. S. Patil, M.L.A.

Mr. Beharilal Deorao Patel, M.L.A.

Secretary.

The Revenue Secretary to Government.

Further consideration of section 12 of the Tenancy Act was taken up.

Section 12.—Mr. Tiwari's proposal that the right of pre-emption provided for in the new clause (iii) of sub-section (1) should be extended to co-tenants and heirs also was negatived.

It was, however, decided that occupancy holdings should be made attachable and saleable in execution of the bail bonds executed in favour of Government under the provisions of the Criminal Procedure Code and other criminal enactments. It was felt by the Committee that as occupancy tenants at the present time had no saleable interest in their holdings, their surety was not accepted by courts, which frequently gave rise to avoidable hardships. In order to obviate this, it was considered necessary to provide that occupancy holdings should be made liable to attachment and sale in satisfaction of bail bonds.

On a further consideration of sub-section (4) of this section, it was felt that the provisions of this sub-section were frequently evaded by parties either by collusion or by making false recitals in the deeds, so that this sub-section no longer served its original purpose. It was, therefore, considered necessary to delete it. An incidental advantage which would flow from this would be that this would prevent exploitation of tenants by malguzars who were able under the present circumstances to levy considerable sums from the tenants intending to transfer their holdings.

2. *Sections 13 and 14.*—Under the present section 13, co-tenants do not possess the right of applying for setting aside of transfers by occupancy tenants in contravention of law. It was decided that they should also be empowered to do so.

At the time of drafting such consequential amendments as were necessary in sections 13 and 14, in view of the decisions of the Committee, should be made by Government.

3. *Section 16.*—The utility of clause (b) (iii) of this section was questioned by some members, and the Committee decided that this point should be examined by Government; and if this clause was found to be obsolete or no longer of any use, it should be deleted.

4. *Sections 23 and 24.*—The Government Bill on the subject was laid before the Committee for approval. The following principles underlying the Bill were approved:—

(i) It should not be necessary for a malguzar to go to the Civil Court for obtaining a decree for arrears of rent.

(ii) Instead of ejection, provision should be made for the sale of the holding or part thereof for the recovery of arrears of rent, consistently with the policy of discouraging fragmentation of holdings.

Mr. Deotale's proposal that the method of liquidating rental arrears should be by requiring the malguzar to take the holding on sub-lease for a specified number of years, was negatived.

Mr. Patil proposed that a holding should not be sold for arrears of rent within one year of their falling due, but that within this period processes against movable property should continue. This proposal was also negatived.

Mr. Khandekar's proposal that a holding should not be liable to sale for less than two years' arrears was also negatived.

It was further decided that the words "six months" should be substituted for the words "two months" in section 24 (1) of the Government Bill.

5. *Section 25.*—Clause (a) of this section should be deleted.

It was further decided that in the case of diversion of land to non-agricultural purposes, ejection should be only from the area so diverted and from such other land as may be considered necessary by the Deputy Commissioner for its reasonable enjoyment. (While drafting please refer to Agra Tenancy Act, and also keep in view the policy against fragmentation.)

6. *Section 26.*—Beyond such consequential changes as may be necessary, this section should stand.

No further changes in Chapter III of Act were suggested beyond consequential amendments which should be made at the time of drafting.

7. *Section 37.*—Consideration of Chapter IV was thereafter taken up. Mr. Naik's proposal that *khudkasht* land should be permitted to be leased out for one year and that a lessee of *khudkasht* land for one year should be a sub-tenant was negatived.

8. *Section 38*—In the first proviso, the words “five years” should be substituted for “one year”.

9. *Section 41*—This section was further considered, and it was decided that the term of sub-lease of *sir* land as well as malik-makbuza lands should be limited to five years and that if any malguzar was found letting his *sir* land or a malik-makbuza holder subletting his malik-makbuza land for more than five years solely with a view to obtaining rent, occupancy rights should accrue to the sub-lessee of such land. Provision should be made for making rules for regulating these proceedings and for assessment of rent to be paid by the lessee or sub-lessee.

It was further decided that the right of absolute-occupancy tenants to sub-lease their lands should also be restricted to five years, and that necessary changes should be made in section 6 (1) (c) of the Act.

10. Chapter VI of the Act was next taken up. The Committee considered that sections 49 and 50 of the Act served no useful purpose inasmuch as the malguzars were now able to look after their interests and it was but rarely that permission to transfer *sir* land was refused by Revenue officers. It was felt that malguzars should be permitted to sell *sir* land without the Deputy Commissioner's permission. But there was a general feeling against allowing them to mortgage *sir* land or to create a charge on it. It was also felt that in case of a sale of *sir* land in execution of a decree occupancy rights should accrue to the malguzar. It was decided that sections 49 and 50 and 51 (2) should be deleted and provisions on the lines of section 19 of the United Provinces Tenancy Bill should be incorporated with the modifications mentioned above.

The 26th November 1938.

The Committee re-assembled at 12 noon on the 26th November 1938, in the Select Committee Room of the Central Provinces Legislative Assembly Hall at Nagpur.

The following were present :—

Chairman.

The Hon'ble Mr. S. V. Gokhale, Minister for Revenue and Education.

Members.

The Hon'ble Mr. D. K. Mehta, Minister for Finance.

Rai Bahadur Chhotelal Varma.

Mr. V. M. Jakatdar, M.L.A.

Beohar Rajendra Sinha, M.L.A.

Mr. D. B. Naik, M.L.A.

Mr. N. Y. Deotale, M.L.A.

Mr. Kanhaiyalal, M.L.A.

Mr. P. S. Patil, M.L.A.

Sardar Amarsingh B. Saigal, M.L.A.

Mr. B. L. Chandak, M.L.A.

Mr. R. G. Tiwari, M.L.A.

Secretary.

The Revenue Secretary to Government.

Section 38 of the Tenancy Act was further considered. It was felt that provision should be made for the devolution of the right of a sub-tenant when he dies during the currency of the term of the sub-lease. It was felt that the right of the sub-tenant should subject to the terms of the contract of sub-lease devolve as if it were land in accordance with the personal law of the sub-tenant.

2. *Chapter V.*—This Chapter was next taken up. No amendment thereof was considered necessary; but it was decided that the language of this Chapter should be further scrutinized. At present it is somewhat loosely drafted, *e.g.*, the words “holding” and “rent” have been used with reference to village servants although these expressions are quite inapplicable to them

In the same manner, the expression “village-service holding” in the preamble also needs to be amended.

3. *Chapter VII.*—No change in this Chapter was considered necessary.

4. *Chapter VIII.*—In this Chapter also no change was considered necessary, except that it was decided that in section 82, the words “6 per cent” should be substituted for “12 per cent”.

Sections 78 to 86.—These sections of this Chapter will have to be deleted or consequential changes made.

The question of court-fee to be levied on applications for recovery of arrears of rent was next considered. The decision of a majority of the Committee was that court-fee should be recovered as shown below:—

- (i) In the case of uncontested applications—One-fifth of the court-fee payable on a plaint for the same amount.
- (ii) In the case of contested applications—One-third of the court-fee payable on a plaint for the same amount.

The Hon'ble Minister Mr. D. K. Mehta on behalf of Government made it clear that he could not give an assurance that Government would be able to accept this recommendation, as its effect on the finances of the province will have to be considered. There was a general feeling that the above limits were too low, and that the court-fee leviable should be one-half of that on a plaint for the like amount, irrespective of the fact whether the proceedings were contested or uncontested.

5. *Chapter IX, section 87.*—It was decided that the right conferred by this section on a tenant should be available to him only in his own village or patti or only against his own landlord, and not in other villages or pattis or against persons who are not his landlords.

Section 88-A.—Under this section, the consent of a tenant is sufficient in order to enable the lambardar to employ a member of the family of the tenant, irrespective of the wishes of such

member. This section should be amended so as to provide for the consent of the member concerned. The word "family" in this section should apply only to such near relations of a tenant who live jointly with him, and, if necessary, this should be made clear.

Section 89.—In accordance with judicial decisions, a tenant can surrender a part of his holding. It was considered that surrender of a part of a holding was undesirable, and it was therefore decided that it should be made clear that only the whole holding could be surrendered by a tenant.

Sections 91 and 92.—These sections should be so amended as to permit of voluntary exchanges of land between tenants or between tenants and landlords or malik-makbuzas. Each party should have the same right in the land which he gets after the exchange as he had in the land which he held before it. No question of payment of nazarana to the malguzar in the case of such exchanges should arise.

It was also decided that the provisions relating to exchange by custom in section 91 should be deleted.

Section 94.—This section should be repealed and a new section substituted providing that if *sir* and *khudkasht* lands are leased out on the same set of conditions, the lessee should acquire the same right in *sir* land as he would get in *khudkasht* land. The effect of this would be that the lessee would become an occupancy tenant of the whole land, and *sir* right would *ipso facto* be destroyed.

Sections 95, 96 and 97.—These sections were discussed at considerable length. The present state of law on the subject of rights of tenants on trees in their holdings is uncertain, and gives rise to a good deal of dispute and oppression of the tenants by the malguzars. It was felt that simplification of the law was necessary. The following conclusions were arrived at:—

(i) Ownership in trees should not be divorced from ownership in land. Therefore a transfer of any kind of the right of proprietorship in trees should be forbidden unless the right of proprietorship in the land is also similarly transferred. The right of proprietorship in trees should also be exempt from attachment and sale in execution of a decree or order of a Civil Court, unless the land itself is attached and sold as provided for in section 97 of the Act.

(ii) Notwithstanding any contract or any custom or entry in the village administration paper or a decree of a civil court, a tenant other than a sub-tenant should have during the period of his tenancy the same right in all trees in his holding as he has in the holding itself, provided that (1) he should be entitled to fell and take timber of any *babul* tree in his holding or to clear his land of scrub jungle; and (2) that he should have the same right in *palas* trees in his holding as he has in the holding itself and should be entitled to propagate lac on such trees and to take the produce thereof.

It was decided that after section 97 a new section should be added, authorizing a tenant to transfer his *abadi* site to an agriculturist who is a resident in the village or who owns cultivation therein, or who is an agricultural labourer or an agricultural artisan, subject to the payment of nazarana to the malguzar at the rate of 5 per cent on the sale price.

The remaining provisions of Chapter IX and Chapter X should be scrutinized for such consequential amendments as may be necessary. In other provisions of the Act also such consequential amendments as may be necessary in the light of the decisions of the Committee should be made.

The Committee then adjourned *sine die*.

Proceedings of the meeting of the Revenue Committee on
Tenancy Act held on the 9th January 1939

The Committee met at 12 noon, on the 9th January 1939, in the Select Committee Room of the Assembly Hall at Nagpur.

The following were present :—

Chairman.

The Hon'ble Minister for Revenue.

Members.

The Hon'ble Minister for Finance.

Mr. V. M. Jakatdar, M.L.A.

Mr. Abdul Razak Khan, M.L.A.

Sardar Amarsingh B. Saigal, M.L.A.

Mr. R. G. Tiwari, M.L.A.

Beohar Rajendra Sinha, M.L.A.

Mr. B. L. Chandak, M.L.A.

Mr. D. B. Naik, M.L.A.

Mr. K. R. Khandekar, M.L.A.

Mr. Biharilal Deorao Patel, M.L.A.

Rai Bahadur Chhotelal Varma.

Mr. Kanhaiyalal, M.L.A.

Mr. N. Y. Deotale, M.L.A.

Mr. P. B. Gole, M.L.A.

Secretary.

The Revenue Secretary to Government.

The draft report was considered and was adopted with the following modifications :—

(i) Page 14, paragraph 2 (section 11), of the Proceedings, dated the 18th November 1938.—The word "absolute" in line 6 of this paragraph should be deleted.

(ii) *Page 9, proviso (1), paragraph 40, of the Report (sections 95, 96 and 97).*—Delete the word “and” at the end of this proviso and add the following:—

“or with the permission of a revenue officer any other tree which interferes with the cultivation of the holding; the tree after being cut to belong to the malguzar,”

These changes were made and the draft report was signed by the members present.

Mr. Beohar Rajendra Sinha intimated that he would send his minute of dissent later.

The Committee also desired that the following points should be examined by Government while drafting the Bill and such changes as Government considered necessary should be made:—

(i) Paragraph 29 (*d*) of the Report (section 41), provides that the rent shall be fixed by the revenue officer and that it shall not exceed the sub-rent, while under section 40, paragraph 28, of the Report the rent is the assessed rent on the holding. The reasons for this differential treatment should be examined.

(ii) It was suggested by Mr. Jakatdar that a person who is not residing in the village, in which he is a sub-tenant or tenant, should be allowed to bring manure to the fields from the village where he resides. It was observed by some members that under the present law there was nothing to prevent such a tenant or sub-tenant from bringing manure from the village of his residence to the village where he has cultivation. As there was some doubt, the Committee expressed the view that the legal position should be examined and if it was considered necessary provision should be made in the Act enabling such a person to do so.

(iii) The word “*bona fide*” in paragraph 21 (*b*) of the Report, page 5, should be either defined or explained, and the jurisdiction of the civil court in this respect should be barred.

APPENDIX B

Draft Bill prepared by Government for repealing sections 23 and 24 and inserting new sections

[R. S.'S DRAFT III]

AMENDMENT OF SECTIONS 23 AND 24, TENANCY ACT

[N.B.—Portions in italics indicate new matter inserted, and words omitted from Legal Remembrancer's draft are indicated in square brackets.]

1. 23. (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908, an arrear of rent due by an occupancy tenant shall be realizable only by a Revenue Officer on an application made in that behalf by his landlord by any

(a) by attachment and sale of the tenant's movable property;

(b) by sale in whole or in part of his holding under this Chapter.

(2) No application under sub-section (1) shall be made before the expiry of a period of two months from the date when such rent is due.

(3) An application made under sub-section (1) shall contain such particulars as may be prescribed by rules made under section 109 and shall bear a stamp of the denomination specified in the Third Schedule.

(4) If the Deputy Commissioner is of opinion that, owing to the failure of the crop, suspension or remission of rent should be ordered in respect of the holding under section 65, he may, by general or special order, stay proceedings under this section for such time as is necessary for him to obtain orders suspending or remitting the land revenue and for an order being passed under section 65:

Provided that for the purposes of this section no arrear of rent in respect of which the tenant has executed a bond shall be deemed to be an arrear.

24. (1) On receipt of an application under sub-section (1) of section 23, the Revenue Officer shall make a summary enquiry into the claim and record a finding, stating what amount, if any, is due. He shall also determine what interest, if any, is payable under section 82 of this Act and shall require the tenant to pay the total amount determined as above within such time not exceeding one month from the date of his order or such longer period not exceeding two months as the Provincial Government may have, by notification, prescribed for the local area:

Provided that no such time shall be granted, unless for reasons to be recorded in writing, the Revenue Officer considers that the tenant will be able to pay the [arrears] total amount due as determined under sub-section (1).

(2) If no time is granted, or if the [arrears] total amount due as determined under sub-section (1) [are] is not paid within the time allowed under sub-section (1), the Revenue Officer

shall issue either a warrant of attachment of the tenant's movable property or a proclamation of the intended sale, specifying the holding or part thereof to be sold, the rent payable in respect of the holding, the arrears due, the amount payable on account of the costs incurred by the landlord in the proceedings, the time and place of sale and any other particulars that may be prescribed by rules made under section 109.

(3) If the Revenue Officer is of opinion that the [arrears] *total amount due as determined under sub-section (1)* will be satisfied by the sale of a part of the holding, he may, instead of issuing a proclamation for the sale of the whole holding, issue a proclamation for the sale of such part thereof as will, in his opinion, realize a sufficient amount to pay the [arrears] *total amount due as determined under sub-section (1)*, and other amounts under sub-section (1) of section 24-L :

Provided that such part *and the part remaining* shall not be less than such minimum area and shall be of such quality or condition as may be prescribed by rules made under section 109 :

Provided also that if the Revenue Officer issues a proclamation for the sale of a part of a holding, he shall apportion the rent between the part which will be sold and the part which will remain, and shall specify the rent of the part of the holding to be sold in the proclamation.

(4) Attachments and sales of movable property under this [Chapter] section shall be made, as nearly as may be, according to the law for the time being in force for the attachment and sale of such property under the decree of a Civil Court.

24-A. No officer having any duty to perform in connection with any sale under this Act, and no person employed by, or subordinate to, such officer shall, either directly or indirectly, bid for, acquire or attempt to acquire, except on behalf of the Crown or the Court of Wards, the holding or part thereof sold or any interest therein.

24-B. (1) Every sale of a holding or part thereof under this Chapter shall be by public auction held either by a Revenue Officer or by an officer subordinate to him specially authorized by him, in writing, in this behalf. Any authorized officer shall be competent to declare the highest bidder as purchaser at the sale.

(2) No such sale shall take place on a Sunday or other authorized Civil Court holiday, or until after the expiry of at least thirty days from the date on which the proclamation thereof was published.

(3) The officer holding the sale may, from time to time, adjourn it to a specified day and hour :

Provided that where the sale is adjourned for a longer period than fifteen days a fresh proclamation under sub-section (2) of section 24 shall be issued unless the tenant consents to waive it.

24-C. The person declared to be the purchaser shall deposit immediately twenty-five per cent on the amount of his bid, and in default of such deposit, the holding or part thereof shall forthwith be re-sold and the costs of the first sale and any deficiency of price which may occur on the re-sale may be recovered from such person as an arrear of land revenue.

24-D. Every sale shall be stopped if, before the lot is knocked down, the [arrears] *total amount due as determined under sub-section (1) of section 24* [are] is tendered to the officer conducting the sale, or proof is given to his satisfaction that the amount of such arrears and costs has been paid into the office of the Revenue Officer who ordered the sale.

24-E. (1) (Unless an application has been made under sub-section (1) of section 24-F), the full amount of purchase money shall be paid by the purchaser on or before the fifteenth day from the date on which he is declared to be the purchaser, and if the purchase money is not so paid, the holding or part thereof shall be re-sold and the defaulting purchaser shall forfeit all claims to the holding or part thereof, or to any part of the sum for which such holding or part may subsequently be sold.

(2) If the proceeds of the sale which is eventually made are less than the price bid by such defaulting purchaser, the difference may be recovered from him as an arrear of land revenue.

(3) If, after meeting from the deposit the expenses of the sale, any balance is left, it shall be appropriated towards making good the loss, if any, caused by the re-sale. If there are no expenses of the sale to be met or if there is any surplus after making good such loss, such deposit or surplus, as the case may be, shall be forfeited to Government or refunded to the defaulting purchaser, as may be decided upon by the Revenue Officer.

24-F. (1) Where the holding or part thereof has been sold at a public auction, the following persons may, in the order given, make an application to the Revenue Officer, who ordered the sale, to set it aside at any time within thirty days from date it was sold:—

- (a) the tenant;
- (b) the landlord of such tenant.

(2) Such application shall not be entertained unless it is accompanied—

- (a) when made by a tenant—by a deposit of five per cent of the purchase money and an amount equivalent to the arrears of rent, the costs of the landlord in the proceedings and any instalment of rent which has fallen due in the course of the proceedings;
- (b) when made by the landlord—by a deposit of five per cent of the purchase money and an amount equivalent to the purchase money less the amount of arrears of rent, the costs of the landlord in the proceedings and any instalment of rent which has fallen due in the course of the proceedings.

(3) On receipt of a deposit from the applicant under sub-section (2) the Revenue Officer shall set aside the sale and shall repay to the auction-purchaser the amount of the purchase money deposited by him and further pay to him five per cent of the purchase money deposited by the applicant; and

(i) if the application is made by a tenant, pay the balance of the deposit to the landlord;

(ii) if the application is made by the landlord, pay the balance of the deposit to the tenant and put the landlord in possession of the holding or part thereof.

(4) In every case in which a sale is set aside under sub-section (3), the Revenue Officer shall grant to the tenant or landlord, as the case may be, a certificate specifying his name, the date on which the sale was set aside and the holding or part thereof.

24-G. (1) At any time within thirty days from the date of sale, the tenant or the landlord may apply to the Revenue Officer who ordered the sale to set it aside on the ground of some material irregularity, fraud or mistake in publishing or to the persons affected thereby, pass an order setting aside the sale, and may order a re-sale; but no sale shall be set aside on such ground unless the applicant proves to the satisfaction of the Revenue Officer that he has sustained substantial injury by such irregularity, fraud or mistake.

(2) No appeal or application for revision against any order of a Revenue Officer, in respect of which an application could be made under sub-section (1) shall be entertained unless such application has been made and orders thereon have been passed.

24-H. On the expiry of thirty days from the date of sale, if no application has been made under sub-section (1) of section 24-F or of section 24-G, or if such application has been made and rejected, the Revenue Officer shall make an order confirming the sale.

24-I. (1) If no application under sub-section (1) of section 24-G is made within the time allowed therefor, all claims on the ground of irregularity, fraud or mistake shall be barred.

(2) Nothing in sub-section (1) shall bar the institution of a suit in a Civil Court to set aside a sale on the ground of fraud or on the ground that the arrears for which the holding or part thereof is sold were not due.

24-J. If the sale of any holding or part thereof has been confirmed, the Revenue Officer shall put the purchaser in possession of such holding or part, as the case may be, and shall grant him a certificate, specifying the date on which the sale was confirmed, the holding or part thereof sold and the name of the purchaser.

24-K. If the sale of any holding or part thereof is set aside under section 24-G, any amount deposited by the original purchaser shall be repaid to him.

24-L. (1) The proceeds of every sale shall be applied as follows :—

first, to the payment of the costs incurred by the landlord in the proceedings;

secondly, to the payment of the arrears for which the sale was held;

thirdly, to the payment to the landlord of a sum equal to five times the rental of the holding as nazarana;

fourthly, to the payment to the landlord of any instalment of rent which has fallen due in the course of the proceedings.

(2) If there is any surplus after payments have been made in accordance with sub-section (1), it shall be paid to the tenant whose holding or part thereof has been sold :

Provided that where such holding or such part is mortgaged [to secure payment of an advance made to the tenant by a land mortgage bank] such surplus shall be paid to [him] *the tenant* after repaying to the [bank] *mortgagor* such portion of the advance which is secured by the mortgage of the holding or part thereof which has been sold, or *where there is more than one mortgage, to such mortgagors in order of priority.*

[*Explanation omitted.*]

(3) If, on the application of the proceeds of any sale of the *whole* holding in the manner specified in sub-section (1) any sum due to the landlord under the said sub-section remains unsatisfied, no claim by the landlord in respect of such sum shall thereafter lie against the tenant.

(Section 24-M omitted.)

2. Clause (a) of section 25 shall be omitted.

3. Section 32 shall be omitted.

4. In section 89,—

(i) for sub-section (1), the following sub-section shall be substituted, namely :—

“(1) An absolute-occupancy tenant or occupancy tenant may, by delivering to his landlord not less than thirty days before the date of commencement of the agricultural year a registered document executed in favour of the landlord, surrender his holding or [demarcated] part thereof, and thereupon he shall cease to be a tenant of the holding or part so surrendered from the agricultural year next following such date :

Provided that where only part of a holding is surrendered such part shall not be less than such minimum area and shall be of such quality or condition as may be prescribed by rules made under section 109”; and

(ii) after sub-section (2), the following sub-section shall be inserted, namely :—

“(3) When part of a holding has been surrendered, a Revenue Officer may, subject to rules made under section 109, apportion the rent payable on the other part.”

5. After clause (c) of section 105, the following clause shall be inserted, namely :—

“(c-1) claims for the recovery of arrears of rent due by an occupancy tenant under section 23;”

6. In sub-section (2) of section 109,—

(i) for clause (d), the following clauses shall be substituted, namely :—

“(d-1) the prescription of particulars to be entered in an application made under sub-section (1) of section 23;

(d-2) the prescription of particulars to be entered in a proclamation issued under sub-sections (2) and (3) of section 24;

(d-3) the regulation of sale of a part of a holding under sub-section (3) of section 24;

(d-4) [the apportionment of rent under section 24-M;”];
determination of rent of the portion of the holding to be sold under section 24 (3).

[(ii) after clause (p), the following clauses shall be inserted, namely :—

“(p-1) the regulation of surrender of a part of a holding under sub-section (1) of section 89;

(p-2) the apportionment of rent under sub-section (3) of section 89;”.]

THE THIRD SCHEDULE

[See section 23 (3)]

Fees for the realization of rent due by an occupancy tenant.

<i>Description of application</i>	<i>Proper fee</i>
(1) When the amount of the arrears exceeds rupees five and is less than Rs. 100.	Six annas for every five rupees or part thereof.
(2) When the amount exceeds Rs. 100.	.. Twelve annas for every Rs. 10 or part thereof.

APPENDIX C

Statement showing suggestions in various Bills to amend the provisions of the Central Provinces Tenancy Act, 1920.

Serial No.	Bill No.	Name of the proposer of the Bill	Section proposed to be amended	Brief subject of the amendment proposed
(1)	(2)	(3)	(4)	(5)
1	34 of 1937	.. Mr. R. G. Tiwari	.. Section 2 (6) of the Central Provinces Tenancy Act.	To extend the definition of land so as to include land, grove land, land covered by water, land given out for growing singhara or other produce. The effect will be that there will be tenancy rights in such land.
2	15 of 1937	.. Mr. Abdul Razak Khan	.. Section 2 (11) of the Central Provinces Tenancy Act.	To exclude "a sub-tenant of khudkasht land for one year" from the definition of a tenant. The effect will be to make such persons tenants at will and therefore encourage absenteeism and rack-renting and will gradually introduce a class of tenants at will.
3	34 of 1937	.. Mr. R. G. Tiwari	.. Section 3 of the Central Provinces Tenancy Act.	To omit the term occupancy tenant altogether from the Act. Thus there will be two classes of tenants, <i>viz.</i> , (1) absolute-occupancy and (2) sub-tenants.
4	25 of 1937	.. Mr. D. B. Naik	.. Section 4 of the Central Provinces Tenancy Act.	To extend the definition of absolute-occupancy tenant by including tenants who may be created 'absolute-occupancy tenants by the landlord or have been awarded rights equivalent thereto by the landlord.
5	34 of 1937	.. Mr. R. G. Tiwari	.. Do.	.. To record every occupancy tenant as an absolute-occupancy tenant.
6	32 of 1938	.. Mr. S. L. Chaudhary	.. Section 5 of the Central Provinces Tenancy Act.	To allow the transfer of absolute-occupancy holding by "will".
7	25 of 1937	.. Mr. D. B. Naik	.. Section 6 of the Central Provinces Tenancy Act.	To allow the absolute-occupancy tenant to transfer his holding without giving notice to the landlord on payment of nazarana which shall bear the same proportion to the rent of the whole holding as the right to be transferred bears to the occupancy holding.

8	34 of 1937 28 of 1937	.. Mr. R. G. Tiwari .. Sardar A. S. Saigal	.. } .. }	Do.	.. To compel the landlord when exercising his right of pre-emption to purchase the absolute-occupancy holding at the amount stated in the sale-deed.
9	24 of 1938	.. Mr. B. L. Chandak	..	Do.	.. To confer the right of transfer of an absolute-occupancy tenant without reference to his landlord on payment of nazarana from either party a sum which shall bear the same proportion to the rent of the whole holding as the right to transfer bears to the whole occupancy rights in the holding.
10	32 of 1938	.. Mr. S. L. Chaudhary	..	Do.	.. To allow an absolute-occupancy tenant to transfer his rights in his holding to any extent and in any manner.
11	14 of 1937	.. Mr. Abdul Razak Khan	..	Section 9 of the Central Provinces Tenancy Act.	To provide for the sale of such portion of the absolute-occupancy holding as will be sufficient to satisfy the amount due under a decree for arrears of rent.
12	25 of 1937	.. Mr. D. B. Naik	..	Do.	.. To authorize the court to allow the landlord to charge simple interest at the rate of six per cent in cases in which time has been allowed for satisfying the decretal amount in respect of sale of absolute-occupancy holding till the realization of the decretal amount.
13	5 of 1937	.. Do.	..	Section 11 of the Central Provinces Tenancy Act.	To insert the words "or is a sister, sister's son or father's sister's son" in proviso (ii).
14	33 of 1938	.. Mr. M. R. Mujumdar	..	Do.	.. To omit the following proviso below section 11 regarding the rights of inheritance :— (i) No person shall take any interest during the life-time of any ancestor or such persons in the male line of descent from the tenant. (ii) No collateral shall be entitled to inherit unless he is a male in a male line of ascent or descent and within seven degrees of kindred from the tenant.
15	32 of 1938	.. Mr. S. L. Chaudhary	..	Do.	.. (1) No collateral shall be entitled to inherit unless he is a male in a male line of ascent or descent and within seven degrees of kindred from the tenant. (2) To allow bequests of occupancy rights.

APPENDIX C—*contd.*

Serial No.	Bill No.	Name of the proposer of the Bill	Section proposed to be amended	Brief subject of the amendment proposed
(1)	(2)	(3)	(4)	(5)
16	25 of 1937	.. Mr. D. B. Naik	.. Section 12 of the Central Provinces Tenancy Act.	(1) To extend the term of sub-letting by occupancy tenant up to five agricultural years. (2) To allow sale of an occupancy holding subject to the right of pre-emption of the landlord to any person and subject to the payment of nazarana of three times the rent of holding in cases in which the landlord does not wish to exercise his right of pre-emption. (3) The same as No. 3 in Bill No. 32.
17	24 of 1938	.. Mr. B. L. Chandak	.. Do.	(1) To extend the term within which an occupancy holding may be sublet to three years. (2) The other suggestions are the same as in Bills Nos. 25 and 32.
18	32 of 1938	.. Mr. S. L. Chaudhary	.. Do.	(1) To confer on an occupancy tenant the right of transfer otherwise than by simple mortgage as defined in the Transfer of Property Act, of any right in his holding but not to create charge over the holding. (2) To confer upon the landlord the right to recover as nazarana from transferee a sum which bears the same proportion to the rent of the whole holding as the right of transfer bears to the whole of the occupancy right in the holding. (3) To prohibit the sale of any right of the occupancy tenant in his holding by decree or attachment in execution of any decree.
19	33 of 1938	.. Mr. M. R. Mujumdar	.. Do.	(1) To confer on occupancy tenant the right of transfer with the previous permission of the Deputy Commissioner on any co-tenant or person who would inherit the right if survived to the claim by the landlord of a nazarana from the transferee of an amount not exceeding two and half times the rent of the holding, the landlord having a charge on the holding for his nazarana.

20	32 of 1938	.. Mr. S. L. Chaudhary	.. Sections 13 and 14 of the Central Provinces Tenancy Act.	(1) To omit the sections. This will mean the omission of the provisions of applying to revenue officer to set aside the claims of landlord or any person who would inherit in the absence of near relatives the occupancy holdings which have been transferred in contravention of section 12. (2) To do away with applications to set aside a transfer of occupancy holding.
21	25 of 1937	.. Mr. D. B. Naik	.. Section 14 of the Central Provinces Tenancy Act.	To provide for the cost of the application including pleader's fees in cases of transfer of occupancy holdings.
22	Do.	.. Do.	.. Section 23 of the Central Provinces Tenancy Act.	To include provision for partial ejectment of occupancy tenant from his holding for arrears of rent.
23	24 of 1938	.. Mr. B. L. Chandak	.. Do.	.. To prevent the ejectment of an occupancy tenant from his holding by his landlord for any cause.
24	32 of 1938	.. Mr. S. L. Chaudhary	.. Do.	.. (1) To allow the sale of the occupancy holding or part thereof for the satisfaction of the arrears of rent in execution of a decree. (2) To allow time to occupancy tenant not exceeding two months for satisfying a decree. (3) To permit any person claiming interest in the holding to deposit the amount due in a decree.
25	..	Government Bill	.. Sections 23 and 24	.. To simplify the procedure in cases of sale of occupancy holdings for arrears of rent and to prevent ejectment of tenants from their holding in execution of decrees for arrears of rent.
26	5 of 1937	.. Mr. P. D. Jatar	.. Section 24 of the Central Provinces Tenancy Act.	To prohibit the ejectment of an occupancy tenant who has paid 60 per cent of the decretal amount either in the court or to the landlord and to substitute sale of a part of the holding.

APPENDIX C—*contd.*

Serial No.	Bill No.	Name of the proposer of the Bill	Section proposed to be amended	Brief subject of the amendment proposed
(1)	(2)	(3)	(4)	(5)
27	25 of 1937	.. Mr. D. B. Naik	.. Section 24 of the Central Provinces Tenancy Act.	To increase from 4 months to 8 months the period allowed to satisfy the decree for arrears of rent and to allow simple interest at 6 per cent per annum to the landlord on decretal amount and costs till realization in cases of sale of occupancy holding.
28	24 of 1938	.. Mr. B. L. Chandak	.. Do.	.. To omit sections 24, 25 and 27 to 34. (These are consequential amendments).
29	32 of 1938	.. Mr. S. L. Chaudhary	.. Do.	.. Do. do.
30	34 of 1937	.. Mr. R. G. Tiwari	.. Sections 10—36	.. To omit the provisions of occupancy tenant from sections 10 to 36. (This is a consequential amendment).
31	..	Government Bill	.. Section 36-A	.. To allow the acquisition of the rights of absolute-occupancy tenant by occupancy tenants on payment of a fixed nazarana.
32	25 of 1937	.. Mr. D. B. Naik	.. Section 37 of the Central Provinces Tenancy Act.	To include in the definition of sub-tenant a person who holds khudkasht for one agricultural year in respect of land which has come in the possession of the landlord five years prior to the date of lease.
33	31 of 1937	.. Beohar Rajendra Sinha	.. Do.	.. Do. do.
34	34 of 1937	.. Mr. R. G. Tiwari	.. Do.	.. Do. do.
35	24 of 1938	.. Mr. B. L. Chandak	.. Section 38 of the Central Provinces Tenancy Act.	To permit a sub-tenant to take a lease of an occupancy holding for a period of three years instead of one year.
36	35 of 1937	.. Mr. D. B. Naik	.. Do.	.. To permit a sub-tenant to take a lease of an occupancy holding for a period of five years instead of one year.

37	17 of 1937	.. Mr. Abdul Razak Khan	.. Section 49 of the Central Provinces Tenancy Act.	.. To declare an <i>ex</i> -proprietary tenant of <i>sir</i> land to be the tenant of the whole proprietary body and not only of the transferee.
38	25 of 1937	.. Mr. D. B. Naik	.. Do.	.. To extend the period of five years to ten years in which transfer of <i>sir</i> land by the sale or otherwise without reservation of the occupancy right is permissible without sanction of a revenue officer.
39	34 of 1937	.. Mr. R. G. Tiwari	.. Sections 40, 41, 48, 49 and 50 of the Central Provinces Tenancy Act.	.. To substitute absolute-occupancy tenant for occupancy tenant. (These are consequential changes).
40	25 of 1937	.. Mr. D. B. Naik	.. Section 74 do.	.. To provide that the interest recovered by the landlord on arrears of rent if not exceeding 9 per cent per annum shall not amount to recovery in excess of rent.
41	Do.	.. Do.	.. Section 76 do.	.. To compel the landlord to give receipt for the interest charged on arrears of rent.
42	32 of 1938	.. Mr. S. L. Choudhary	.. Section 82 of the Central Provinces Tenancy Act.	.. To reduce the rate of interest from 12 per cent to 6 per cent per annum on arrears of rent.
43	25 of 1937	.. Mr. D. B. Naik	.. Do.	.. To reduce the rate of interest from 12 per cent to 9 per cent per annum on arrears of rent.
44	34 of 1937	.. Mr. R. G. Tiwari	.. Do.	.. Do. do.
45	28 of 1937	.. Sardar A. S. Saigal	.. Do.	.. Not exceeding 12 per cent.
46	31 of 1937	.. Beohar Rajendra Sinha	.. Do.	.. Not exceeding 6 per cent per annum.
47	32 of 1938	.. Mr. S. L. Chaudhary	.. Section 84 of the Central Provinces Tenancy Act.	.. To omit the provision of "by ejection". (This is consequential).
48	31 of 1937	.. Beohar Rajendra Sinha	.. Section 89 of the Central Provinces Tenancy Act.	.. To provide for the surrender of defined and undefined portion of a holding consented to by the landlord.

APPENDIX C—concl'd.

Serial No.	Bill No.	Name of the proposer of the Bill	Section proposed to be amended	Brief subject of the amendment proposed
(1)	(2)	(3)	(4)	(5)
49	31 of 1937	.. Beohar Rajendra Sinha	.. Section 94 of the Central Provinces Tenancy Act.	To provide for the partition of a holding consisting partly of khudkasht land and partly occupancy land. (NOTE—Khudkasht held by a tenant is not khudkasht but an occupancy holding.)
50	25 of 1937	.. Mr. D. B. Naik	.. Section 95 of the Central Provinces Tenancy Act.	To allow the tenant to have the same right in trees in his holding as he has in the holding itself. (The existing law refers only to "fruit" trees).
51	31 of 1938	.. Mr. V. Y. Tamaskar	.. Do.	.. To allow the tenant to cut and remove the timber of any tree in his holding other than fruit-bearing tree with the permission of the Deputy Commissioner.
52	32 of 1938	.. Mr S. L. Chaudhary	.. Do.	.. Do. do.
53	34 of 1937	.. Mr. R. G. Tiwari	.. Section 101 do.	.. To omit occupancy tenant. This is a consequential change.
54	23 of 1938	.. Mr. L. C. Shah	.. Section 104 do.	.. To apply the provisions of Indian Limitation Act to all suits and applications under the Tenancy Act so as to prevent the claims of minors being time-barred during their minority.
55	34 of 1937	.. Mr. R. G. Tiwari	.. Section 105 of the Central Provinces Tenancy Act.	To remove the ouster of the jurisdiction of the civil courts barred in certain cases. (Consequential).
56	32 of 1938	.. Mr. S. L. Chaudhary	.. D	.. Do. do.
57	34 of 1937	.. Mr. R. G. Tiwari	.. Section 109 of the Central Provinces Tenancy Act.	To amend rule-making powers. (Consequential).

APPENDIX D

Note of Dissent on the Draft Report of the Revenue Committee

Paragraph 17, Section 2 (9).—When nazarana is considered a legitimate charge and is proposed in the same report that “consent money should be recoverable as arrears of Land Revenue”, (paragraph 21, page 5), it is not understood why it should be excluded from this section.

Paragraph 18, Section 6 (b).—The malguzar’s right of pre-emption has been recognized theoretically, but it will be nullified if he is forced to pre-empt on the price entered in the sale-deed, as it is likely to be fictitious. The percentage of nazarana (5 per cent of the consideration) is too low. The tenant should also give a notice to the malguzar before entering into the transaction and only *bona fide* agriculturists should be allowed to purchase.

Paragraph 19, Section 9.—Simpler procedure for the recovery of rent is a welcome change but the only thing essential is that the procedure should be speedy so as to enable the landlord to recover the rent before he is required to deposit land revenue.

Paragraph 21, Section 12 (1).—Subletting should be discouraged as far as possible. The increased period of 5 years will, I am afraid, encourage the same.

There is a great difference of opinion as to whether the right of transfer is in the best interest of the tenant or not. Experience shows that the more lands have passed from the hands of absolute occupancy tenants while the occupancy tenants have retained their land. The restriction of the right of mortgage will certainly prevent their lands from passing into the hands of the moneylenders, but an adverse effect of this will be that the tenant will be compelled to sell off his land as soon as he is in the need of money and thus lose his land for good, while periodical mortgage has a chance of his getting back his land. There is likelihood that the land will pass into the hands of outsiders under the cover of ‘*bona fide* agriculturists’. There is also a grave danger of fragmentation of holdings. The consent money of $7\frac{1}{2}$ per cent to the malguzar is also too low.

Paragraph 25, Section 23-24.—When the provisions of ejectment are taken away it is unreasonable to give more time for the payment of rent.

Paragraph 26, Section 25.—This will encourage the diversion of land to non-agricultural purposes.

Paragraph 28, Section 40 (e).—The sub-tenant of an absolute occupancy tenant should not get the absolute occupancy right but only occupancy right as he has done nothing to earn the same. The proposed provision will be misused purposely in order to get absolute occupancy right without paying anything to the malguzar. The tenant will pocket some money from the sub-tenant privately and allow him to occupy the land for over than five years, so as to acquire the right automatically. There should be some provision to protect *bona fide* agriculturist who,

due to lack of man or money old age infirmity, minority, or temporary absence, cannot till his land and have to sublet it.

Paragraph 29, Section 41.—Occupancy tenancy right in malik-makbuza and sir lands should only accrue when—

- (1) The proprietor is not a cultivator.
- (2) He habitually rack-rents his sub-tenant.
- (3) He continually sublets to the same tenant for a period of more than 10 years.

Provided that a person taking the land on terms of Batai (sharing the produce) shall not be considered to be a sub-tenant.

Paragraph 31.—I feel that it is not in the interest of the malguzar himself to give him unrestricted right of sale of sir land. If this right is given to him there is no meaning in not giving him the right to mortgage his sir which ultimately he may be able to redeem. He is also not allowed to sublet his khudkast. It works a great hardship on smaller malguzars who are not able to cultivate themselves.

Paragraph 32.—I am against giving malik-makbuza rights to tenants as it will increase the possibility of losing their land in debt. The moneylender will even agree to pay the malguzar on behalf of the tenant in order to take the land for himself. The tenant will be no better off. The nazarana of 12½ times the rent is not at all a fair compensation to the malguzar. It should be at least 25 times the rent as his valuable and age-long rights are infringed.

Paragraph 33, Section 82.—The interest on arrears of rent should not be reduced as it has already been done in other acts.

There is no reason why the malguzar should not be allowed to recover interest on arrears privately and forced to go to court and thus burden the tenant ultimately. This will force him to withdraw all concessions and facilities which he used to give to his tenants by way of giving him more time. It is most unreasonable that the malguzar who is required to deposit the revenue at a fixed date and who has sometimes to borrow money at higher rates should not be allowed to recover a small interest on the arrears of rent.

Paragraph 37, Section 89.—In cases when landlord agrees the tenant should be given the right to surrender even a fixed portion of his holding.

Paragraph 39, Section 94.—The proposed new section is very prejudicial to the rights of malguzar. It encroaches on the sir rights and hence deprives the malguzar of the right contemplated by law in his sir land. Therefore section 94 should be retained as it stands.

Paragraph 40, Section 95.—The principle that the tenant should be given the same right over the trees, as he has got in the holding, does not stand to any reason. At the time of settlement the rent was fixed according to soil of the field and it does not include consideration of rent for trees. The tenant pays the rent for the cultivation only and the trees still belong to the malguzar. It will amount to expropriation if the trees are given to tenants without compensating the malguzar. Moreover *siwai* income has been assessed on each village taking into consideration all the malguzari assets including such trees. Hence I am opposed to this change.

Paragraph 41.—Tenants should not be allowed to sell abadi site. They are only entitled to the site as they cultivate the land in the village. After selling one site they may claim another site from the malguzar under section 203 Land Revenue Act.

NAGPUR :

The 24th January 1939.

B. RAJENDRA SINHA.

Note of Dissent on the Draft Report of the Revenue Committee

Paragraph 18 (b), Section 6.—I do not agree with this paragraph. According to my opinion the following changes should be made in it so that the landlord should not be entitled to pre-emption; nor should he be entitled to any nazarana on transfers of absolute occupancy land.

Paragraph 21 (b), Section 12.—According to my opinion change should be made in this paragraph so that the landlord should not be entitled to pre-emption, and the amount of nazarana to be given to him on transfers of occupancy land should not exceed the rent of the land transferred.

Paragraph 32.—In this paragraph change should be made so that the nazarana to be given to the malguzar for acquiring malik-makbuza rights by the absolute occupancy and occupancy tenants should be four times and five times, respectively. Besides this, for the words “for at least ten years before the date of the application” the words “for at least five years before the date of the application” should be substituted in this paragraph.

Paragraph 40 (ii).—At the end of this paragraph after the word “itself” the words “and he must have right to take the produce of all the fruit trees in his land, and also to take the timber of all the fruit trees after they are dried up or dead” should be added.

In proviso (1) to paragraph 40 on page 9, the word “babul” should be deleted and after the word “tree” the words “except fruit trees” should be inserted.

In paragraph 41 on page 9, the words “subject to the payment of nazarana to the malguzar at the rate of 5 per cent on the sale-price” should be deleted.

Provisions embodying the following suggestions should be inserted in the Tenancy Act at suitable places :—

Any tenant other than a sub-tenant should be given rights on his land for the following :—

- (a) For growing any trees on his land according to his personal law.
- (b) For building a house for his use or for his cattle and servants in a portion of his land; and such portion should be recorded in village papers as "old fallow" till the time of next settlement. The rent of such portions should be payable by the tenant till next settlement.
- (c) For taking out earth from the surface of his land for making tiles, bricks, walls, etc., for his use only.

NAGPUR :
The 4th January 1939.

BEHARILAL PATEL,
M.L.A.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT

OF THE

BERAR CO-OPERATIVE ENQUIRY
COMMITTEE

APPOINTED BY THE

CENTRAL PROVINCES & BERAR GOVERNMENT

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1939

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AGRICULTURE DEPARTMENT

PRESS COMMUNIQUE

Nagpur, the 9th September 1939.

By Notification No. 1653-1949-X, dated the 6th October 1938, the Berar Co-operative Enquiry Committee was appointed by the Government of the Central Provinces and Berar with the following terms of reference :—

- (1) to examine the position of the co-operative movement in Berar in general and of the finances of central banks in Berar in particular ;
- (2) to suggest ways and means for a more remunerative management of the lands acquired by central banks ; and
- (3) to make proposals for financial accommodation to those central banks which are in need of it immediately or for some years to come.

The circumstances which led to the appointment of the Committee were briefly set out in a Press Communiqué issued simultaneously with the notification announcing the appointment of the Committee, and it is not necessary to recapitulate them in this Communiqué.

2. Briefly the position, as disclosed in Chapters III and IV of the Report, is that about half the societies in Berar are under award or liquidation, and almost the whole of the amount due from them is overdue, and over 80 per cent is under recovery from members and societies under coercive proceedings. The total liabilities of all the 12 central banks amount to Rs. 1,06,72,000, while the total assets aggregate Rs. 90,58,000, consisting of cash and liquid assets amounting to Rs. 22.19 lakhs, immovable property valued at Rs. 30.52 lakhs, and debts classed as good amounting to Rs. 37.87 lakhs. The total deficit of all the banks amounts to Rs. 16.14 lakhs, and if the liability to shareholders is not taken into account the deficit is Rs. 10.12 lakhs. The area of land in possession of the central banks amounts to 49,712 acres and that in possession of societies to 4,798 acres, the multiple value of which is estimated to be Rs. 25.57 lakhs and Rs. 2.77 lakhs, respectively. Except Pusad, Darwha and Mehkar banks, whose profits were only nominal, the remaining banks were running at a loss, the annual income falling short of the expenditure by Rs. 2.7 lakhs. The assets of 5 banks were less than the liabilities, and the other 7 banks on paper showed some excess of assets over liabilities. This was the position on the 30th June 1938. It has probably undergone a change for the worse since in some respects. The causes which have brought the banks to their present deplorable condition are, according to paragraph 23, Chapter IV, of the Report, as follows :—

“(a) Heavy financing before and during the boom period and more on the basis of assets than on the paying capacity.

(b) Failure to strike the overdue on the head, the moment they appeared.

(c) Speculative reliance on a possible appreciation of land values and lifting of the cloud of depression in the near future.

(d) Fall in the values of lands beyond all expectations. As a corollary to fall in values of lands, the letting values also have gone down, thus adversely affecting the banks which had large areas of land to lease out.

(e) Interlocking of the short-term capital derived from deposits in the purchase of lands which now form the bulk of the assets of the banks.

(f) Fall in cash recoveries partly owing to depression and partly owing to factions and mischievous propaganda, and partly owing to deliberate withholding.

(g) Income from land is negligible, being not sufficient even to pay land revenue.

(h) Many banks are reduced to such a strait that they depend upon borrowings for their annual expenditure, for payment of deposits and interest thereon, for land revenue and for their contributions to central institutions such as the Berar Co-operative Institute.

(i) Dependence upon the Provincial Bank for financial accommodation. So long as it was forthcoming, banks could carry on; and the moment it was withdrawn, the crash came."

Elsewhere in the Report the following causes are also specified :—

- (i) Concentration of large loans in the hands of a few big borrowers. From the Annual Report on the working of the Co-operative Department for 1937-38, it appears that 15.3 per cent of the borrowers have monopolized 80 per cent of the loans, and 175 persons owe the large sum of Rs. 19.96 lakhs.
- (ii) The unfortunate importation into elections of party factions and sometimes even of communal spirit, which has come in for severe animadversion from the Committee; and
- (iii) Unco-operative action of the members themselves who tried to defraud the societies by disposing of their land, creating encumbrances on it, forming local combines to boycott auctions, and various other unco-operative devices.

Thus the report of the Committee shows abundantly that the present state of the movement in Berar has been brought about by the combined operation of three causes, viz., unfavourable seasons and low prices—which were beyond the control of co-operators—and also by the unbusinesslike methods, and unco-operative attitude of the members.

3. In order to meet the situation, the Committee has made several recommendations. The more important of them are summarized in paragraph 20 of Chapter IX and are as follows :—

(1) (a) Suspension of the constitution of all central banks till the disposal of the land in their possession by an order passed under rule 14 (i) by the Registrar, and management of

the affairs of the banks by a Central Board consisting of the Registrar or his nominee, the Managing Director of the Provincial Bank or his nominee, and four persons from amongst the share-holders of the central banks in Berar to be nominated by the Registrar.

(b) The affairs of each central bank to be placed in charge of an officer-in-charge, assisted by local advisory committees consisting of the officer-in-charge, the Registrar or his nominee, and three persons to be nominated by the Registrar.

(2) "The liability to share-holders, viz., the share capital and the undistributed dividend, should for the present not be taken into account as a liability for the purposes of estimating the deficits. If eventually, after the claims of all the present creditors are met, there is any surplus, the value of the shares will be restored; but till then the value of the shares should be considered as nil and they should not be redeemed. It is not necessary to write off the share capital from the books immediately."

(3) "The Provincial Bank should for the present write down its claim by Rs. 10 lakhs. It is not necessary to write off this amount permanently, but it should be understood that the central banks will pay this amount only after all the remaining liabilities to the present creditors have been met in full and there is a surplus. Till then, it follows, that no interest will be charged on this amount."

"This amount of Rs. 10 lakhs should be distributed among the weaker central banks in proportion to the present estimated deficits in their assets after ignoring the liability to the share-holders."

(4) "In future, the interest on the remaining debt due to the Provincial Bank should be reduced to 3 per cent", and this debt to be compulsorily converted into debentures as described in the next paragraph.

(5) "All the present deposits should be compulsorily converted into debentures, for a term of 30 years The interest on these debentures should be 3 per cent. Both the principal of and the interest on these debentures should be guaranteed by the Government." The Committee has stated that if Government is not prepared to give such a guarantee, it would prefer immediate liquidation of banks to deferred liquidation by the process of conversion into debentures without such guarantee.

(6) "The lands owned by the central banks at present should be sold by running a lottery. Even after that, it is possible that some lands will remain and some more land will have to be acquired in future. These lands should be sold by auction, failing that, on the hire-purchase system, and, failing even that, they should be leased out till it is possible to sell them."

(7) "The Government should make an annual grant of Rs. 1 lakh to meet the deficit in the running expenses of the central banks till the lands are disposed of by the central banks."

(8) In paragraph 11 of Chapter X of the Report, the Committee has made another important recommendation, namely,

that the debts due from members, not only of working societies but also of societies under liquidation, should be scaled down by a process of conciliation. The Committee has suggested that the additional deficit caused by this conciliation, which is estimated at Rs. 25 lakhs, should be borne by Government.

4. Government has given full and earnest consideration to the recommendations of the Committee and has also made every effort to consult institutions and persons in a position to give authoritative advice. Government regrets that the main recommendations of the Committee are neither feasible nor in the best interests of the co-operative movement itself. They also impose an undue burden on the general tax-payer. Government is not, therefore, prepared to accept them. The main reasons for this decision are set forth briefly in paragraphs 5 to 8 of this Communiqué.

5. The Committee has stated that its recommendations "should be treated as an organic whole" and should not be mutilated. The central recommendation of the Committee on which its whole scheme turns is the disposal of land by the expedient of lottery. The various serious objections to this course, legal, ethical and economic, are obvious. The proposal is also unworkable in practice, for it would involve the sale of tickets whose number would run into several lakhs. Disposal of so much land by lottery will also have a very unsettling effect on the prices of land in Berar, as most of the winners would hasten to convert their land prizes into cash. Amongst all the criticisms and suggestions which Government has seen, not one has been in favour of this recommendation, and Government has no hesitation in rejecting it.

6. With the rejection of the lottery scheme, the whole edifice of the Committee's scheme collapses. However, a few more observations may be made on the other recommendations. According to the Committee, the burden which Government is expected to bear on behalf of the general tax-payer is as follows:—

- (i) Guarantee of the principal and interest of debentures, the amount of which may easily be over Rs. 80 lakhs. At 3 per cent the annual interest charges alone would be over Rs. 2.4 lakhs.
- (ii) An annual grant of Rs. 1 lakh until the lands are disposed of.
- (iii) The entire loss caused by the scaling down of the debts due from members, which the Committee estimates at Rs. 25 lakhs.

7. Government is clearly of opinion that it cannot, in the interests of the general tax-payer as well as of the co-operative movement itself, undertake this liability. As much has been said in the Report, in the Press and on the public platform regarding the responsibility of Government for making good the losses to depositors, it is desirable to reiterate the position of Government. So far as the legal responsibility of Government is concerned, the Committee has conceded that there is none. Government is equally convinced that no moral of ligation either rests

on it. The position of the Government, *vis-à-vis* the co-operative movement, has been always very clear. A reference may be made to the Resolution on the King Committee's Report which contains a lucid exposition of the Government's position. In paragraph 25 of its Report, that Committee stated as follows: "We think that Government ought, in the interests of the co-operative movement itself, to disclaim unequivocally all future responsibility for the provision of financial assistance to co-operative institutions." In accepting this recommendation, Government, in paragraph 4 of its Resolution, laid down its future policy in the following terms: ". . . in the interests of the co-operative movement itself, Government must disclaim responsibility for the provision of direct financial assistance to co-operative institutions." A reference was then made to the large amounts held by banks in deposits, and it was pointed out that it was "evident that the Local Government cannot accept financial liability for operations of such magnitude". A little further it was stated again "it is obvious that the Local Government is unable to give an assurance that in any future crisis it will be able to provide the large sum of money which might be required". Neither the Committee nor any advocate of Government's responsibility has been able to point to any statement or act of Government which even suggests a departure from the policy so unambiguously laid down. No analogy can be drawn from the assistance rendered by Government to the Provincial Bank in 1921. The circumstances then were entirely different. The Provincial Bank then needed only temporary accommodation to a limited extent, unlike the heavy responsibility lasting over 30 years suggested by the Committee now. The rôle of the Registrar is that of "guide, philosopher and friend", and the facilities provided by Government in the way of audit, inspection, etc., do not saddle any financial responsibility on it. Consistently with its responsibilities to the Province, therefore, Government regrets very much its inability to admit that it is under any obligation to make good the losses of the central banks.

8. It is not necessary to examine the scheme of the Committee at greater length. The present position of the co-operative movement in Berar is baffling and well nigh hopeless, and there is a considerable volume of authoritative opinion in favour of the view that there is no alternative but to liquidate the banks. Government, however, is averse to taking this course if it can possibly be avoided. It has to be remembered that in approaching this problem Government has to look to the interests not only of the depositors but also of the members of societies, as well as of the general tax-payer. The criticism that is often heard that the scheme prepared by the Committee—entailing as it does a crushing burden on the general tax-payer and selling up of a large number of members of societies, most of whom are as much the victims of natural forces and world-wide causes as of personal delinquency—has been conceived in the depositors' interests, is not without force. Liquidation too would involve the selling up of practically all the members and the total destruction of the co-operative movement at least for a generation. This is an eventuality which every well-wisher of the country and every true co-operator would endeavour to

avoid. If liquidation is to be ruled out, except as a last resort, then the only alternative is to evolve some method of reorganization and rectification, which would, by a process of voluntary conciliation, bring the liabilities of the members and banks within their re-paying capacity and realizable assets.

9. The principles on which any scheme of reorganization and rectification should be based are, in the opinion of Government, the following:—

- (1) That the conciliation of liabilities should be in the main voluntary and should not be forced on any party, though Government may be prepared to facilitate conciliation by enacting legislation as in some other provinces.
- (2) That every effort should be made to limit the losses to depositors as far as it is practicable to do so, and that Government may be prepared to help them to a strictly limited extent, so long as the position of Government that it is under no liability to make good the depositors' losses is clearly understood.
- (3) That the scheme should carry within it the germs for the revival and growth of the co-operative movement, so that if it is accepted and loyally worked by the co-operators there may be a chance for the co-operative movement to rehabilitate itself and to fulfil its mission of promoting the moral and material welfare of the people.

10. Bearing these principles in mind, Government has, after careful consideration and consultation with the various interests affected and authorities on the subject, devised a scheme which in its opinion fulfils the above requirements and affords the co-operative movement in Berar a chance of rehabilitating itself. The salient features of the scheme prepared by Government are briefly outlined below.

11. It is obvious that any scheme involving recovery from members of societies more than they can reasonably be expected to pay in their present circumstances is foredoomed to failure. Even by liquidation it will not be possible to recover more than the present value of the assets. The first step, therefore, of any scheme of rectification must necessarily be to determine the repaying capacity of each member. The case of each individual member should be considered on merits and his repaying capacity determined in the light of all the circumstances without blind adherence to any preconceived rule of thumb. At the same time it is necessary that members who have been guilty of flagrantly unco-operative or dishonest actions and whose continued membership would be a source of weakness rather than of strength to the reorganized societies should be weeded out, e.g., members who formed societies to take big loans themselves, which they have deliberately declined to repay. The joint responsibility of members should also be taken into account while determining their liability and the amount payable by them. The period over which repayments by members should be spread should be 25 years. It is necessary to liquidate the present chapter

of the co-operative movement in Berar as early as possible. It is equally important that more loss than is absolutely necessary should not be caused to the depositors. After careful deliberation, Government considers that 25 years is the longest period during which the members may fairly be expected to repay their present liabilities. It is, therefore, intended that the present debts of members should be reduced to the amount which they can repay in 25 years on the basis of their repaying capacity. In return for this, the members would be required to surrender the land in their possession which would, however, be given back to them again on hire-purchase system, so that, if they continue to repay their instalments, the land would eventually be theirs on a nominal payment. It may be necessary to require that the other immovable property of members should also be mortgaged for the repayment of the instalments. Members who do not agree to this proposal will have to be proceeded against coercively for the recovery of the sum outstanding against them. It is intended that along with working societies, societies whose liquidation proceedings are still in progress should be brought within the ambit of this scheme, if possible.

12. After determining the amount that can be recovered from the members, the amount which each society can pay to the central bank in 25 years will be ascertained, and its liabilities conciliated for that amount. In return for this the societies would be required to assign mortgages or surrender land in their possession to central banks. Societies which do not agree to a reasonable proposal will necessarily have to be liquidated. It may also be necessary to liquidate societies which have been flagrantly unco-operative or dishonest in the past.

13. In this manner it would be possible to make an estimate of the amount which each bank may hope to be able to recover out of its outstandings against societies in 25 years. The present value of this amount at 4 per cent interest would then enter into the calculation for ascertaining the value of the realizable assets of each central bank. The next step would be to approach the creditors of each bank, including the Provincial Bank, to agree to conciliate their dues so as to bring them within the total value of the realizable assets as determined above. It is not intended that the difference between the total liabilities and the conciliated amount should be written off. For this amount the creditors would be given preference shares in the respective banks. The preference shares would be entitled to priority of dividend up to 3 per cent out of the net profits. The surplus, if any, would be utilized for making payment of dividend up to 3 per cent to ordinary share-holders. If there is still any surplus left after making both of these payments, it would be utilized in paying dividend equally to the ordinary and preference share-holders, subject to such maximum limit regarding the amount of dividend as may be prescribed by law and the rules for the time being. In the event of liquidation, preference shares would have priority. These shares would be redeemable at the option of the banks, and they would carry no guarantee by Government. As has been stated already the conciliation would be voluntary and the depositors would be given the option of choosing between this

scheme and the only other alternative, *viz.*, liquidation. Government would, however, be prepared to facilitate conciliation by introducing legislation providing that, if creditors to whom 66 per cent of the liabilities are due accept a scheme, it would be binding on the rest. Similar provision exists in the Bihar and Orissa Co-operative Societies Act. For obvious reasons, it is not contemplated that items like dues to commercial banks, Provident fund of employees, land revenue arrears, which are small, should be liable to conciliation as described above.

14. After the voluntary conciliation of the liabilities, cash payment *pro rata* would be made to the creditors equivalent to the cash assets of the banks and their reserve funds. The reserve funds of working societies or reorganized societies cannot obviously be utilized for this purpose. The balance of the scaled down amount will then be converted into debentures repayable in 30 years and bearing interest at 3 per cent and carrying Government guarantee as to the payment of interest for 30 years, but no guarantee as to capital. It would be open to the banks to redeem the debentures before the expiry of 30 years, if they wish to do so.

15. The effect of this scheme would be to bring the present liabilities of the banks within their repaying capacity and to give them a period of about 25 years to shake off the legacy of the past and to start a new chapter. The problem of the management of land is proposed to be tackled, as far as possible, by giving it out on hire-purchase system to the old owners, or failing them, to other members of the society, or if that too is not possible, to other members of the public, provided the person to whom land is given is solvent and is in a position to cultivate it. Land which cannot be given out in this manner would be sold or leased out or otherwise managed in the best possible manner.

16. As regards the future management of the banks, Government is averse to any increase of official control. As stated in paragraph 3 of the Resolution on King Committee's Report, "the ultimate goal which Government has before it is the development of a genuinely co-operative organization, self-contained, self-governing as regards its internal affairs, and independent of money contributed by the general tax-payer". But it has been strongly pressed on Government that in the present circumstances it is essential that official control should be strengthened. The Berar Co-operative Enquiry Committee has also made similar recommendations. In some quarters the suggestion has been made that the movement should be completely officialized. This course does not commend itself to Government, which is anxious to retain in the movement at least a nucleus of co-operative element which may in the fulness of time sprout and develop into a fine tree. In deference to the views that have been pressed upon it, and also as a necessary concomitant of the Government guarantee regarding interest. Government considers that for some years at least the management of the central banks should lie in the hands of a committee composed of the representatives of share-holders, both ordinary and preference, and the nominees

of the Provincial Bank and of the Registrar. The hands of the Registrar are also proposed to be strengthened by giving him the following powers :—

- (1) Authority to change the byelaws of societies and banks or to suspend the operation of any resolution if it be contrary to the interests of the society.
- (2) Statutory power of superseding the management of any society. This power is already enjoyed by the Registrar under rule 14. It would, however, be better to give statutory powers to the Registrar.
- (3) The power to levy surcharge in case of gross mismanagement or disregard of the law, rules and byelaws.

17. If the above scheme is accepted by the banks and depositors, the income of the banks would be appropriated in the following order :—

- (i) to pay the land revenue charges;
- (ii) to pay the interest charges on debentures, including interest of the previous years which may have remained unpaid and which may have been paid up by Government;
- (iii) to meet the working expenses; and
- (iv) to meet the charges that may be needed for putting in the sinking or debt redemption fund whichever may be adopted.

It is only after these items and such other deductions as may be required to be made by law or the rules for the time being have been met that any amount would be available for distribution of dividend on preference or ordinary shares. Government, however, recognizes that after the inauguration of the scheme for a few years it may not be possible for the banks to meet their working expenses. In the first three years, therefore, Government would be prepared to make up the working expenses of the central banks up to a limit of Rs. 50,000 a year, provided the banks carry out all measures of retrenchment which the Registrar considers necessary and reasonable. If the scheme outlined above is accepted by the co-operators in Berar, Government would be prepared in collaboration with the Provincial Bank, to explore the situation and devise some method to make arrangements for the future expansion of the movement.

18. As has been stated above, Government does not wish to force the above scheme on either the share-holders or the depositors. It is, therefore, contemplated that the above scheme should be put first to the share-holders of each bank for acceptance. If the share-holders of any bank do not agree, there will be no alternative but to liquidate the bank. If, however, as is hoped, the share-holders accept it, the creditors would be called upon by the Registrar to make an election between the above scheme or liquidation. It is, however, hoped that the above scheme would be acceptable to the creditors also, for under it they stand to get all that they would in the event of liquidation and something more. After the creditors of a bank have also accepted the scheme, arrangements for the necessary

enquiries will be made with the least possible delay, so that the banks may be able to start functioning again as early as possible. Government would also be prepared to introduce such legislation as may be necessary in the next session of the Assembly to implement the above scheme.

19. Only the bare outlines of the scheme have been given above. Government is still firmly convinced that co-operative movement conducted on the right lines is a very potent weapon in the fight against poverty and ignorance, and that it has great potentialities for the moral and material regeneration of the people, and for solving the problem of rural finance. It is in the hope and desire that the movement may be extricated from its present moribund state and flourish once more that the above scheme has been conceived, and Government feels that if it is accepted and worked in the right spirit a healthy and vigorous co-operative movement would still re-establish itself with consequent benefit to the people and the province.

20. The Committee's report, containing as it does a valuable analysis of the present position of the co-operative movement in Berar and the causes that have led to it, has been of the greatest assistance to Government, and Government desires to tender to the Chairman and the members of the Committee its warmest thanks for their arduous labours.

K. B. L. SETH,

*Secy. to Govt., C. P. & Berar,
Agriculture Department.*

REPORT

OF THE

BERAR CO-OPERATIVE ENQUIRY COMMITTEE.

Appointed by the Central Provinces & Berar Government

CHAPTER I.—INTRODUCTORY

1. The Berar Co-operative Enquiry Committee was appointed by the Government of the Central Provinces and Berar under Notification No. 1653-1949-X, dated the 6th October 1938, to examine the position of the co-operative movement in Berar and to make recommendations for its revival and rehabilitation and in particular for financial accommodation to those central banks which were immediately in need of it. The notification is reproduced below :—

“The Government of the Central Provinces and Berar is pleased to constitute a Committee consisting of the following members :—

CHAIRMAN

- (1) Mr. P. B. Gole, M.L.A.

MEMBERS

- (2) Mr. M. P. Kolhe, M.L.A.
- (3) Mr. K. P. Pande, M.L.A.
- (4) Pandit W. B. Lakhe, B.A.
- (5) Sir Madhorao Deshpande, K.B.E.
- (6) Diwan Bahadur K. V. Brahma, C.I.E., M.B.E.
- (7) Mr. V. K. Soman of Mehkar.
- (8) Mr. C. C. Desai, I.C.S., Registrar, Co-operative Societies (*Ex officio* Member).
- (9) Mr. S. B. Dave, M.A., LL.B., Junior Deputy Registrar, Co-operative Societies, Berar Circle, Amraoti (Secretary).

2. The terms of reference to the Committee are as follows :—

- (1) to examine the position of the co-operative movement in Berar in general and of the finances of central banks in Berar in particular;
- (2) to suggest ways and means for a more remunerative management of the lands acquired by central banks; and
- (3) to make proposals for financial accommodation to those central banks which are in need of it immediately or for some years to come.

3. The Committee is requested to submit the report to Government as early as possible.”

2. Simultaneously with the announcement of our Committee, Government issued a Press Communiqué which is reproduced below :—

“The condition of the co-operative movement in Berar has been engaging the close and earnest attention of Government for some time past. The Hon’ble Minister-in-charge of Co-operation received during the last 12 months not less than three influential and representative deputations of co-operative workers in Berar and discussed with them in detail the present situation and possible remedies. The main problem in Berar is how to balance the budgets of central banks in view of the low return on the assets locked up in lands which the banks have been obliged to acquire in the course of the recovery proceedings. Owing to successive crop failure and low prices, recoveries have been unsatisfactory and some banks have found difficulty in discharging their obligations in time. Government recognizes that the co-operative movement is the only suitable agency for solving the problem of rural credit in India and is determined to spare no effort to see it revived and rehabilitated. The position of all banks in Berar is not such as to cause anxiety, but the basic problem is common to Berar and hence a thorough enquiry for the whole of Berar is called for. Before deciding upon measures in fulfilment of this object, Government considers that the position of the co-operative movement in Berar should be exhaustively examined by a strong committee. In order that remedial measures may not be delayed, the Committee will be requested to get to grips with the task immediately and to submit its report as early as possible. Government hopes that this action on its part will reassure the public and particularly the workers in the movement that whatever is possible will be done without any loss of time.”

We are particularly impressed by the desire of Government expressed in the communiqué to the effect that Government recognizes that the co-operative movement is the only suitable agency for solving the problem of rural credit in India and is determined to spare no effort to see it revived and rehabilitated. We would also draw attention to the following important observations in the communiqué :—

“Government hopes that this action (i.e., the appointment of the Committee) will reassure the public and particularly the workers in the movement that whatever is possible will be done without any loss of time.”

3. We may now give in brief the circumstances leading to the appointment of our Committee. That all has not been well with the co-operative movement in Berar for some time and that the central banks have been passing through an acute critical stage has been known to Government as well as to workers and persons interested in the movement. Hitherto central banks in need of financial accommodation used to turn to the Provincial Bank which gave loans generally on security and sometimes even without security. These loans were used

for the repayment of deposits. This policy of financing central banks for the repayment of deposits began in 1931 and was decided upon after considerable discussion and hesitation on the part of the Provincial Bank. It was then just a beginning of the economic depression which everyone hoped would turn out to be temporary but which threatens to be a permanent feature under present indications. When the Provincial Bank agreed to accommodate central banks in monetary difficulties, it was expected that the loans required would not exceed Rs. 5 lakhs which represented the share capital and, therefore, the long-term capital of the Provincial Bank. The events proved otherwise and every year the demand for loans grew in volume until the present position was reached under which nearly Rs. 33 lakhs have been advanced to the Berar banks and are locked up in long-term investments on the security of lands. It was for the first time in July 1938 that the Provincial Bank refused to sanction further loans to one of the central banks in Berar on the ground that the central bank did not have sufficient security for the loan. The bank changed the management and partial accommodation was allowed by the Provincial Bank. Two months later another central bank, this time a big one, was in serious difficulties and its application to the Provincial Bank for financial accommodation proved of no avail. While rejecting the application of the bank for the loan, the Provincial Bank adopted a resolution requesting Government to appoint a Committee to examine the position of the co-operative movement in Berar and it is thus that our Committee came to be appointed. It was apprehended that the contagion of these two banks, which were unable to meet their liabilities, will extend to the other banks, and there was thus the danger of the whole co-operative movement in Berar coming to a stand-still. The attitude of the Provincial Bank came in for considerable criticism, but in our considered view the action taken by the Provincial Bank was, consistent with its own safety, correct and in accordance with sound banking practice. The suspension of normal banking business, including repayment of deposits when due, certainly caused a certain amount of panic and loss of credit to the co-operative movement which could not but cause anxiety and concern to Government and to all interested in the welfare of the movement.

4. The Committee was asked to get to grips at once and submit its report as early as possible as Government was anxious to take up measures which will arrest further loss of credit now threatening the movement and which will revive the movement.

5. The Committee held its first meeting on the 17th October 1938 and settled the questionnaire to be issued to banks, societies, workers and others interested in the co-operative movement and to the public in general. Replies were asked for by the 10th November 1938.

6. The Committee held the next sitting at Amraoti to consider the written replies to the questionnaire and to decide what persons and institutions should be invited to give oral evidence before it.

7. The Committee examined witnesses from Amraoti and Yeotmal districts at Amraoti on the 25th, 26th and 27th November and also met the Standing Committee of the Berar Co-operative Institute by special arrangement of the Institute. The next sittings were held on the 28th and 29th November when witnesses from the Akola and Buldana districts were examined. Witnesses included office-bearers of central banks and societies, revenue officers, private landlords, typical lessees, politicians interested in the co-operative movement, *ex-officers* and banking experts. Consultations with high Government officers and *ex-Registrars* were held at Nagpur from the 1st to the 6th of December 1938. The evidence was discussed from the 14th to the 17th when certain general conclusions were reached. Three members of the Committee including the Chairman discussed the position and the tentative conclusions with the authorities of the Reserve Bank who kindly placed their wide knowledge and mature experience of agricultural credit conditions in the country at the disposal of the Committee. By our special request, the Officer-in-charge of the Agricultural Credit Department of the Reserve Bank of India also attended one meeting of our Committee and explained to us at length how, in the opinion of the Reserve Bank of India, the co-operative movement in Berar might still be revived. The Committee wishes to take this opportunity to thank the authorities of the Reserve Bank of India for the help rendered by them and also wishes to express its gratitude to *ex-Registrars*, Government officers and honorary workers who did not spare themselves in drafting replies to the questionnaire and in appearing before the Committee as witnesses at great personal sacrifice. We witnessed definite signs all round that while the problem was considered to be bristling with innumerable difficulties there appeared genuine optimism on the part of all that ultimately a solution will be found and it will be possible to revive this movement in respect of which the following memorable words were expressed in the Message of His Majesty the King-Emperor during his visit to this country, in 1911 :—

“If the system of Co-operation can be introduced and utilized to the full, I foresee a great and glorious future for the agricultural interests of the country.”

CHAPTER II.—HISTORY OF THE CO-OPERATIVE MOVEMENT IN BERAR

1. As in the other parts of India, the co-operative movement in Berar was started soon after the passing of the Act X of 1904, and the progress was accelerated after the passing of the Act of 1912. Detailed statistics illustrating the progress of the movement are given in Appendix I. There was clearly a steady expansion of the movement. The number of societies and members and the amounts of loans advanced were steadily increasing. The progress was most marked between 1915-16 and 1919-20. On the 1st April 1914, the number of primary societies in Berar was only 170 containing 2,156 members and the loans outstanding against these societies amounted to 3.74 lakhs. By the 1st July 1920, the number of societies had increased to 750 containing 10,626 members and the loans outstanding against these societies amounted to 35.18 lakhs. In 1919-20, owing to the sudden registration of a large number of societies, the fluid resource and cash of the Provincial Bank were practically exhausted in advancing loans to them. In the following year recoveries were not commensurate with the advances as a result of a failure of crops in the Province. This brought about a shortage of fluid assets in Provincial Bank for the return of deposits and cash advances to societies. Government at once came to the help of the movement and placed at its disposal a cash credit of 17 lakhs to meet the withdrawal of deposits and another cash credit of 19 lakhs to central banks for advancing to societies. Out of the cash credit of 17 lakhs, a sum of 3.50 lakhs was availed of and was paid off within a short time. The loan of 19 lakhs was subsequently repaid by the central banks. The moral of this action of Government may not be lost upon us at this critical juncture. It shows how the mere word of Government that it will stand behind the movement restored the confidence and stemmed the flow of withdrawals. It also shows that once the rot is arrested and the movement is revived it will not be difficult to recoup the cash credit within a short time. This crisis led in Berar to a careful examination of the position and to a slackening of the rapid pace of fresh organization and expansion, but it did not affect the grant of fresh loans to the old and new societies.

2. Prices of cotton were fairly high and recoveries were satisfactory. Although there were some overdues, the movement was considered to be financially quite sound. In 1923, the then Registrar, Mr. Corbett, in his note on the condition of the movement in the Central Provinces and Berar, wrote as follows :—

“In Berar, outstanding loans are Rs. 39,33,649 out of which Rs. 5,96,119 or 15 per cent are shown as overdue. Except in the case of three or four banks, the amount shown as overdue is comparatively small; but the true position is obscured by the practice of granting wholesale renewals. Large amounts are not repaid on the due date, and are almost automatically renewed, so long as the sum outstanding is covered by the value of the borrower's property. Refusal

to renew is generally preliminary to an application for an award. Very few societies in Berar are under award, but the number of members against whom awards have been taken is considerable; for instance, 123 members, for total amount of Rs. 64,450 in one bank. Complete figures are not available; but the total amount under award or liquidation in Berar is estimated to be nearly Rs. 5 lakhs. The position in Berar, however, is more secure than in the Central Provinces, because it rests ultimately on the rights of transfer in land. The defect of this security is that the movement is ceasing to be co-operative, and is tending to become a land mortgage business. This is recognized and deplored by leading co-operators in Berar."

3. The price of cotton, which is the main money crop, steadily rose during the three years from 1921 to 1923. In 1923-24, it reached its highest mark, when cotton was sold at the unprecedented figure of about Rs. 200 to Rs. 250 per khandi (of 784 pounds). The crops also were good during this period. The result was that prices of land ruled high. It was not unusual to find ordinary agricultural land being sold at Rs. 500 or even more per acre. Although the prices of cotton steadily fell after the peak year of 1923-1924, they continued to be quite high till about 1929-30. The credit of the agriculturists was good and a Berar land-owner was considered solvent practically to any extent. Recoveries also were fairly satisfactory in the beginning. The deposits in the central banks were steadily increasing and the banks were overflowing with surplus capital. It was during this boom period and particularly from 1923-24 to 1926-27 that loans were freely granted. The outstandings against societies which amounted to only 42.54 lakhs on the 1st July 1924 rose to 83.84 lakhs by the 1st July 1927.

4. In a co-operative society loans should be granted on the basis of the paying capacity of the member and not on the security of his assets. But this period of prosperity obscured considerations of caution and prudence and lulled the workers and even the department into a false sense of security. Loans were granted not only for productive purposes but for other purposes as well, such as expenses on marriage and death ceremonies. It was considered better both for the society and for the member if he was indebted only to one creditor, namely, the society. Consequently large loans were granted for the repayment of old debts due to other creditors. Under the delusion that the good crops and high prices had come to stay permanently, members were keen on purchasing additional land, even by borrowing loans and the banks and societies readily granted loans for this purpose and adopted what is called the policy of *full finance*. This also gave rise to the problem of big borrowers. Large loans amounting sometimes to as high as Rs. 10,000 were granted to individual members to enable them to purchase more land or to pay off old debts. These big borrowers naturally ruled the society and the other smaller members had no voice in the management. The big borrowers wielded considerable influence in the management of central banks also. Although after the grant of these loans, the annual recoveries were not

such as to indicate that the loan would be repaid in any reasonable number of years and there were successive defaults of instalments, still no coercive action was taken to recover the defaulted instalments on the ground that the member had sufficient assets. If the good crops and high prices had continued indefinitely, the debts would in most cases have been recovered from the income of the members, and, failing that, by selling a portion or the whole of their property. Also, in most cases, at the time when the loans were granted, they were well within the then market value of the lands. But the unfortunate mistake made was that the high prices and good crops were considered to be a permanent feature. By the time the depression set in in 1929, there was considerable over-financing and the average indebtedness per member (excluding societies under liquidation) was as high as 775 in 1929.

5. The prices of cotton steadily fell after the peak year of 1923-24. But in the hope that they would rise again, neither the members cared to pay the instalments regularly nor did the societies and central banks think it necessary to sell their property immediately. The result was that there were heavy overdues and the debts due from the members although still within the then market value of land had gone beyond the amount that could be repaid by them from their income in a reasonable number of years. The margin between the amount of the loan and the then market value of the assets was rapidly narrowing down with the mounting up of interest on the one hand and fall in prices of agricultural commodities and lands on the other.

6. The short-term capital of the central banks thus came to be locked up in long-term loans. However, as the deposits were steadily increasing and were being renewed, no difficulty was experienced. If the property had been sold immediately after the defaults of three or four instalments, in most cases the loans would have been recovered in cash in full and some property would have been left with the members. But we must admit that nobody could then have foreseen the extent of the present economic depression. There were many cases in which loans were not secured by mortgages. In view of the then high market value of land, this precaution was not considered necessary at the time when the loans were granted. Many considered the suggestion to take mortgages as contrary to the principle of Raiffeisenian Co-operation. Debtors resented the suggestion on the ground of prestige. For this precaution, the value of which is now appreciated, the movement is indebted to the then Registrar, Mr. Banerjee, but for whose firm determination and tenacity the big borrowers could not have been brought round.

7. Despite all these defects, the movement was financially sound and the then market value of the assets was sufficient to pay off all the liabilities in full. The Royal Commission on Agriculture which visited Berar in 1928 compared favourably the progress of the movement in Berar with that in the Central Provinces in the following words:—

“In the Central Provinces, a thoroughly unsound system was allowed to develop into a top-heavy organization. Little

attention was paid to the education of members in co-operative principles and too much power was left in the hands of central banks. The concentration of both authority and of fluid reserves at the centre provided opportunities for errors which precipitated a severe financial crisis; and it was only the assistance provided by the Local Government, in the form of a large loan and a guarantee of a substantial cash credit, which saved the movement from immediate collapse. It is estimated that several hundred societies will have to be liquidated before the evil effects of past mistakes can be completely eradicated. In Berar, where conditions of agriculture as well as of land tenure are very different from those in the Central Provinces proper, the state of the movement is more satisfactory."

8. The history of the movement subsequent to 1929 is so bound up with acquisition of lands and the present crisis that in order to avoid repetition we have preferred to give it in the succeeding two chapters.

CHAPTER III.—ACQUISITION OF LANDS

Almost from the next year after the peak year of 1923-24 overdues began to mount up steadily. Till about 1927-28 coercive proceedings were not started on a large scale in the hope that the prices of cotton would rise again to the level of those in 1923-24 and also on the ground that even if they did not do so the debts could easily be recovered by selling the property of the members. But when members did not care to pay whatever they could and defaults continued, coercive proceedings began to be taken against them. In the beginning there was some opposition from the big borrowers who were the worst defaulters and who wielded considerable influence in the management of the central banks and societies. Gradually this opposition weakened and coercive proceedings were started. But by then the economic depression had set in, the prices of cotton and consequently land values had gone down, and cultivators were no longer keen to purchase lands. In many cases, the prices offered at the auctions were inadequate. For some time, in order to protect the interests of the members as well as their own, the central banks favoured the postponement of sales. But soon it was found that this step was causing loss to the central banks. The members were not making any repayments. In many cases they did not pay even the land revenue due on their lands which then had to be paid by the central banks. There were numerous instances where members made efforts to dispose of, or create encumbrances on, their lands. In order to prevent the lands from being purchased by others for inadequate prices, and later on to prevent the sales proving ineffective for want of bidders, the banks and societies were forced to bid for and purchase the lands at the auctions, where the prices offered by others fell far short of the normal. Such instances steadily increased in number and by 30th June 1931, the banks and societies in Berar owned 5,991 acres of land. This purchase of lands by the banks and societies was being resented by the members and was also making the movement unpopular. The management of these lands brought forth new problems for the movement. The position was examined in detail at a conference of the office-bearers of banks in Berar and other co-operators held in February 1932 and it was decided that efforts to postpone coercive actions or sales should be given up and the banks and societies should purchase the lands when no other course was open. The following was the resolution that was recorded:—

“The meeting was thus clearly of opinion that experiments made hitherto of only maintaining a lien on the lands of members by means of mortgage or attachment and enabling the members to make repayments from cultivation had completely failed. The members had never proved

true to such agreements and delivered the goods annually according to them. The decision of the committee, therefore, was that all banks should proceed without let or hindrance with the work of acquiring lands of societies under awards and liquidation. If this were not done, there was every risk of the members creating other encumbrances on their lands; and that would only aggravate the difficulties in the way of the banks disposing of such lands for raising cash as soon as favourable prices began to return. It was also noted by several speakers that the prospect of land values appreciating in the near future was poor and any further postponement of sales would unnecessarily increase bad interest."

This decision was taken for the following reasons, as will appear from the departmental report for 1931-32:—

(i) There is very little prospect of land values appreciating in the near future and postponement of sale would unnecessarily increase bad interest.

(ii) There is every risk of the members creating other encumbrances on their lands and making the recovery of their co-operative debts more difficult.

(iii) Other creditors of the members are not postponing coercive action against them and as they are prepared to acquire land, they may take possession of the debtors' land (including lands on which the societies have first mortgages). This would make the recovery of co-operative debts difficult.

(iv) In many cases experiments made of maintaining a lien on the lands (by mortgage or attachment) and enabling the members to make repayments from their crops have failed.

(v) Even at the average rate of Rs. 100 per acre the present debts of many members equal or exceed their total landed assets. Postponement of sales would thus give them no relief."

2. The position was reviewed and discussed at a similar conference held in December 1932 and the same decisions were reached. The position was again reviewed and discussed at similar conferences held in October 1933 and October 1936 but these conferences could not discover any way to avoid the acquisition of lands. The department and the Government also could not suggest any other course. Thus, much against their will, the banks and societies had to acquire lands. During all this period, efforts have been made to sell the lands so acquired, but mainly on account of the economic depression and the consequent absence of demand for land, it has not been possible to sell any appreciable portion of the lands and the area owned has been steadily increasing.

3. The following figures show the area of lands owned by the banks and societies year by year:—

Year	Area of land owned by the central banks	Area of land owned by the societies	Total
	Acres	Acres	Acres
30-6-30	.. 1,413	936	2,349
30-6-31	.. 4,109	1,882	5,991
30-6-32	.. 11,164	2,941	14,105
30-6-33	.. 17,214	4,290	21,504
30-6-34	.. 24,779	5,565	30,344
30-6-35	.. 32,341	6,592	38,933
30-6-36	.. 39,390	5,859	45,249
30-6-37	.. 41,992	4,674	46,666
30-6-38	.. 49,891	4,798	54,689

4. Details regarding the area now owned by each central bank and societies under it are as follows:—

Name of central bank	Owned by the central bank	Owned by the societies	Total
	Acres	Acres	Acres
Amraoti	.. 6,505	1,720	8,225
Ellichpur	.. 604	37	641
Morsi	.. 1,357	437	1,794
Daryapur	.. 1,170	117	1,287
Yeotmal	.. 9,431	778	10,209
Pusad	.. ..	..	..
Darwha	.. ..	..	..
Akola	.. 18,269	1,424	19,693
Buldana	.. 3,146	..	3,146
Khamgaon	.. 5,310	47	5,357
Mehkar	.. 2,111	238	2,349
Malkapur	.. 1,988	..	1,988
Total	.. 49,891	4,798	54,689

5. Land is literally pouring into the hands of banks and societies. It is estimated that, if the present conditions continue, the central banks and societies may have to acquire another 50,000 acres of land in the course of the execution of coercive operations against members of societies. The alternative is to lose even this security.

6. The following statement shows the management of lands owned by the central banks at present and during the last three years :—

I.—Position as on 30th June 1938.

- (1) Total area owned—49,891 acres.
- (2) Land revenue of (1)—Rs. 80,429.
- (3) Purchase price of (1)—Rs. 28,52,784.

II.—Management for the season 1938-39, i.e., for which the recoveries are to be made in the present season.

- (4) Area out of (1) leased out for a fixed amount of money, i.e., "makta"—44,007 acres.
- (5) Land revenue of (4)—Rs. 78,459.
- (6) Amount of lease money fixed for (4)—Rs. 1,41,896.
- (7) Area out of (4) leased out on *batai*—127 acres.
- (8) Area that is being cultivated directly by the central banks—*Nil*.
- (9) Area out of (4) that could not be leased out because possession was obtained late in the present season—134 acres.
- (10) Area out of (4) which could not be leased out because there are disputes—1,239 acres.
- (11) Area out of (4) which could not be leased out as no lessees are willing to take it up—4,670 acres.
- (11-a) Land Revenue of (11)—Rs 6,323.

III.—Management in previous years.

	35-36	36-37	37-38	Total for 3 years
(12) Total area owned at the beginning of the year.	34,415	39,761	42,840	
(13) Land revenue of (12) ..	66,050	74,110	79,413	2,18,572
(14) Area out of (12) leased out on <i>makta</i> .	30,527	34,879	38,504	1,03,901
(15) Land revenue of (14) ..	59,753	67,032	72,036	1,98,821
(16) Amount of lease money fixed for (14).	1,18,163	1,12,937	1,39,800	3,70,900
(17) Amount out of (16) actually recovered in cash so far.	64,361	1,06,126	82,447	2,52,934
(18) Area out of (12) leased out on <i>batai</i> .	215	175	262	652
(19) Land revenue of (18) ..	297	210	224	731
(20) Profit to central banks from (18) after paying land revenue.	633	651	852	2,136
(21) Loss to central banks from (18) after paying land revenue.	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
(22) Area that could not be leased out during the year for various reasons.	3,720	4,746	4,674	13,140
(23) Land revenue of (22) ..	5,839	6,463	6,884	19,175

IV.—Sale of lands.

	35-36	36-37	37-38	Total for 3 years
(24) Area of land sold by central banks (free from outside encumbrances).	1,237	3,296	1,121	6,262
(25) Land revenue of (24) ..	1,573	3,847	1,562	8,309
(26) Purchase price of (24) ..	64,106	1,65,539	71,105	3,63,115
(27) Price for which (24) has been sold by central banks.	75,190	2,03,053	71,999	4,09,299
(28) Price obtained per acre, <i>i.e.</i> , (27) divided by (24).	80	61	64	65
(29) Price obtained per rupee of land revenue, <i>i.e.</i> , (27) divided by (25).	48	53	45	49

7. Although some central banks have fared somewhat better than others, on the whole the central banks have been able to earn from the land just sufficient to pay the land revenue. They have not been able to earn sufficient to cover the management expenses, much less any return on the capital so locked up. It is feared that in 1938-39, the banks may not be able to recover as lease money sufficient to pay even the land revenue.

8. Some central banks tried the experiment of cultivating these lands but there were heavy losses and the experiments had to be given up. Now all the lands are being leased out to lessees as far as possible.

CHAPTER IV.—PRESENT POSITION

Central Banks

1. There are 12 central banks in Berar, of which, two, namely, Pusad and Darwha, are very small banks, having been registered in recent years. The remaining 10 central banks have now been working for 20 to 25 years.

Societies

2. The following statement shows the number of primary credit societies registered and cancelled year by year since 1929 :—

		Number of Pri- mary credit societies regis- tered during the year	Number of primary credit societies can- celled during the year
1929-30	..	25	14
1930-31	..	20	60
1931-32	..	11	74
1932-33	..	10	41
1933-34	..	4	36
1934-35	..	12	47
1935-36	..	52	32
1936-37	..	60	40
1937-38	..	112	49
1938-39	..	75	18

(Up to 30th November 1938)

3. Consequent upon the successive defaults and poor recoveries, the policy of the movement was consolidation rather than expansion. This is the reason why the number of societies registered after 1929 is so small. However, during the last 3 years, the need for expansion has been felt and this accounts for the comparatively large number of societies registered during these years.

4. The number of primary credit societies in Berar now is as follows :—

		Number of societies	Number of members
Societies under liquidation	..	471	4,994
Societies under award	..	50	484
Working societies	..	620	6,832
Total	..	1,141	12,310

5. The distribution of loans among these societies is as follows :—

Amount due from—	Rs.
(1) Societies under liquidation ..	47,25,255
(2) Societies under award ..	6,63,349
(3) Members under award in working societies not included in (1) and (2) above.	14,70,188
Total ..	68,58,792

(4) Total amount due to central banks from all societies. 82,23,419

6 Thus about 83 per cent of the assets of the central banks are involved in coercive proceedings. Out of 6,832 members of working societies 1,183 members are under award. Thus societies and members not under coercive operations are reduced to 620 and 5,649 respectively. During the financing season of 1937-38 loans were granted to 1,834 members only of 279 societies and the amount advanced was Rs. 1,21,249. Most of these members belong to societies registered during the last five years. Thus, so far as the old societies are concerned, there is very little fresh business and the banks and societies are reduced to mere debt-collecting institutions. However, the new societies registered during the last five years are doing well and recoveries are fairly satisfactory, as will appear from the following figures :—

- (1) Number of new societies financed from the 1st March 1937 to 30th November 1937—488.
- (2) Amount overdue on the 1st July 1937—Rs. 8,992.
- (3) Amount advanced in cash from the 1st March 1937 to 30th November 1937—Rs. 11,564.
- (4) Total amount due for recovery in the Hangam of 1937-38—Rs. 77,024.
- (5) Total amount recovered out of (4)—Rs. 58,983.
- (6) Percentage of (5) to (4)—Rs. 76.5.

7. The transactions between central banks and societies as regards advances and recoveries are illustrated by the table given below :—

	Loans advanced to societies in cash during the year	Loans recovered from societies in cash during the year	Loans outstanding against societies at the end of the year
1929-30 ..	18,39,227	19,87,600	91,39,151
1930-31 ..	8,23,486	9,15,628	94,26,034
1931-32 ..	2,84,969	5,02,201	95,89,156
1932-33 ..	1,35,744	4,71,021	97,08,345
1933-34 ..	1,04,939	4,17,925	97,42,975
1934-35 ..	78,377	4,79,813	93,19,738
1935-36 ..	1,05,174	3,25,780	90,16,643
1936-37 ..	1,37,522	5,13,766	81,81,710
1937-38 ..	1,88,689	3,38,571	82,23,419

The instalments fixed at the time of the grant of loans were not repaid in time. Almost the whole of the present outstandings is overdue. Therefore, separate figures for the amounts shown by the central banks as overdue have no significance and have not been given in the above table.

8. The above figures speak for themselves. They show how co-operation has failed as a source of cheap rural credit, how in not a single year (except 1929-30) have recoveries equalled even interest on the overdues, how outstandings are nearly cent percent overdue and how poor collections have choked the flow of credit facilities. In 1934-35, the cash advances fell so low as 78,377. Bulk of the fresh finance in the last three years is in the new crop loan societies where recoveries are about 76 per cent, and if these advances and recoveries are excluded the picture will appear still more arid and disconcerting.

Deposits and Loans

9. The deposits held by central banks in Berar and loans taken by them from the Provincial Bank have been as follows :—

Year		Deposits	Loan due to the Provincial Bank
30-6-28	..	75,34,859	12,07,127
30-6-29	..	86,16,545	5,31,057
30-6-30	..	93,94,991	6,06,036
30-6-31	..	93,49,161	9,49,622
30-6-32	..	85,06,048	12,56,668
30-6-33	..	79,92,086	15,47,292
30-6-34	..	79,52,306	17,37,941
30-6-35	..	73,13,355	21,04,426
30-6-36	..	71,17,613	23,86,295
30-6-37	..	72,19,306	24 54,318
30-6-38	..	67,86,610	28,86,640

The deposits have been steadily going down since 30th June 1930 when they amounted to 93.94 lakhs. By 30th November 1938 of the present year they have further gone down to 61.58 lakhs. The slight rise in 1936-37 is explained by the comparatively better conditions prevailing in that year, which was about the best since the advent of the depression. The fall in deposits has been made up, not by better recoveries or by economies, but by borrowings from the Provincial Bank. In other words, the resources of the Provincial Bank have enabled central banks to meet their obligations to depositors and to that extent the risk of the depositors has been shifted to the shoulders of the Provincial Bank. This policy was continued despite murmurings on the part of the Provincial Bank. In some quarters there is a tendency to blame the Registrar for not putting a brake on this policy of investing short-term capital in banks on the security of

frozen and deteriorating assets, but we are convinced that there is neither justification nor necessity for this apportionment of blame. All acted in good faith, all had one aim, *viz.*, to help the movement to tide over the depression and all sincerely believed that the depression was temporary and would soon be lifted. The result, however, has been unexpected and unfortunate for the Provincial Bank.

The fixed deposits (as on 30th November 1938) fall due as follows:—

Falling due in	Amount
	Rs.
1938-39 ..	18,50,398
1939-40 ..	12,85,931
1940-41 ..	7,26,534
1941-42 ..	5,91,150
1942-43 ..	6,83,929
1943-44 ..	1,16,789
After 1944 ..	1,72,670
Total ..	54,27,401

From the above figures it will appear that about 57 per cent of the deposits fall due during the next two years. Long-term deposits for periods exceeding five years are negligible.

10. These deposits are held at the following rates of interest:—

Rates	Amount
	Rs.
Two and half ..	66,015
Three ..	15,07,979
Three and one-fourth ..	1,44,716
Three and half ..	3,20,047
Three and three-fourth ..	1,83,227
Four ..	11,67,943
Total ..	33,89,927
Four and one-fourth ..	41,017
Four and half ..	8,09,942
Four and three-fourth ..	1,421
Five ..	4,69,617
Five and one-fourth ..	21,671
Five and half ..	1,79,229
Five and three-fourth ..	8,358
Six ..	4,64,898
Six and half ..	41,321
Total ..	20,37,474

We draw particular attention to the fact that nearly 40 per cent of the deposits still carry interest at more than four per cent. While the current rates given below cannot be called excessive, we feel that action to revise and reduce the rates was not taken *pari passu* with the onset of depression. We understand that the initiative for a reduction came from the Registrar and not from the movement as it should have, and that much persuasion was necessary before banks would adopt the reduced rates. There is no rule or convention in this province, as in Madras and Bombay, according to which the Provincial Bank advises central banks affiliated to it what rates of interest should be offered by them. We are of opinion that such a convention is useful for purposes of co-ordination, uniformity and united front on the part of banks and should be established by the common consent of the banks concerned. The Registrar should see to the establishment of and compliance with such a convention.

11. The present rates of interest offered by the central banks are as follows :—

	Per cent
Savings deposits ..	2
Fixed deposits for—	
One year ..	3
Two years ..	3½
Three years ..	3½
Four years ..	3½
Five years and over ..	4

The central banks are still paying more than four per cent on their old deposits as they have not got sufficient cash in case they ask the depositors to accept the present lower rates or to take away their deposits. A year ago the position was more favourable and had the banks gone ahead boldly with their programme of conversion of old high rated deposits, with the support promised by the Provincial Bank and the Registrar, much of this liability could have been avoided and the annual deficit reduced to some extent.

Financial Position of the banks

12. The statement given below shows the present financial position of all the central banks in Berar taken together (as on 30th June 1938). Further details regarding each central bank are given in Appendix II

LIABILITIES

1. Deposits—		
	Rs.	Rs.
(a) Fixed	.. 58,78,685	67,94,796
(b) Savings	.. 7,62,307	
(c) Current	.. 57,682	
(d) Others	.. 96,122	
	Total	.. 67,94,796
2. Interest due out on deposits	..	1,56,805
3. Total loan due to the Provincial Bank, Nagpur.—		28,94,566
(a) Ordinary	.. 22,52,603	
(b) Cash credit	.. 6,41,963	
	Total	.. 28,94,566
4. Loans due to other banks	..	94,212
5. Provident fund of the staff	..	59,452
6. Land Revenue due	..	9,899
7. Cost of management due	..	2,547
8. Other real liabilities—		57,391
(a) Contribution due to Berar Co-operative institute.	12,429	
(b) Other items	.. 44,962	
	Total	.. 57,391
	Total of 1 to 8	.. 1,00,69,668
9. Paid up share capital.	..	5,76,460
10. Undistributed Dividend	..	25,812
	Total of 9 and 10	.. 6,02,272
Grand Total of Liabilities [Total of (1) to (10)]	..	1,06,71,940

ASSETS

A

	Rs.
1. Cash in hand and with branches ..	51,728
2. Current accounts and deposits with other banks.	1,24,569
3. Fluid Resource with Registrar ..	2,55,882
4. Fluid Resource in Post Office Cash Certificates (present value).	16,195
5. Fluid Resource in Government Securities (present market value).	3,76,806
6. Fluid Resource as deposit in Post Office ..	9,584
7. Liquidation Fund deposited with Registrar, Provincial Bank or elsewhere.	7,189
8. Compassionate Fund deposited with Provincial Bank or elsewhere.	7,961
9. Special Emergency Fund with the Registrar	64,627
10. Other Fluid Resource ..	5,342
11. Interest due in on the above investments not already included in the above items.	16,873
Total of A ..	9,36,756

B

12. Reserve Fund of the Central Banks—	
(a) With Registrar ..	4,90,457
(b) In Government Securities (present market value).	..
(c) In Post Office Cash Certificates (present value).	..
(d) In shares of the Reserve Bank (present value).	2,288
(e) Interest due in on the Reserve Fund of Central Banks.	19,318
Total of (a) to (e) ..	5,12,063
13. Reserve Fund of Societies—	
(a) With Registrar ..	6,04,135
(b) In Government Securities ..	..
(c) In Post Office Cash Certificates (present value).	..
(d) Interest due in on the above investments of Reserve Fund of Societies not already included in the above items.	26,208
Total of (a) to (d) ..	6,30,343
Total of B ..	11,42,406

C

	Rs.
14. Lands owned by the Central Banks (multiple value).	25,56,740
(a) Area—49,712 acres.	
(b) Land revenue—Rs. 79,694.	
(c) Purchase price—Rs. 28,64,283.	
(d) Multiple value—Rs. 25,56,740.	
15. Lands owned by the Societies (Multiple value).	2,77,020
(a) Area—4,798 acres.	
(b) Land revenue—Rs. 7,525.	
(c) Purchase price—Rs. 5,06,720.	
(d) Multiple value—Rs. 2,77,020.	
16. Houses owned by Central Banks ..	9,159
(a) Number of houses—267.	
(b) Purchase price—Rs. 18,831.	
(c) Present market value—Rs. 9,159.	
17. Bank building (present value) ..	1,91,625
(a) Cost price—Rs. 2,53,097.	
(b) Present value—Rs. 1,91,625.	
18. Furniture and stock ..	17,020
(a) Cost price—Rs. 29,140.	
(b) Present value—Rs. 17,020.	
Total of C ..	30,51,564

D

19. Reserve Fund of Central Banks in shares of Provincial Bank.	83,430
20. Reserve Fund of Societies in shares of Provincial Bank.	56,270
Total of D ..	1,39,700

E

21. Advances due in (Recoverable) ..	Rs. 89,564
(a) Total—Rs. 1,56,421.	
(b) Recoverable—Rs. 89,564.	
22. Lease money due in (Recoverable) ..	1,10,484
(a) Total—Rs. 1,81,115.	
(b) Recoverable—Rs. 1,10,484.	
23. Good debts (including interest) due from societies, after deducting the amounts already shown in items (13), (15) and (20).	35,87,030
	Rs.
(a) Total loan including interest.	87,52,567
(b) Deduct bad debts ..	42,02,404
(c) Good debt (a) minus (b)	<u>45,50,163</u>
(d) Deduct—	
(13) ..	6,30,343
(15) ..	2,77,020
(20) ..	<u>55,770</u>
	9,63,133
(e) Balance of good debt (c) minus (d).	Rs. 35,87,030

Total of E .. 37,87,078

Summary of Assets.

	Rs.
A ..	9,36,756
B ..	11,42,406
C ..	30,51,564
D ..	1,39,700
E ..	37,87,078
Grand total ..	<u>90,57,504</u>

	Rs.
(1) Total assets ..	90,57,504
(2) Total liabilities (including share capital) ..	1,06,71,940
(3) Excess of assets 1 minus 2 ..	..
(4) Deficit in assets 2 minus 1 ..	16,14,436
(5) Liability to shareholders (total of 9 plus 10 of liabilities).	6,02,272
(6) Net deficit excluding liability to shareholders 4 minus 5.	10,12,164

13. It will be seen from the balance sheet that apart from the reserve fund of banks and societies all the assets are frozen. Half the assets consist of lands owned by banks and societies and the other half of the assets is represented by good debts, 97 to 98 per cent of which are overdue. Coercive proceedings are going on for the recovery of these overdues. A major portion of this debt will be recovered by acquisition of lands. Cash recoveries are small and negligible and decrease from year to year. In calculating the assets for the purpose of the balance sheet, the value of lands is the most important and difficult item. A slight variation one way or the other will make a big difference in the total assets. A slight appreciation might result in the deficit being wiped out and in showing the balance sheet so as to have a surplus of assets over liabilities. A slight reduction in land values will widen the deficit and aggravate the insolvency of the movement. Valuation of land has often been a matter of controversy between the co-operative department and the central banks. On the whole, banks are prone to adopt liberal figures whereas the department goes by the figures of sales held in recent years. The strictly scientific method of valuation of land would no doubt be to ascertain income from the lands and then to capitalise it at 20 or 30 times according as what may be considered to be a fair rate of dividend on the capital invested in the land. Taking all lands together we find that the income is just sufficient to pay the land revenue and no surplus is left. It would mean that the value of lands is *nil* but this is obviously incorrect. This anomaly arises from the fact that there are three grades of lands, *viz.*, good lands, neglected lands and bad lands. We classified the lands according to these three categories, ascertained the income and capitalised them and found that the total figure so arrived at was approximately the same as was arrived at by the application of what may be called the multiple system.

14. The multiple system is to examine recent voluntary sales excluding unrepresentative or special sales and to work out the multiple of the consideration paid in the sales to the land revenue of the lands affected by the sales. We have considered various alternative methods of valuation of lands and have also examined official and non-official experts on the subject. One suggestion made before us was that the multiple should be worked out not on cash sale consideration but on lease money inasmuch as lease money was a true index of the productivity and potentiality of the land as compared with consideration in a sale, the figures of which may be vitiated by numerous factors, such as, claims for pre-emption, sale in lieu of debts, bogus transactions, etc. The amount for which land is leased out does not necessarily represent the amount that is actually recovered. We have, therefore, preferred the system of multiple of land revenue to sale consideration as against multiple of land revenue to lease money

15. For the purposes of our committee, a special investigation was carried out by the officers of the co-operative department to ascertain the latest figures of voluntary sales as registered in the offices of sub-registrars during 1937-38. Only those

sales which were for a cash consideration were included. Forced sales, such as those held at the auctions by revenue officers, were excluded. Similarly, sales in favour of creditors were excluded as the prices mentioned in such sales generally represent the total debts due. Multiples have thus been arrived at for each taluq separately and are given below :—

Name of taluq with multiple (per rupee of land revenue).

Amraoti—36.
Chandur—41.
Morsi (Warud circle)—63.
Morsi (Morsi circle)—44.
Ellichpur—44.
Daryapur—42.
Yeotmal—52.
Darwha—57.
Kelapur—93.
Akola—19.
Akot—27.
Balapur—26.
Murtizapur—23.
Chikhli—44.
Khamgaon—34.
Jalgaon—32.
Mehkar—62.
Malkapur—43.

16. We may compare these figures with the multiples adopted in the settlement reports of the "seven taluqs" of Berar just to illustrate how forecasts have been falsified and calculations upset beyond expectation. The Akola multiple (1927) was 108.9 as against 19 of today, Akot (1928) 123 against 27 and Balapur (1926) 146.5 against 26. Similarly, the multiple of letting value to land revenue was as follows :—

Taluq	At settle- ment	Given by Superin- tendent of Land Reco-rds for 1937-38	Experience of the Central Bank Aokoia
Akola	.. 10.3	2.28	1.4
Akot	.. 8	2.76	1.8
Balapur	.. 9	2.22	1.3

17. Details of the figures from which the above multiples have been derived are given in Appendix III. It will appear from the statement that the multiples are much lower, if sales of sub-divisions of survey numbers are excluded. In such sales of sub-divisions, the prices shown in the sale deeds are often exaggerated in order to avoid claims on account of pre-emption. But on the other hand it is true that small plots fetch better price. There have been instances where cultivators have had to sell their land at ridiculously low prices as they were in urgent need of money, for example, to pay land revenue or to meet ceremonial expenditure, etc. Moreover, if sales of sub-division of survey numbers were excluded, the number of transactions and the area included for finding the averages would have been

reduced considerably and the figures so found may not be truly representative. Therefore, for arriving at the multiples, sales of sub-divisions of survey numbers have been included.

18. We would prefer to adopt these figures although they might appear to be conservative as they are based on actual facts and secondly we consider a conservative estimate safer than an unduly optimistic estimate without any definite signs of economic recovery on the horizon. As regards the future trend of land valuation there is no material before us which would enable us to form an estimate that might serve as a guide. All theories of cycles of depression and prosperity have been belied by the continuous depression we have been witnessing since 1929. Some believe that the present depression cannot last long and that the land values must rise in the next 5 or 10 years but there is no basis for such an opinion except a blank guess. We, therefore, think that it is right that lands should be valued at the present prices and that we should not depend, while suggesting any solution, upon the uncertain factor of appreciation in land values. We might, however, say that as the great bulk of the assets of central banks is represented by lands, the fate of the movement in Berar is intimately bound up with the question of land values. If the prices rise from Rs. 60 to Rs. 100 per acre, the movement will become solvent, sales will become easier, cash difficulties will disappear and altogether a different picture could be drawn of the plight of the co-operative movement in Berar.

19. Taking the present value, it will appear from the figures given in Appendix II that even if the share capital and undistributed dividend are excluded, there is a deficit in the assets in 5 of the 10 big banks amounting to about Rs. 14.79 lakhs, and the remaining 5 banks have some excess amounting to Rs. 4.67 lakhs. If the assets and liabilities of these banks are pooled, the net deficit for all banks is reduced to approximately Rs. 10 lakhs. This capital deficit is a phenomenon of recent years and is mainly due to the fall in the market value of land which is the main property of the members.

20. The figures regarding the income and expenditure of the central banks are given in Appendix IV. It will appear from these figures that if unrealised, but eventually realizable income, is not taken into account, all the ten bigger banks except Mehkar are working at a loss, the total loss amounting to Rs. 2.83 lakhs. Even if the unrealized but realizable income is included, still there is a net deficit of Rs. 1 lakh per year. This is mainly due to the fact that most of the assets of the central banks are now locked up in lands and this investment is not yielding any income. In any scheme of reconstruction we must proceed on a conservative estimate of the income so that the margin of failure is reduced to the minimum.

21. Had it not been for the steady flow of deposits in central banks, the movement would have come to grief and crashed long ago. Owing to poor recoveries the central banks had to borrow money from the Provincial Bank and the borrowings increased from Rs. 6 lakhs at the beginning of 1930-31 to

Rs. 28 lakhs by the end of 1937-38. The banks experienced great difficulty in paying their deposits owing to the shortage of fluid resources. The lands instead of contributing to the funds of banks were acting as a drain on their resources, thus aggravating the position. The condition of most banks at present is that they are functioning merely as money collecting agencies and the lands are a dead-weight obscuring the legitimate business of the banks. With the depositor for his money and the Provincial Bank for security and repayment of its loans constantly knocking at the doors of central banks, it is small wonder that constructive and educative work was neglected and attention was concentrated on the search for a remedy to enable banks to function as banking institutions. So far as the management of lands is concerned the banks are not able to collect even sufficient to pay the land revenue. For all practical purposes the banks have become revenue collecting instruments of Government without getting even commission which goes to patels and patwaris. The time came when the Provincial Bank cried halt and refused to interlock any of its short-term capital in long-term loans to Berar banks and to provide accommodation, often wrongly called temporary accommodation, without which they could not function.

22. In passing we cannot but observe that the condition of the central banks in places where the land revenue was enhanced at the time of settlements during the boom period is comparatively worse than that of the other banks. This coincidence cannot be fortuitous and appears to some of us *prima facie* a good ground for a reduction so as to place these taluqs on a footing of equality with the rest of Berar as regards profits of cultivation and creditworthiness. With the increase of land revenue the paying capacity of members was proportionately reduced.

23. To summarize, the following are the main causes which have brought the working of the central banks to a standstill :—

(a) Heavy financing before and during the boom period and more on the basis of assets than on the paying capacity.

(b) Failure to strike the overdues on the head, the moment they appeared.

(c) Speculative reliance on a possible appreciation of land values and lifting of the cloud of depression in the near future.

(d) Fall in the values of lands beyond all expectations. As a corollary to fall in values of lands, the letting values also have gone down, thus adversely affecting banks which had large areas of land to lease out.

(e) Interlocking of the short-term capital derived from deposits in the purchase of lands which now form the bulk of the assets of the banks.

(f) Fall in cash recoveries partly owing to depression and partly owing to factions and mischievous propaganda and partly owing to deliberate withholding.

(g) Income from land is negligible, being not sufficient even to pay land revenue.

(h) Many banks are reduced to such a strait that they depend upon borrowings for their annual expenditure, for payment of deposits and interest thereon, for land revenue and for their contributions to central institutions such as the Berar Co-operative Institute, and

(i) Dependence upon the Provincial Bank for financial accommodation. So long as it was forthcoming, banks could carry on and the moment it was withdrawn, the crash came.

CHAPTER V.—THE FUTURE

1. While visualising and discussing the future of the movement, the first question that emerges is whether, in view of the past experience and present condition, there is really a chance of the movement proving successful and beneficial and whether we are not deluding ourselves by the belief that co-operation is truly the best and last hope of the agriculturist in India. It would be legitimate to ask whether in Berar co-operation spread over more than a generation, the bulk of which was a period of prosperity, has relieved the agriculturist of the burden of indebtedness, whether it has led to better farming, better business and better living, whether thrift has been encouraged and whether the knowledge of a better handling of money and of elementary banking principles has penetrated into our villages and illuminated the structure of our rural economy. Many will be found to say that judged by this standard, not only the movement has failed, but perhaps it has made matters worse, at least in Berar. Cheap, facile and uncontrolled credit has accentuated rural indebtedness. The privileged position of co-operation has deprived the agriculturist of the benefit of some of the concessions included in the recent debt relief legislation. In allowing debts to accumulate to the extent of the assets of not only individual borrowers but of all members of the society, the movement has done a signal disservice to the cause it represented and was intended to subserve. Expropriation of members for personal and joint liability has been rampant and distressing. Thrift, self-help, mutual aid were periodically preached but seldom practised. As an agency for the supply of cheap and productive credit and as a means for improving the lot of an agriculturist, co-operation has proved a broken reed. Many persons are inclined to call a co-operative society nothing better than a privileged moneylender. The depth of consciousness of the failure of the co-operative movement in Berar cannot be better exemplified than by the instance that in 1935 no less than a person who was an *ex*-Minister in charge of the portfolio of Co-operation and who is a leading figure in the public life of Berar moved a resolution in the legislative council that the co-operative department be wound up and the movement be liquidated. The only positive gain that has been claimed for co-operation is a general reduction in the rates of interest charged by moneylenders due to the existence of co-operative societies and this has lost much of its force now in view of the reduction in the rates of interest prescribed by legislative measures such as the recent Usurious Loans Act, Moneylenders Act and Reduction of Interest Act.

2. In the evidence tendered before us some responsible persons connected with the movement suggested that this movement should now be scrapped, especially as in the present state of the central banks in Berar there was no hope of its revival. They also pointed out that the co-operative movement which was intended originally to help the rural India has in fact so far touched not even two per cent of the agriculturists and, therefore, if the movement is scrapped the only persons who are likely to suffer same inconvenience will be a negligible percentage of the agricultural population. It was further said that, situated as the

co-operative movement in Berar is, it would be better to begin again and although by liquidating the central banks some depositors are likely to suffer, there will not be any appreciable effect upon rural credit, and if the movement was started afresh, people would be coming forward, memory being short in respect of such matters, to invest their money again in the co-operative movement. It was further pointed out that as a majority of the societies have been put under liquidation, the co-operative movement in Berar is practically dead and, therefore, the best solution in the circumstances was to put the insolvent central banks into liquidation and support only those banks which are in a position to pay their deposits.

3. We have given anxious thought to the above suggestion as it came from persons intimately associated with the movement and cannot see our way to endorse the pessimistic view which has obviously impelled it. It must be remembered that many of the causes for the failure of the movement are a common feature not only of this province, but of other provinces also. That the co-operative movement was not thriving has been observed by several commissions as well as conferences here and elsewhere. The Royal Commission on Agriculture, the Provincial and Central Banking Enquiry Committees, the King Committee and lastly the Kelkar Committee appointed by the Berar Co-operative Conference in 1932 specially to examine the position of the co-operative movement in Berar have all adverted to the failure of the co-operative movement for some important reasons beyond the control of the workers in the movement. They have, however, nowhere advocated this scrapping of the movement or liquidation of banks. As recently as 1937, the structure of agricultural credit in this country was examined by the Reserve Bank of India which say as follows in paragraph 6 of their Statutory Report under section 55 (1) of the Reserve Bank of India Act: "An agency which satisfies the requisite condition for agricultural finance is the co-operative society and it has been so recognised in almost all agricultural countries. However short the co-operative movement may have fallen of what was expected from it in India, we feel that further efforts should be made to render it capable of discharging in the best manner the function of supplying credit to the small agriculturists and we have no hesitation in saying that if credit facilities of Indian agriculturists are to be met, the co-operative movement must be reconstructed and revitalised so as to serve not only as an effective credit agency but as a motive power for the improvement of agriculture from every point of view". As regards the effects of liquidation the report contains the following observations in paragraph 15:—

"Liquidation also not only kills the society but brings the movement into disrepute and leaves a void in the structure of agricultural finance."

4. During the past 15 years, several central banks as well as Provincial Banks came into trouble but we find that during all this time notwithstanding the general weakness and limited expansion of the movement, attempts have always been made, with or without Government aid, to tide over the difficulties.

We have not come across any finding as to the inherent unsoundness of the co-operative movement in the peculiar conditions of India or of this province. We have no reason to believe that the essential features of the system are defective or that this province is not yet ready for translating into actual practice the high and plain principles which are the foundation of the co-operative organization. We are of opinion that the movement should be rehabilitated and deserves at the hands of Government every assistance which lies in its power and which it can afford to give without undue or unjustifiable risk to its own credit, prestige or position. We believe that the view of Government is also that the ultimate solution of rural indebtedness lies in the formation of a network of co-operative societies throughout the province and that regardless of the failure of the past, the existing central banks and societies should serve as a nucleus for the building up of a stable movement in Berar. The total scrapping of existing banks and societies is to us a counsel of despair and must be left out of consideration. It does not mean that banks and societies which are utterly bad, unco-operative or beyond redemption and which are a drag on the movement should be kept up artificially or nominally. We would follow the principle of "scrap which we absolutely must; revive whatever we can". Unhealthy parts must be amputated lest the infection should contaminate the healthy parts but the process of amputation should not go so far as to imperil the life of the body. Having seen the movement at close quarters and having in our midst members who have been associated with the co-operative movement in Berar since its inception in the early years of the century, we are confident that given a reasonable amount of help, sympathy and guidance, the movement can yet be rehabilitated and be made available for the alleviation of the ills of the rural population in the countryside.

5. The several legislative measures recently passed with a view to controlling private moneylending have caused a shrinkage in the facilities for rural credit in the villages and to that extent ground has been prepared for the formation of co-operative societies doing short-term loan business. Moneylenders, landlords, society-members, as well as the general public whom we had occasion to consult, were all of opinion that in the present circumstances the moneylenders or village sahuikars are reluctant to risk their money in loans to agriculturists and that cultivators are really experiencing difficulty in raising money for their agricultural operations. The official rejoinder to this is that the plea of contraction of credit is exaggerated and that if the position was really as described by these people, one inevitable effect would have been the abandonment of cultivation and increase in fallow land. In an essentially agricultural province like ours, agriculture is a mode of living and every agriculturist has to follow it in the absence of anything better or more remunerative. The criterion, therefore, should be not whether there is an increase in the fallow land but whether and to what extent the productivity of land has been affected, because the quality of cultivation depends upon the wherewithal to carry it out. In the absence of money at right times and in right quantities, while the land is being cultivated, the quality of cultivation

has suffered considerably and this is the cause of the growing impoverishment of the people aggravated as it is by unfavourable climatic conditions and poor prices during the last decade. If, therefore, a solution can be found for the provision of cheap and controlled credit, it has in our opinion a bright future. We have seen that in spite of the difficulties of central banks in Berar and the unpopularity of the co-operative movement in general in consequence of the intensification of the coercive measures taken in recent years for the recovery of overdues, new societies are being formed and the demand is growing in volume. We, therefore, consider the present time as most opportune for a revival of the movement and for the establishment of a large number of co-operative societies in Berar.

6. A suggestion was made to us in the course of our investigation that the Government can very well advance cultivation loans to agriculturists by way of taccavi and in this way the co-operative movement which has come into disrepute can be replaced by Government agency. In the first place, the resources of Government are not sufficient to undertake the vast business of financing agriculture in the province. Government in the past has not been able to set apart large sums for distribution of taccavi and it is now admitted on all hands that except in times of distress, agriculture must make its own arrangements for the provision of capital required for it. Distribution of loans, supervision over the application of loans, enforcement of recovery, guarantee of security and spreading over of the loans amongst members of homogenous societies, all point to the co-operative movement being in a better position than Government for undertaking the task of financing agriculture. We would, therefore, rule out Government agency as an alternative instrument of providing cultivation finance in an essentially agricultural province like ours. This being our view, the next question is to determine what the problems before the movement are and what practical solutions could be suggested for them.

CHAPTER VI.—THE PROBLEM

1. We have said sufficient in our previous chapter to point out that liquidation of the movement is no remedy and cannot be the solution for the suggestion of which this Committee could have been appointed. We have drawn a picture of the previous history and of the present position, giving detailed figures regarding assets and liabilities, income and expenditure, and advances and recoveries. We have made it clear that the real problem before Berar is the disposal and management of lands and provision for financial arrangement until the land is disposed of. The problem is thus divided into two parts:—

I. Land Disposal and Management.

II. Financial accommodation :

- (a) Wiping out of the capital or accumulated deficit Rs. 14.79 lakhs.
- (b) Conversion of the recurring annual deficit of Rs. 2.83 lakhs into surplus.
- (c) Arrangement for or with the creditors, *viz.*, depositors and Provincial Bank.

2. Any scheme of reconstruction to be successful and practicable must provide a satisfactory remedy in respect of each of the above-mentioned items. When we come to the consideration of various remedies which have been suggested to us or have struck us, we shall judge them in the light of these criteria and record our findings.

CHAPTER VII.—FUTURE MANAGEMENT OF THE CENTRAL BANKS

1. Before we take up the examination of the various schemes suggested for the solution of the present difficulties it is necessary to specify our recommendations regarding the agency which will have to carry them out, whatever be the scheme that may eventually be adopted.

2. Under the present constitution of the central banks the management is entrusted to a board of directors which is elected every year at the annual general meeting of the bank. There are two kinds of directors; *viz.*, one class is elected by the individual shareholders from amongst themselves and the other class by the societies from amongst their members. The most common proportion is half and half. In some banks the elections are held every three years.

3. In recent years, these elections have begun to be keenly contested. If such contests were based on certain policies or on the real merits of the candidates, the awakening would have been a desirable and welcome feature. But unfortunately the elections are based on party factions and are sometimes even tainted by communal spirit. Those persons who wish to be elected must create for themselves a circle of supporters. For this purpose, they have often to promise favours to be shown when they come in office. Unless such assurances are given, it is difficult for a candidate to get votes. When after such assurances and contest a particular party comes in office, the supporters of that party naturally expect that favours would be shown to them in all possible ways. Instances have actually happened when office bearers, have tried to show such favours to their supporters. There have been instances of victimisation of the persons belonging to the rival party. There have been instances where even after the elections, the quarrels between the majority and the minority parties have continued in the board of directors and the working committee and the work of the bank has suffered considerably. Some candidates attempt to use even the paid staff for canvassing for them and look forward to their support at the next elections. Naturally, such office-bearers cannot enforce discipline among the staff and exact work from them. There have been instances when the party which has been defeated at the elections has tried to embarrass the party in office by creating a scare and inducing depositors to withdraw their deposits. Sometimes persons who have no stake in the bank nor possess the required capacity have been elected to responsible positions. There have been instances where really capable and selfless veteran co-operators have been driven out of the management simply because they would not stoop to the methods necessary to ensure success at the elections. Undiluted democratic methods are unsuited to the running of banking institutions, the more so at a time of stress and strain.

4. The movement is passing through a crisis. For the success of any scheme it is necessary that the future management of the movement should be in the hands of a small, strong and efficient body which would inspire confidence among the

depositors, the public, the members of societies and also the Government, and which would be in a position to take when necessary prompt and effective action. Therefore, we suggest the following measures to be taken immediately :—

(a) There should be a central body composed as follows :—

- (i) The Registrar or his nominee.
- (ii) The Managing Director of the Provincial Bank his nominee.
- (iii) Four persons from amongst the shareholders of the central banks in Berar to be nominated by the Registrar.

This body should be called the Berar Central Banking Board. It should elect its own Chairman and frame rules for the day to day working.

(b) The present constitution of all the central banks in Berar should be suspended for the next five years. The Registrar can do this under Rule 14 (1). We prefer action under rule 14(1) to the cumbrous procedure of calling a general meeting of the shareholders and asking it to pass the necessary resolution. While most general meetings might agree to our suggestion, some may want to make changes, thus endangering the uniformity which is desirable in a matter of this kind. Also action under rule 14(1) will be prompt and effective and is, therefore, to be preferred.

(c) The management of all these central banks should be entrusted to the central body mentioned in (a) above.

(d) The individual central banks should be placed in charge of efficient persons to be called Officers-in-charge. They should work directly under the orders of the Central Banking Board, and may be given such powers of the present working committees as may be necessary.

(e) There should be local advisory committees in the area of each bank composed as follows :—

- (i) The officer-in-charge.
- (ii) The Registrar or his nominee.
- (iii) Three persons to be nominated by the Registrar.

This body may be given some of the powers at present exercised by the working committee and the board of directors but the Central Banking Board should be the final authority in all matters.

5. No amendment of the Co-operative Societies Act should be necessary to enable the above proposals to be given effect to. Reorganisation of the banks on the above lines must be made a condition precedent to any scheme of reorganisation which may require the support, financial or legislative, of Government. We are satisfied that the co-operative opinion in Berar will not be against these changes in view of the existing circumstances.

6. All the staff at present entertained by the banks and the Berar Co-operative Institute should be transferred to this Central Banking Board. The Institute need not have the present staff. It may, however, continue as a deliberative body and be

utilised for organising, obtaining and educating co-operative opinion in Berar. Contributions by banks to the Institute and grant by Government will have to undergo a corresponding alteration.

7. It may appear to some that the constitution of central banks suggested by us so long as the movement is not out of the wood is undemocratic and over-weighted with official representation. We have made our suggestions advisedly and have no apologies to offer. When we lay emphasis on management under strict official control, we do not mean to belittle the yeoman's services rendered by honorary workers to the co-operative movement not only in this province but throughout the country. We cannot estimate the services of these workers too highly. At the same time it must be recognised that honorary workers cannot be expected to exercise that constant and vigilant supervision which is essential for the success of the co-operative movement. In this connection, we would like to quote the following remarks of the Royal Commission on Agriculture. "To the failure to recognise the limitations inherent in the system of utilising honorary workers must be largely attributed the very serious defects in the movement which have been brought to our notice, and it is our firm conviction, therefore, that, at this stage of development, an increase in the number of honorary workers, valuable as their services may be, should not be regarded as a reason for eliminating the paid staff or even for reducing its numbers. The scope for workers, as in all other movements in the cause of village uplift, is so vast that there need be no fear that the official will oust the non-official." It has been our experience that owing to the gradually increasing keenness of the struggle for existence, honorary workers find it more and more difficult to spare time to be devoted to the promotion of co-operation. We are, therefore, convinced that time has come when, while leaving the honorary workers in the position of supervision, guidance and advice, the main executive work of the banks must be entrusted to a paid staff. Also, so long as a special demand is made on Government for assistance by way of either grants or legislative support, Government is entitled to ask for a predominant voice in the management of co-operative institutions in order that the financial or legislative assistance may not be abused, that the period of reconstruction may not be hampered or unduly delayed and that the programme of revival may be pursued with the best chances of success. Ultimately the movement belongs to the people and we are confident that the public-spirited men, of whom fortunately there is no dearth in Berar, will offer their whole-hearted and active support to the new committees of management which we have recommended earlier in this chapter.

CHAPTER VIII.—DISPOSAL AND MANAGEMENT OF LANDS

Importance of the problem

1. As mentioned in a previous chapter, most of the assets of the central banks are now locked up in land, and, therefore, the banks have no fluid assets to meet the demands of the depositors. They are earning practically no income from these assets, while they have to continue to pay interest to the depositors on a corresponding portion and are thus running every year at a loss. All the time and energy of the honorary workers and the paid staff of the movement is being taken up by the work involved in the management of these lands and the ordinary constructive work for which the co-operative movement exists is being neglected. Therefore, we consider that for the revival of the movement, it is absolutely necessary that these landed assets are converted into cash and the central banks are relieved of the work of management of lands as early as possible.

2. The following are the possible alternatives :—

I. *Sale.*—The most usual way will be to sell the lands immediately. Were this possible, this would be the best solution. But during all these years vigorous efforts have been made by the central banks to sell lands. Every year in the open season soon after the harvest, most of the banks hold auctions in the villages concerned or at important centres for selling the land owned by them. The particulars regarding these auctions are widely made known by advertisements in newspapers, distribution of hand-bills, proclamation by beat of drum in the villages concerned and in various other ways. But in spite of all these efforts the banks have not been able to sell any appreciable portion of the lands owned by them. At present there is practically no demand for land. Only a few small plots can be sold every year. For the major portion of the lands, either there are no bids or they are unacceptably low. Therefore, under the present conditions this alternative is not available, and must be given up as impracticable.

II. *Leases.*—Another alternative may be to continue the present method, namely, that of leasing out the lands to lessees for a certain fixed lease money and to wait till the demand for land revives and lands can be sold at better prices. This has been tried for all these years but, as has been shown in a previous chapter, the banks are earning practically no income, and are working every year at a loss. For this reason the deficit in the assets is steadily increasing. It is difficult to get solvent lessees and still more difficult to recover the lease money from them. It is not desirable or possible to allow the central banks to run at a loss every year. It cannot be predicted whether and when the demand for land will revive. The movement cannot afford to follow the present form of management which is causing loss every year.

III. *Batai.*—Experiments have been made by various banks to lease out the lands on the 'batai' system, under which the owner and the lessee share the profits from agriculture. But the

results have been still more disappointing. The lessees tried to sell the produce and appropriate to themselves the whole of the sale proceeds. They also try to exaggerate the expenditure and to hide the income. It is not possible for the banks to keep a watch on the produce. Therefore, this 'batai' system, although quite suitable for a local land-owner and at present most prevalent in Berar, is not possible for the central banks and has had to be abandoned.

IV. (a) *Cultivation*.—Another alternative may be for the central banks themselves to cultivate the lands with a view to earn some income on the assets so locked up. Efforts in this direction have been made by some central banks in previous years. For example, the Khamgaon Central Bank cultivated about 600 acres of land for about four years, but there were losses every year and the experiment had to be given up and the cultivation stock had to be sold away. The bank suffered a total loss of about Rs. 30,000 in this cultivation. Other central banks also cultivated some lands, but met with the same fate and had eventually to give up cultivation. The results of previous experiments have proved clearly that the central banks cannot cultivate the lands profitably. The essential element of personal interest is wanting. The staff is not suitable for this work and the lands are scattered in so many villages that adequate supervision is not possible. All non-official witnesses and the Director of Agriculture advised us, and in our opinion rightly, against departmental or home cultivation of owned lands.

(b) *Land Management Corporation*.—It was suggested to us by some important witnesses that there should be a separate central land management corporation to cultivate some of these lands and that the management should be entrusted to an efficient and expert officer. In this connection we would like to point out that a somewhat similar experiment, but fortunately on a smaller scale, has already been tried at Karanja-Ramjanpur under the Akola Central Bank. The management was entrusted to an experienced Agricultural Assistant, whose work was also supervised by the other higher officers of the Agricultural Department. The services of this Agricultural Assistant were lent to the central bank by the Government free of charge. 647 acres of land at Karanja-Ramjanpur were thus taken over for cultivation. Out of these 647 acres, only 400 acres were found fit for cultivation and the remaining area was allowed to remain fallow. As a result of the cultivation for five years, there was a total loss of about Rs. 17,000 and the experiment had to be given up. The loss would have been much more if the central bank had to pay the salary of the Agricultural Assistant. (Further details regarding this experiment will be found in a note by the Deputy Director of Agriculture given in Appendix V). We have discussed this question with the Director of Agriculture also and he is not in favour of the banks launching on such a scheme. The following are some of the serious objections to the bank itself taking up the cultivation of lands:—

(1) With the present years of poor crops and low prices even the persons who cultivate their own lands are not making any or much profits. It will be impossible for an impersonal concern to show better results.

(2) The lands are scattered in so many villages that adequate supervision will be impossible.

(3) Large amounts will be required for initial capital outlay and the annual cultivation expenses. In view of the uncertainty of the venture proving a success it will not be desirable for the movement to incur this expenditure.

(4) Even if it were desirable to do so, it will be difficult for the movement to raise the necessary capital when it cannot raise money for repaying the deposits.

We have given this suggestion the attention it deserves in view of the status of its authors, and are definitely of opinion that the scheme is unworkable, impracticable and in the nature of a speculation and must, therefore, not be tried at all.

V. *Hire purchase*.—Another way may be to dispose of these lands by selling them on what is known as the hire-purchase system. This alternative is strongly recommended by the authorities of the Reserve Bank of India and also has been suggested by some other witnesses whom we examined.

(a) The essential features of this system are as follows:—

(1) The market value of the land is found out and this amount is recovered from the purchasers with interest in a certain number of equated instalments. If the member pays the instalment regularly till the end of the stipulated period, the land is to be transferred to his name.

(2) Till then, the central bank is to be the owner and the purchaser will be merely a lessee. The yearly equated instalment will be considered as the lease money.

(3) After the expiry of every five years the purchaser may be given the option to get a proportionate area transferred to his name.

(4) The original owner is to be given preference in the sale of lands according to this system, but when he is unable or unwilling to take it on these terms, the lands can be sold to other cultivators as well.

(b) The following are claimed to be the main advantages of this system:—

(1) The original owners will be able to get back their land and so the movement will become popular again. The unpopularity into which it has fallen on account of the expropriation of members will disappear.

(2) The banks will be able to get rid of these lands immediately.

(3) The banks will begin to earn adequate income on these lands from the very first year. Further details regarding this scheme will be found in Appendix VI.

(c) In order to judge the chances of success of the scheme, the following points have to be borne in mind:—

(1) The following will be the annual equated instalments for repaying Rs. 1,000 with interest at 5 per cent.

In 25 equal instalments—Rs. 71.

In 30 equal instalments—Rs. 65.

In 40 equal instalments—Rs. 58.

In 50 equal instalments—Rs. 54.

If we take the average value of land as Rs. 60 per acre, Rs. 1,000 will be the market value of about 16 acres of land. It is neither possible nor desirable to spread the recovery over more than 25 years, nor will it be possible for the movement to reduce the rate of interest to anything lower than 5 per cent. In addition to this instalment, the lessee will have to pay the land revenue which may be taken at about Rs. 30. The annual payment will thus come to Rs. 71+Rs. 30=Rs. 101 for a plot of land of 16 acres. This gives the net profit at more than Rs. 6 per acre, which all including officials and non-officials will readily agree is incapable of attainment with the present prices. The scheme to be successful must give an instalment well within the paying capacity. The scheme may have succeeded in Burma where rice is the staple crop and where it was possible to bring down the value of land drastically in view of Government loan to banks to pay off depositors. Much of this loan is understood to be a dead loss—a position which cannot be repeated in this province.

Our experience in the land mortgage banks is that although the instalment is based on half the value of the assets, it is not paid regularly and overdues are raising their head. When the instalment is fixed on the full value of the land, it would certainly be beyond the paying capacity of the purchasers, under the present conditions of crops and prices.

(2) The nucleus of the present debts was granted to the members more than 10 years ago. In most cases they have already got 10 to 20 instalments. But even in good years the recoveries have not equalled the bare interest on the loans due from them. If the members have not been able to reduce their indebtedness from the income of the land during the last 15 years, there is no special reason to believe that they would do so within the next 20 or 25 years.

(3) In 1935-36, the Berar Co-operative Institute and the department made a thorough enquiry into the liabilities and the present value of the assets of members. In cases where the member had no property, the debts were immediately written off. In other cases where the debts had exceeded the market value of his property, an assurance was given to the member that if he paid an amount equal to the market value, the excess would be written off. In the event of a partial payment also, a proportionate amount was to be written off. (Further details of the scheme are contained in the department's memo. No. 2303 dated the 19th September 1934 given as Appendix VII at the end.) In spite of these inducements very few members have made substantial payments.

(4) The scheme of hire purchase has been introduced recently under the Yeotmal Central Bank and also under some other central banks in Berar. But the results so far achieved are not promising. The first instalment fell due in the present 'hangam'. The purchasers have not been able to pay up the instalments. However, it may be said that the present year has been particularly unfavourable to the cultivators, but, as mentioned above, even with better crops and prices, it is very doubtful whether they

would be able to do so. A note recently prepared by an Assistant Registrar on the working of the Yeotmal scheme is appended to this report (Appendix VIII).

(d) The following are the additional points to be borne in mind as regards the efficacy of this scheme in solving the present difficulties of the movement :—

(1) Even with the best of efforts it will not be possible to dispose of all or a major portion of the lands owned by the banks and societies to suitable persons.

(2) The banks will not get cash immediately for repaying the deposits.

(3) The time and energy of the workers will still be taken up in the recovery of instalments.

We have carefully considered this alternative and are definitely of opinion that it has no chances of success and cannot be relied upon to provide a solution of the present problem. We would not go so far as to say that it is wholly impracticable but we are convinced that it will not make much difference to the problem facing the co-operative movement in Berar. Where there are reasonable prospects that the obligation of the equated annual instalment will be honoured, advantage should be given of it to *ex*-owners or to heavy debtors and an attempt made to liquefy the frozen assets without the smarting effect of expropriation. Conditions here are so radically different from those obtaining in Burma that no analogy can be drawn from the experience of Burma. Rice has not suffered in price to the extent that cotton has suffered. To bring the instalment within the paying capacity, the value should be not the present market value of the land but half, if not less than half, of it. The number of instalments may have to be raised from 25 to 40 years. Without storage facilities repayment in kind on any large scale is hardly feasible. *Ex*-owners and indebted owners are often so devoid of means of cultivation that to restore lands to them for purposes of cultivation is to live in a fool's paradise. *Ex*-owners as a body have proved to be so unco-operative that it would be a folly to start again with such material and to expect to succeed. In the absence of any better proposal, hire-purchase affords the best chance of revival of the movement and may be tried, but our solution is the one that follows in the succeeding paragraphs.

VI. *Sale by Lottery*.—Still another way which has been suggested is as follows :—

(a) The lands should be disposed by organising a lottery. These lands owned by the central banks are to be valued at the current market price based on the registered transactions and court sales. Then this amount is to be raised by selling tickets worth Rs. 5 each. The whole of the area which is sold in this way is to be divided into blocks of 20 acres each and given over to the winners as prizes.

(b) The following are the advantages in adopting this method :—

(1) This is the quickest method of getting rid of the land.

(2) The central banks will be able to get some cash immediately in order to pay off the deposits and to rehabilitate the movement.

(c) We have carefully examined all possible ways of disposing of the land and have discussed the various alternatives with non-official co-operators, high Government officers, authorities of the Reserve Bank of India and the members of the public and after much discussion have come to the conclusion that this last-mentioned method of disposing of the land by running a lottery is the only and the best possible solution.

(d) The following objections have been or can be raised to this proposal :—

(1) It has been suggested that the lottery is not likely to prove attractive because the investors would be reluctant to purchase the tickets thinking that it would be difficult to manage the lands or sell them. We do not share this fear. It will always be easy for the winners to sell the lands provided they are willing to sell them for something below the present market value, and they would certainly be willing to do so as even in that case they would be getting in return many times the amount spent by them in purchasing the ticket. All of us are convinced that the lottery will prove attractive and though it may not be wholly successful it should be so to the extent of not less than one-fifth in the first year. Even that will be a substantial achievement. In any case, there will be no harm even if it does not prove successful at all.

(2) It has been contended that sales by prize winners below the market value of land would depress the land market and affect existing mortgages also. We think that there is no justification for this fear. This will be only a temporary feature and as soon as the sales by prize winners are over, lands will regain their original value and there will be no hardship to creditors, agriculturists or any one.

(3) It has been contended that this lottery would enable the land to pass into the hands of money-lenders and speculators and would give rise to absentee landlordism. In our opinion, the exact effect of the lottery in the long run will be just the reverse. For the time being the land will go into the hands of all kinds of people, but they, not being in a position to cultivate the land, will sell it to the local people who will become permanent owners and who will take an interest in the cultivation of the land. The prize winners will be only birds-of-passage, but the eventual transfer will be to the permanent residents of the village. In fact so long as the lands remain in the possession of central banks, the evil of absentee landlordism will continue. Under the system of lottery, land will be disposed of and the evil will be terminated.

(4) It has been argued that this method of selling lands by running a lottery, like all other lotteries, will be open to the objection that it would encourage the gambling habit among the public and for this reason the Government would not be justified in permitting it. As an answer to this objection, we may point out that our proposal differs materially from ordinary lotteries, which are certainly open to objection. In an ordinary lottery, only a small portion of the amount collected is returned to the ticket holders as prizes. In our proposal the central banks will not be making any profit. The whole of the amount collected will be returned to the ticket holders in the form of land.

(5) If all lotteries were without exception immoral and objectionable, they would have been totally prohibited in the Indian Penal Code, but this has not been done and we venture to draw from it the inference that in certain circumstances a lottery will be justified and should be permitted by the State. If that is so, we can conceive of no better and more extenuating circumstances than of the lottery proposed by us, having due regard to all objections and view points. We yield to none in expecting the State to set a high moral tone to the administration and would certainly have not advanced this suggestion if we had been convinced that it was quite improper and unjustifiable, even though there was no alternative to it. Let not an impression get round that we have made this suggestion light-heartedly or without a full comprehension of all its implications. It is the only remedy for the present ills. Without this remedy we do not see how the movement can be set on its legs again and should the movement collapse, there would be a death-blow to rural credit from which agriculture will take long to recover. To keep co-operation and agriculture alive, a lottery permitted under the law with the previous approval of the Provincial Government should in our considered judgment not be too heavy a price to pay. The proposal is unusual and desperate, but the situation is no less desperate and delicate. For the above reasons, we would strongly recommend that the Government disregarding petty objections and acting with firmness and courage should permit the running of a lottery as proposed in this paragraph. Further details can be worked out later. The lottery should be conducted by the Berar Central Banking Board constituted as suggested in a previous chapter.

VII. It may not be possible to sell all the land owned by central banks by a lottery as suggested above. For these remaining lands and for lands which the banks may have to acquire in future, the following suggestions are made:—

(1) The banks should try to sell as much of these lands as possible by holding public auctions. But lands which can earn an income of at least 3 per cent through lease money need not be sold at the present depreciated values.

(2) If suitable persons are available, lands should be sold under the hire-purchase system.

(3) The remaining lands will have to be leased out till they can be sold at fair prices.

VIII. The following suggestions are made regarding this leasing of lands:—

(a) Each field should be examined. If it appears that the expenditure on ploughing will be justified by an increase in lease money, this may be done.

(b) Efforts should be made to get better terms by leasing out lands for long terms up to 5 years.

CHAPTER IX.—FINANCIAL REORGANIZATION

Although pointed out in a previous chapter, we may again, for the sake of easy reference, set out the salient points regarding the financial position which must be borne in mind in suggesting remedies for the financial reorganization of the movement in Berar. They are :—

(1) Even if the share capital is wiped out, appraising the assets at the present multiple values, five out of the ten big banks have deficits amounting to a total of 14.79 lakhs. The remaining five big banks and the two smaller banks of Pusa and Darwaha have some surpluses, the total amounting to 4.67 lakhs.

(2) Almost all the banks are at present working at a loss, the total yearly deficit amounting to 2.83 lakhs.

(3) The main liabilities of the banks are about 69 lakhs to the depositors and 29 lakhs to the Provincial Bank, while the fluid resources of the movement amount to only about 20 lakhs. The deposits are being steadily withdrawn and no fresh deposits are being received. Without any special arrangements, the banks cannot meet the demands of the depositors.

2. Before we proceed to discuss the various remedies it is necessary to mention here some of the conclusions of a general nature to which we have reached.

Land values will eventually rise

3. The first is as regards the deficit. While there is no certainty of the land values rising in the near future within, say, 5 or 10 years, we feel that the present level represents the rock bottom and sooner or later the prices must rise. We are inclined to think that within about 25 or 30 years the land values should appreciate at least to such an extent as to wipe out the present estimated deficits in the assets. Therefore, if the present assets can be preserved and no further deficits occur, all the liabilities may eventually be met to the full. The present land values are abnormally low and in an essentially agricultural country like India where cultivation is the only occupation of the villagers land values cannot remain at the present low level permanently. And if they do and agriculture continues to be inadequately remunerative as at present, the future is dark and neither agriculture nor co-operation can survive, much less flourish. We, therefore, postulate that agriculture is and must be paying and that if it is not profitable today, it is because we have reached the bottom of the trough and that this position must change for the better. We would not, however, expect any reorganization to be founded upon this speculative forecast of the future but it is necessary to visualise, as far as may be, the future likely trends.

Moral responsibility of Government

4. (a) The second point relates to the justification for financial help from Government. It may be contended that the depositors of co-operative banks must bear the risk of losses, if any, in the same way as the depositors of other commercial banks or of private banking concerns and moneylenders would have

done, and that it would not be proper for the Government to make the general tax-payer bear the loss or the risk that should rightly be borne by the depositors. Our attention has also been drawn to the Resolution of Government on the departmental report for 1920-21 in paragraph 9 of which it was said, "Without the assistance given by Government the damage to the co-operative movement in this province was complete and irreparable. Co-operators must, however, understand that the fact that help has been given to them from State funds cannot be regarded as a precedent. The State cannot hold itself responsible for the financial stability of co-operative institutions of any kind."

(b) As regards this question the following points have to be borne in mind:—

(1) Without the help of Government, it is not possible to save the central banks and they will have to be put under liquidation, thus causing immediate loss to the depositors. After that, it will be impossible to start banks afresh and to attract deposits at least for a generation. Till then the co-operative movement will cease to exist. But it is now recognized by all that the co-operative movement is the only agency for solving the problem of rural credit. As a result of the various debt relief measures, agriculturists are finding it difficult to get loans from the moneylenders even for meeting their cultivation expenses. At such a time the existence of the co-operative movement is all the more necessary. Therefore, it will not be desirable for Government to refuse financial help to the movement at this time and to allow it to die.

(2) The existing deposits in the central banks have been drawn from the following classes of persons:—

Class of persons with amount.

Pleaders—Rs. 5,19,110.

Government servants—Rs. 9,98,820.

Pensioners—Rs. 10,21,300.

Agriculturists—Rs. 3,11,265.

Moneylenders—Rs. 3,52,977.

Traders—Rs. 1,48,878.

Court of Wards—Rs. 20,784.

Municipalities, District Councils and Dispensaries—
Rs. 4,99,290.

Minors—Rs. 6,40,593.

Others—Rs. 19,78,194.

Total—Rs. 64,91,211.

A considerable amount belongs to minor and widows and if they were to lose their deposits they will be put to very great hardships.

(3) The central banks serve a useful purpose even in urban areas by encouraging thrift and savings among the middle classes and this habit will receive a rude shock if such people were to lose their savings.

(4) The movement was started by the Government and has been supervised and controlled by a government department. Although theoretically Government has taken no financial responsibility for the safety of the deposits, there is no doubt that the deposits have been attracted to the central banks because of the association of Government with the movement. There is a general impression that Government is behind the movement. That such an impression does exist has been admitted by various authorities from time to time.

The Maclagan Committee, in paragraph 216 of the report, has clearly made a mention about this general impression, in the following words :—

“Apart from the forms of subsidy outlined in the three preceding paragraphs, the Government has never taken financial responsibility for the movement. But the connection of Government with co-operative banks and societies in the way of audit, supervision, and control is so close that there is a general impression among those interested, that Government could not afford to see the movement collapse and that the finances of banks and societies are to all intents and purposes backed by the State. In some cases the banks and even the Government officers connected with the movement have taken advantage of this impression.”

The Indian Central Banking Enquiry Committee, in paragraph 187 of its Majority Report, also says—

“In connection with the relations between the co-operative banks and the other banking institutions, a question is often raised as to the ultimate relations of the Government with the co-operative movement. The Managing Governor of Imperial Bank of India has stated in his evidence that the credit which the co-operative movement enjoys in the money market is chiefly based on the connection of Government with the movement and the implications of that connection have not, so far as he knows, been clearly determined. As pointed out by the Central Areas Committee, in theory the co-operative department of Government is responsible for nothing except propaganda and audit, but in practice the responsibility actually goes much further. * * * When the Central Provinces Provincial Bank suspended payment in 1920-21, 24 out of 34 central banks were compelled to seek financial assistance from Government which arranged to provide sums to be utilised in giving loans to members of societies on the guarantee of the societies as corporate bodies on behalf of their members. The gesture was interpreted by the public as an implied Government guarantee of the solvency of the banks and it did more than anything else to restore the confidence of the depositors. The financial solvency of the provincial bank was restored in 1923. In Burma, where the movement has practically collapsed the Government has taken the responsibility to attempt the salvage. The collapse of the provincial bank had to be averted by an overdraft which the Imperial Bank allowed it on the guarantee of Government. Government has, in fact, undertaken to contribute a sum of Rs. 35 lakhs to repay all its depositors in full, and this is estimated to be sufficient for

the purpose. On the whole, the position is that ordinarily the Government does not at present assume any financial responsibility in case of failure of any co-operative organization. We recommend that when the movement requires State aid in any exceptional circumstances as in the case of Central Provinces and Burma in the past, it should continue to render such assistance as may in its opinion be necessary."

On page 100 of his report on the condition of the co-operative movement in Orissa, the officer-in-charge, Diwan Bahadur Mudaliar, observes as follows:—

"There is a general impression all over North Orissa that the co-operative movement was run by Government. * * * These circumstances produced, rightly or wrongly, an impression that the movement was backed up by Government. One of the highly placed officers of Government (who knows what he was talking about) has stated that 'there is still an idea that it is a Government business and the Government is responsible' and that 'money has flowed in because people had a fixed idea that Government gave a sort of guarantee'. Some of the officers endeavoured in their own way to disabuse the public of this wrong impression and the same officer (whose evidence I have just quoted) stated that people should not have 'merely a blind faith in the co-operative department arising from their belief that Government gives it a kind of guarantee'. Nevertheless, I find that the belief is very widespread and strong amongst the people whom I met during my tours. * * *

* * * This feeling is noticeable not only in Orissa but generally even elsewhere in India. * * * There is yet another reason why Government help is desirable. At the rate at which the central banks are at present trying to pay off the deposits it would take a very, very long time to discharge their obligations to the depositors fully. So long as the deposits have not been paid, so long is it difficult to restore the confidence of the investing public generally in the movement or even in the proposed provincial bank. The sooner the wound is healed up and the memories of the past are forgotten, the better it is for the movement as well as for Government. If the past memories are not obliterated by ready payment of the matured deposits, the work of reconstruction, however well-intentioned, will be somewhat difficult. Thus precedents in the other parts of India, popular belief in Orissa, authoritative opinion on the subject and the need to bury the dead past are all in favour of Government helping central banks in their present difficulties with loans to repay their matured deposits."

Even Mr. Darling, an eminent authority on co-operation, has adverted to the responsibility of Government in regard to the co-operative movement. He has very well answered the critics who object to Government aid on the ground that it is waste of public money to put fresh life into the movement. He says, "If the movement itself were entirely responsible for this anæmia, this argument would be difficult to answer. But in each of these provinces with one exception I have found good reasons

to believe that much improvement could be effected if necessary measures were taken by Government. * * * * A heavy responsibility, therefore, lies upon all Governments to do their utmost for the movement and there is no better way of discharging their manifest obligation to the peasants."

(5) In this province also a similar impression prevails. For instance, Rao Saheb Rajurkar, Leader of the Opposition in the Legislative Assembly, stressed in the course of his evidence before us that inasmuch as the movement and the banks were controlled by Government through the department of co-operation, it is up to it to come to its rescue in its hour of need. The banks being for the welfare of the agriculturists and Government revenue being mainly derived from land revenue, financial help to banks was nothing but subsidy to agriculture. This is a proposition to which no reasonable tax-payer can raise an objection.

(c) For the above reasons, we are of opinion that although legally the Government cannot be held responsible for bearing the losses of the depositors, there is certainly a moral liability on the Government to prevent such losses as far as possible. Also, on the other general grounds mentioned above, Government will be justified in giving financial help to the movement. Some other provinces, such as Burma and Bengal, have actually done so and we have reason to believe that Bihar and Bombay are seriously thinking of doing so.

(d) It has been suggested that the Government should bear the whole of the loss or the risk. As pointed out above, the present estimated deficit is Rs. 14.79 lakhs and it may increase or decrease with a fall or rise in land values. We have given our best thought to this question and are of opinion that it will not be proper to ask the Government to bear the whole of this loss, but the Government will be failing in its duty towards the movement and the industry of agriculture if it does not bear a reasonable portion of the risk and eventual loss, if any.

Help from the Provincial Bank

5. Next we come to the Provincial Bank. It is an apex bank and a co-operative bank and is expected to come to the rescue of the smaller affiliated units at a time of emergency such as has arisen at present. A major portion of the loan granted by the Provincial Bank to the central banks is invested in the Berar banks and, therefore, we are of opinion that it is but fair and business-like that when the Berar banks are in need or difficulty, the Provincial Bank, as the head of all the co-operative institutions and as one sure to be affected by a banking crisis of a large magnitude in Berar, should come to their help: it may perhaps be expected to bear the whole of the loss, but in this case also we would not suggest that it should bear more than a reasonable proportion.

6. The depositors also must be prepared to make some sacrifices such as waiting for the repayment of the deposits, lower rate of interest in future and some loss, if unavoidable.

7. Thus we are of opinion that the present loss or risk should be borne by the Government, the Provincial Bank and the depositors in equitable proportions and our remarks and suggestions in the subsequent paragraphs will be based on these principles.

Loan from Government

8. If it were feasible, the best course would be that the Government should pay off the present deposits by a loan to the movement and recover the amount in, say, 25 or 30 years. But probably the Government may not be able to arrange for so much money immediately.

Loan from Provincial Bank

9. The Provincial Bank has already interlocked a large proportion of its funds in long-term loans and it will not be desirable for it also to pay off the present depositors of the central banks and thus lock up further short-term funds in long-term investments.

Debentures

10. (a) It has been suggested by many persons that debentures should be floated on the security of the lands and other assets of the central banks, and the money so raised should be utilised for repaying the deposits.

(b) The following are the difficulties in adopting this suggestion :—

(1) According to the present estimates, there will be no security for about Rs. 14.79 lakhs, even if debentures are issued to the full present market value of the lands.

(2) If Government guarantees the safety of these debentures, then it will have to bear the whole of the deficit in the assets that may eventually remain. It will not be fair to expect the Government to bear the whole of this risk, while without a guarantee from Government there is very little chance of the debentures being subscribed to.

(3) Even with the guarantee of the Government, it is very doubtful whether the required amount will be subscribed to unless a fairly high rate of interest is offered. It may be necessary to offer as high as 4 or 5 per cent and the movement cannot afford to pay this high rate.

11. With these preliminary remarks, we now proceed to discuss the various alternative schemes that we have been able to think out or that have been suggested to us. It must, however, be mentioned that if our scheme of selling the lands by running a lottery succeeds and the banks are able to sell all or a major portion of the lands at present owned by them, most of the difficulties will be solved and none of these schemes may be necessary or they may have to be modified proportionately. But some arrangement will be necessary in case the Government does not approve of our proposal of a lottery, or even if it is permitted the banks are not able to sell sufficient tickets and so cannot raise sufficient funds.

Common Management

12. One scheme suggested is as follows :—

(1) The management of all central banks in Berar should be entrusted to a central organization.

(2) The assets and liabilities of each central bank should remain separate.

(3) This central organization should run the banks with the help of the present fluid resources.

Such a central organization will certainly lead to economy and efficiency in management. In a previous chapter we have already recommended a similar arrangement for the future management of central banks. But this scheme by itself will not be sufficient to solve all the difficulties. The difficulties regarding the present deficit and the inability to repay deposits will remain unsolved. This may have been effective three or four years ago, but not now. The rot has penetrated too far to be arrested by mere centralization or tightening up of the control. The confidence of the depositors shaken by the failure to honour obligations in time cannot be restored by a different form of management.

Amalgamation of Banks

13. Another alternative that has been suggested is as follows :—

(1) The assets and liabilities of all the central banks should be pooled to form one big bank.

(2) This big bank should manage the future working of the banks.

Such a pooling will no doubt reduce the total deficit from Rs. 14.79 lakhs to about Rs. 10 lakhs as the surplus assets of other banks amounting to Rs. 4.67 lakhs will become available, but there are the following difficulties in the way :—

(1) It is possible that the shareholders of the stronger banks may not agree to merge with the weaker banks.

(2) It would not be fair that the depositors of stronger banks should bear the same risks as those of the weaker banks. The depositors of the stronger banks might object to such an amalgamation.

Unless, therefore, it is possible to ensure the full safety of the deposits of all banks, this amalgamation may not be possible or desirable. Such an arrangement will no doubt have all the advantages of a central organization discussed in the previous paragraph but as pointed out there, mere amalgamation will not solve all the difficulties.

Branches of the Provincial Bank

14. Another suggestion made is that the Provincial Bank should take over all the assets and liabilities of all the central banks in Berar and should in future run the various central banks as its branches.

This will mean that the Provincial Bank will have to lock up some more money in long-term loans or investments and will have to bear the whole of the risk of eventual loss, if any. The risks of the depositors of the central banks will be transferred to the depositors of the Provincial Bank, which will not be fair. Also, the Provincial Bank is not in a position to lock up any more of its capital in long-term investments. This suggestion is not likely to be acceptable to the Provincial Bank and has to be dropped. It is argued that by such amalgamation the Provincial Bank loan to central banks will be wiped out and the danger of annual deficits reduced to that extent. This contention is fallacious. Under the present arrangement the Provincial Bank stands to get a substantial part of its loans most of which are secured without any risk as regards the other liabilities of the banks, but after amalgamation its security will be gone and it will have been saddled with the total liabilities of the banks. If central banks could not manage lands, the Provincial Bank is less likely to succeed in it and ultimately the Provincial Bank will be left with lands which may not yield to it even the land revenue.

Management by the Provincial Bank

15. Another scheme suggested is as follows:—

(i) The Provincial Bank should take over the management of the affairs of all the central banks in Berar.

(ii) The assets and liabilities of this management should not be merged with the assets and liabilities of the Provincial Bank but should be kept in a separate account.

(iii) The present estimated deficits should be made up from future profits.

(iv) Very likely, on account of the credit of the Provincial Bank in the money market, the present fluid assets of the central banks amounting to about Rs. 20 lakhs will be sufficient to meet the demands of the depositors, but in order to strengthen the position, the Government should grant a loan of Rs. 10 lakhs to the Provincial Bank at a rate not exceeding 3 per cent. These Rs. 30 lakhs should be sufficient to stem the tide of withdrawal of deposits.

(v) The expenditure of the banks should be reduced by a curtailment in the staff and the income increased by taking up other business such as inland exchange, new societies, etc.

The following are the short-comings of the scheme:—

(i) There is no certainty that these Rs. 30 lakhs of fluid assets will suffice to meet the demands of the creditors. There is no provision to meet extra demands and if insolvency has to be faced in the end, it should be faced now without dissipating the reserve fund of Rs. 20 lakhs and endangering the Government loan of Rs. 10 lakhs. Also there will be scope for an allegation of undue preference.

(ii) There is also no certainty that the future profits will be sufficient to make up the deficit so long as the question of land management is not solved satisfactorily. However, there are certain useful suggestions in this scheme and we propose to incorporate them in the final scheme to be suggested by us.

Land Management Corporation and Central Banking Union

16. Still another scheme suggested is as follows :—

(1) The crux of the problem is the management of lands. If the management of lands of which 55,000 acres have been acquired by the Berar banks brings in a return equivalent to twice the land revenue, the difficulties of the banks would disappear. If so, it is necessary to examine the possibility of securing such a return.

(2) It has been demonstrated that the management of the lands by the banks has been a failure. If the movement is to be saved from collapse another agency will have to be found. It is suggested that a land management corporation may be organized for Berar. The corporation would manage the lands in various ways, by extending the Burma scheme of leasing out lands to the original owners which has been introduced in the Yeotmal district, by leasing out in other ways, by cultivation through its own agency, etc. It would be understood from the beginning that the corporation should sell the lands as and when there is an appreciable demand for them. The corporation should have specially trained staff in the improved methods of agriculture which should be under the control of the Department of Agriculture.

(3) The scheme proceeds on the assumption that agriculture is profitable. If this assumption is not correct, no scheme can be framed. In this connection the advice of the Department of Agriculture should be sought. It is understood that the Vidya Mandir Scheme which has been approved by Government assumes a net profit of Rs. 200 per annum on a plot of 25 acres of land. Reliable figures should also be obtained about the working of the Government farms and demonstration plots.

(4) If it is assumed that the corporation would have to undertake cultivation of 15,000 acres of land through its own agency, what would be the capital required? On the basis of the expenditure understood to have been incurred on the Vidya Mandir plots it is estimated that a capital of Rs. 10 lakhs would be necessary for carrying on the cultivation of 15,000 acres, *i.e.*, at the rate of Rs. 65 an acre, including cost of improvement necessary after long neglect, stock, implements, farm buildings and current cultivating expenses for one year and management. The Director of Agriculture would be able to give information about the results of the cultivation of Vidya Mandir plots in the cotton tract from which a more reliable estimate of the capital requirement could be framed.

(5) The next problem is how to meet the demand of depositors as they fall due. The statement prepared by the Co-operative Department shows that a sum of Rs. 26,92,676 was due in the year 1938-39. The ordinary standard of fluid resources is one-third of deposits falling due within the next 12 months. On this basis a sum of Rs. 8,97,000 would be necessary. In view, however, of the fact that the confidence of the depositors in the stability of the Berar banks has been shaken it would be desirable to provide for repayment of deposits at 50 per cent. In that event it would be necessary to provide liquid resources to the extent of Rs. 13 lakhs. It is clear that

individual banks are not in a position to attract fresh capital. The possibilities of organizing a banking union should be explored. The banks participating in the scheme should pool their resources and merge themselves into a banking union. Such a merger would probably create greater confidence than individual banks, provided it does not include units the affairs of which are beyond redemption.

(6) Banking opinion should be sought whether the proposed corporation and union could be combined. Orthodox opinion is against the combination of real estate business with banking. The problems of Berar, however, are peculiar and without a precedent. A desperate disease requires a desperate remedy and the feasibility of organizing a land management and banking corporation should be examined. It would be remembered that the intention is not to start a land mortgage corporation for the purposes of earning lucrative dividends. The intention is to dispose of the lands as quickly as possible and to cultivate only the minimum acreage which cannot be profitably managed in any other way.

(7) Thus the capital required would be Rs. 13 lakhs as fluid resource for meeting the deposit liabilities and Rs. 10 lakhs for the management of lands total Rs. 23 lakhs. The amount can be found by floating debentures. In the land mortgage scheme the security provided for the debentures is double their value. In view of the fact that the prices of land have reached rock bottom it will not be too hazardous if debentures are floated to the extent of 75 per cent of the value of land behind them. Thus for debentures of Rs. 23 lakhs you require land of the value of about Rs. 30 $\frac{2}{3}$ lakhs. Taking the average value of land at present at Rs. 50 per acre, you require about 62,000 acres. The Co-operative Societies Report for 1936-37 shows that the Berar banks have control over 102,578 acres of land. Of this, 26,416 acres were mortgaged on the 30th June 1937 to the Provincial Bank. Thus after excluding the lands mortgaged to the Provincial Bank, there would appear to be adequate security for debentures proposed to be raised.

(8) The question of Government assistance may be examined later. It is, however, obvious that if Government is to give any guarantee either with regard to the principal or interest or both it will have to be satisfied as regards the soundness of the scheme. It will be necessary to demonstrate that the corporation will be able to lay aside annually in a sinking fund a sum which would at the end of the term of the debentures produce the amount for which the debentures are issued.

(9) If the corporation undertakes banking business it should be allowed to undertake inland exchange business and other kinds of business undertaken by commercial banks.

(10) If on account of the fact that the assets of some banks as at present valued are below their liabilities, all the banks in Berar cannot combine without undermining the stability of the merger bank, the scheme should be applied to the stronger banks. No compulsion is to be exercised, but in order to facilitate a merger it will be necessary to amend the Co-operative Societies Act on the lines of clause 26 of the bill prepared by the Department. It will be necessary to undertake this legislation at once.

(11) The above is the barest outline of a possible scheme to save co-operation in Berar. The details should be worked out by the Department. The sponsors of the scheme are not unaware of the risk involved in it. They are also aware of the unhappy experience of the Egyptian Land Mortgage Corporation and on a small scale of the Karanja-Ramzanpur experiment in the Akola district. The situation in Berar is, however, of unprecedented difficulty and no other solution seems to be possible.

(12) Before any scheme of the type outlined above is introduced, it will be necessary to amend the Co-operative Societies Act in certain respects. The present Act is out of date and requires to be overhauled. This would, however, take time. It is suggested that an amendment on the lines of clauses 13, 14 and 26 of the bill prepared by the Department should be immediately made. It is necessary to ensure that a few interested persons are not in a position to wreck the whole scheme. It is also necessary to ensure in future that in the management of banks there is due representation of people who find the necessary capital. The present arrangement under which management and control is largely dominated by the borrowers and the suppliers of the bulk of the capital have no representation is unsound. The aim of co-operation was that the funds of the primary society would be found by the members themselves from their savings. It is obvious that a concern in which the person who finds the capital has no voice while the person who spends it holds the position of supreme command cannot be a profitable concern. The charge can be brought about by giving power to the Registrar to amend the byelaws of a registered society compulsorily after giving due notice.

We have very carefully examined the suggestions made in this scheme. If the scheme could succeed it will certainly provide a solution of most of the present problems facing the movement but the following are the difficulties in the way of the success of this scheme:—

(1) In the previous chapters we have already shown how all the methods for managing the lands have been tried and found wanting. We are strongly of opinion that the movement cannot manage the lands profitably and must get rid of them as early as possible. To expect departmental cultivation to pay in respect of lands scattered all over the four districts of Berar is to ignore human nature, to belie past experience and to hope for the impossible. Desperate circumstances would justify a desperate remedy, but it must be a workable scheme. Vidya Mandirs are yet in their infancy and the hopes entertained in respect of their management of lands cannot justify a scheme of gigantic cultivation of 55,000 acres of land at a capital cost of Rs. 10 lakhs. Judging from the experience of the land mortgage bank debentures recently floated by the Provincial Bank we have little hesitation in saying that no investor will be so unwise as to lock up his money in unguaranteed debentures, part of the proceeds of which is to be devoted to the colossal experiment of home cultivation of bank lands.

(2) In the next five years all the deposits will fall due and are likely to be demanded unless there is a guarantee for their

complete safety. The amount of Rs. 29 lakhs proposed to be raised in the way suggested is not likely to suffice for both cultivation finance and repayment of deposits.

(3) We have already pointed out in a previous portion of this chapter the difficulties in the way of the pooling of the assets and liabilities. If such pooling is to be confined to the strong banks only, the weaker banks will have to be put under liquidation immediately, a catastrophe which we wish to avoid as far as possible and, at any rate, for the present. Liquidation of a few banks and revival of others cannot proceed *pari passu*. The infection of liquidation will spread to the comparatively stronger banks and the demands of depositors will be so pressing that the scheme will break down even if we assume that cultivation will be successful.

(4) If the debentures are issued up to only 75 per cent of the present value of the assets, there will be no security left for the remaining liabilities because even if the assets and liabilities are pooled the present estimated deficit is about Rs. 10 lakhs.

The scheme suggested above will not solve the present difficulties and may well drive the movement into deeper water. We are, therefore, constrained to reject it as impracticable.

17. Two of our colleagues, *viz.*, Dewan Bahadur Brahma and Mr. Soman together with Mr. Chandekar from Akola, who was for a number of years Honorary Secretary of the Akola Central Bank, have put forward a scheme for our consideration which we reproduce below in their own words :

"The generous words used by Government in the communiqué issued prior to the appointment of this Committee had an immediate vitalising effect on the movement in Berar. We do not, therefore, think that there would be any reason for Government not to accept our proposal given below. We see no reason why the scheme outlined by us should not be implemented. From the statement of assets and liabilities described in Chapter IV, it would be seen that on the most cautious and conservative estimate, the assets fall short of liabilities by 10 lakhs of rupees, or if the so-called plus banks are excluded from calculation, by Rs. 14 lakhs. This deficit should be met nationally for the present by requesting the Provincial Bank to defer the recovery of this sum for a period of about 20 years. We are sure that the Provincial Bank is in a financial position to do so and should not hesitate to help the movement. The position then reduces itself to this that the assets and liabilities are equal and the immediate difficulty that the banks have to face is to find cash for meeting their deposit calls. We suggest that Government should accommodate the movement by a loan of Rs. 10 lakhs in the shape of cash credit and a guarantee to the Provincial Bank of another Rs. 10 lakhs, if need be. This together with the cash resources of the movement estimated at Rs. 20 lakhs would enable the banks in Berar to meet their entire deposits falling due during the next three years, *i.e.*, up to the end of 1941. We feel sure that it would not be difficult for Government to render this help as its resources are unbounded, if not limitless.

With this help the flow of deposits will be stayed. We are sure that the major part of it will filter back into the Provincial Bank or in Government securities and the Berar banks will be able to function in the normal way. But we suggest that this period of three years should be utilized by leaving no stone unturned to liquefy the frozen assets of the movement in Berar. We suggest that a special officer of the Indian Civil Service who has served in Berar for five years, preferably any one of the Registrars, should be appointed to be in charge of this work and to guide the movement as a pilot guiding the ship into the harbour when the seas are running high. He should be assisted by Sub-Divisional Officers in the four districts of Berar in all possible ways in which their assistance is thought desirable by him. With the energy and capability of such an experienced officer and with all necessary help and assistance from other officers of Government, the movement ought to be set on its feet in the next three years. What Berar is suffering from today is a nervous breakdown due to adverse fortune. If the morale is restored with the live wire from the galvanic battery of Government, members of societies will regain the habit of payment of debts in time. Lands will be better cultivated and much of the dead wood would fall off and sap will begin to flow through the roots and fresh shoots will begin to appear. We prefer this to a form of moratorium by which depositors may be asked to accept paper for cash. We fear that a moratorium in any form however mild or camouflaged will affect sister co-operative concerns of even the greatest magnitude.

This scheme also involves the grant of the following concessions :—

- (a) Annual grant of Rs. 1 lakh by Government to the Berar banks so long as lands remain undisposed of.
- (b) The Provincial Bank to reduce its rate of interest to 3 per cent on its outstandings.
- (c) The Provincial Bank to charge no interest on the sum of Rs. 14.79 lakhs, the recovery of which amount the Provincial Bank will have to suspend.
- (d) The amalgamation of all banks for purposes of management and control."

2. We have given the above scheme fullest consideration. In our opinion it suffers from the following drawbacks :—

(a) The scheme is admittedly a makeshift arrangement for a period of three years. If the movement does not turn the corner by then, the position would be far worse than what it is today. The whole of the reserve fund of Rs. 20 lakhs will have been exhausted and Government would have lost a sum of Rs. 20 lakhs without any hope of recovery of the movement. The Committee has been appointed to find a permanent solution of the present impasse and not a temporary expedient to tide over the crisis. Simply because deposits will be paid in full during the next three years, the depositing world will not be misled and the deposits will not be renewed as it will be known to them that the intrinsic position of the movement is still unsound and that a crash might come at any moment. In the

circumstances, they would prefer to withdraw their money and to get it while the going is good. No analogy can be drawn from the crisis of 1921 as the circumstances are materially different. Then there was a temporary difficulty and the solution lay in a temporary arrangement. In the present crisis it is clear that the movement is insolvent and is suffering from symptoms of a prolonged and deep-rooted malady.

(b) When we know that the liabilities exceed assets and that the movement is eventually insolvent, the payment of deposits in full in the next three years with the help of the reserve fund and the Government cash credit will be tantamount to undue preference and will be objectionable morally, if not legally. If depositors are eventually to lose we must withhold dissipation of reserve fund as soon as the position becomes known to us. From then onwards the scheme for full payment of deposits will be justified only if arrangements have been made to the satisfaction of the Registrar that all the deposits in future will be repaid in full. Until then it will not be open to the Registrar to release the reserve fund in the hope that after three years something will turn up and the normal running of the banks will not be obstructed.

(c) It is inequitable to ask the Provincial Bank to write down or to let go, for that is what it comes to, a sum of Rs. 14 lakhs out of its demand of Rs. 33 lakhs. The Provincial Bank is no less a creditor of the movement than the depositors and many of us feel that the Provincial Bank is entitled to greater consideration at the hands of the movement than the depositors. It must be realised that a depositor comes to a central bank for investment, whereas the Provincial Bank's loan is based on a request made for the purpose by a central bank. The depositor's money is by way of investment, whereas the Provincial Bank's loan is by way of assistance to the bank in times of difficulty. The Provincial Bank is the apex co-operative bank and should, therefore, be the last institution to be called upon to suffer, for the safety of the Provincial Bank ensures the integrity of the co-operative movement as a whole in the province. The Provincial Bank is the sheet-anchor of the structure of co-operative finance. In an earlier chapter we have said that if there is a loss in the movement, it should be borne equally by the parties concerned, viz., the depositors, the Provincial Bank and Government. No scheme can, therefore, be accepted which demands a sacrifice solely from the Provincial Bank and which aims at full payment of the depositors unless Government alone chooses to make good the loss.

(d) The scheme does not envisage grant of any relief to the members of societies for whom the movement is essentially intended. It has been said that no stone will be left unturned in the next three years to attain liquefaction of the heavy frozen overdues. This can only be done by a substantial scaling down of the debts so as to be brought within the paying capacity of the members. Reduction of the assets will produce an even larger gap between the assets and liabilities, thus upsetting the basis of the scheme. It is obvious that even the authors of the scheme will not expect the Provincial Bank to make any

further sacrifice. That must be made by the depositors and, if that is so, full payment to the depositors within the next three years would be illegal and improper.

(c) The members of the Committee are not convinced that merely the appointment of a senior, experienced and capable officer would, like the wand of a magician, work the miracle of revivifying the movement, of ensuring repayments and of inducing the members to be honest and punctual. Government tried the experiment of having an officer of the Provincial Service in charge of the Amraoti Central Bank and found that he did not contribute materially to the strengthening of the position of the bank. The expenditure involved in the staff proposed by the authors of the scheme would be out of all proportion to the advantage that will be gained. A better staff may result in better leasing and somewhat better recovery, but the root of the evil lies in poor crops and lean prices over which it will have no control. At present the lease money is barely the land revenue and with an efficient management, there may be an improvement of 50 per cent, but that will not go a long way towards either wiping out the annual deficit or the resuscitation of the movement.

(f) The scheme expects a loan from Government of Rs. 20 lakhs, money which may have to be found immediately or during the next two years. Besides Government will have to give a grant of Rs. 1 lakh annually so long as the lands are undisposed of. We cannot subscribe to the doctrine that the resources of Government are unlimited and are of opinion that in making our proposals we must have an eye on what is feasible and advisable. If Government has to suffer a loss of Rs. 20 lakhs, it should be done at the end of the period of debentures of 25 or 30 years which we are going to recommend in the final scheme which will follow shortly.

3. For the reasons given above we are of opinion that the scheme is not one which we can confidently commend to Government as a lasting and effective solution of the difficulties at present confronting the central banks in Berar.

Scheme by the Reserve Bank.

18. (1) The Chairman and two other members of the Committee discussed the problems facing the movement in Berar and the possible remedies with the Deputy Governor of the Reserve Bank of India and the Officer-in-charge of the Rural Credit Department. Later, the whole of the Committee had the advantage of a further discussion with the Officer-in-charge who had kindly come over to Nagpur at our request. He has also drawn up a note containing his suggestions which we reproduce below:—

NOTE FOR THE BERAR CO-OPERATIVE COMMITTEE.

“From the discussions with the members of the committee who came to Bombay it appears that in their view the main problem of the Berar Banks is in connection with the large area of land acquired by them. In the first place as the lands cannot be disposed of, the amount represented by their value, i.e., about Rs. 28½ lakhs has

become frozen and to that extent it is not possible to repay the deposits as they fall due. Secondly, while the banks have to pay interest on the deposits at rates varying from $2\frac{1}{2}$ to $6\frac{1}{2}$ they get practically no income from these lands. According to the statement of income and expenditure for the year 1937-38 the amount recovered as lease money for the lands was Rs. 92,811 and a further sum of Rs. 29,511 was considered recoverable whereas the expenses on account of suits against lessees amounted to Rs. 7,767 and land revenue on the lands which was paid or payable amounted to Rs. 88,566. This would show that there was some margin but these are consolidated figures and in individual cases there may have been losses. It is also likely that there are other items of expenditure like the salary of staff and their travelling allowances which might bring the cost of management up to the income from the lands. The Committee therefore appears to be of the opinion that a solution of the problem is to be found in devising a method for getting rid of the land at once and giving the banks cash in its place. They consider that it is possible to achieve this by a lottery under which tickets will be issued for the full value of the land and prizes would be given in the form of the land. As the prize winners will get land for almost nothing it will be possible for them to sell it at very much below the market value and thus enable the cultivator to purchase it though the banks themselves would have got the full value. It is said that even if only half or quarter of the total amount is subscribed for, it would be possible to dispose of that much proportion of the land as prizes and will give so much cash to the bank and the experiment can be repeated next year. It is proposed that the same course should be adopted in respect of the land which the banks will acquire further as a result of the selling up of the remaining members of the old societies who are in arrears.

2. It is true that the possession of the land is the most immediately pressing problem but it does not seem that the mere conversion of the land into cash will solve the difficulties of the movement in Berar. It is said that if the banks have the cash, their financial position will be strengthened in regard to fluid resource, that the depositors will regain confidence and that if the withdrawal of deposits is stopped and banks are in a position to get fresh deposits they will be able to carry on with new societies and to rectify their position. This expectation seems to be somewhat optimistic in view of the fact that four banks are insolvent and that all the 12 banks together are being run at an yearly loss over Rs. 2 lakhs. In regard to the deficit the Committee appeared to have in mind some scheme for reducing some of the liabilities of the banks but even if this is possible it is necessary to make sure that the banks can run at a profit in future. Though new societies are being organized it appears that they are yet on a small scale and if banks have to invest most of their funds in securities, they will still be running at a loss. The weakest point in the scheme is that instead of proposing any reorganization for

the purpose of recovering the remaining overdues, the Committee suggests that they should be recovered by executing awards and getting a further area of land almost equal to that at present in the possession of the banks. The idea is that this land will also be disposed of by lottery. The Committee thus wants the banks to repeat their present experience of acquiring the land in the hope that its disposal will not be difficult, but if the lottery scheme does not succeed the position of the banks will become even worse and there will be no solution of the problem of overdues. This recommendation does not also take into consideration the effect of expropriations on a large scale both on the co-operative movement as well as on the structure of agricultural economy in the province. Such a course will inevitably result in making the co-operative banks even more unpopular and they will find it difficult to organize new societies while destroying the old ones at the same time. It is also likely to cause acute agrarian discontent which might force the Government to intervene to stop further expropriations and leave the banks without any remedy. Thus the lottery scheme even if it succeeds does not afford any complete or lasting solution of the problems confronting the co-operative banks in Berar and is not likely to put the movement on a sound footing without danger of its getting into difficulties again.

3. Apart from this however it does not seem that the lottery scheme is either feasible or desirable. Even though under this system the prize winners will get land at absolutely nominal prices which will enable them to dispose of it at rates far below the market price, the difficulties of disposing of the land will be so great as to deter any ordinary investor from taking a part in the lottery. If the land is as poor as is alleged it might be difficult to dispose of it even at nominal prices. Even though the present owners will have lost all interest in the land, those who have been cultivating it for some time might make it difficult for outsiders to get possession of the land or sell it. The winner will have to take the trouble of getting the land mutated in his name and find a purchaser. For all these reasons it seems that only a certain sort of speculator will go in for this kind of lottery and not the ordinary man in the street who gambles on fortunes or any other kind of lottery which brings in cash prizes. The type of persons who will participate will be those who are either moneylenders or landlords in or near about Berar. Even where the ordinary speculator takes a part in the lottery and gets some prizes his land will be acquired not by any genuine cultivators as they have no cash to pay for the purchase of land at any price but by this very class of moneylenders and landlords who will buy the land either as speculation or for the purpose of getting a maximum profit out of it. All the land will thus pass on to the hands of the moneylenders and landlords who will rack-rent the tenants and intensify the economic problem which all Governments are trying to solve. It does not

seem likely that the genuine cultivator with money will take part in this lottery as there is no certainty of the place where he is likely to get land. In view of the differences in the price of land in different parts the lottery will have to fix definite parcels of land as prizes in each case and it will not be possible to change the prizes or to exchange them to suit the convenience of the winners. In fact any attempt to do this will give rise to tremendous quarrels. Thus the lottery will result in creating a large class of absentee landlords when the efforts of most Governments in even several European countries are directed towards creating small owner cultivators at the expense of large estates cultivated by tenants. The low rates at which it will be possible to sell the lands on account of this scheme will seriously depress the values of lands all over and put to loss all those who have invested their money in land or advanced money on its mortgage. In fact, the position of private creditors may become very difficult and this will naturally have bad repercussion on the agriculturists themselves by restricting their credit still further. If the lottery fails the banks will be even in worse position as it will be impossible to prevent a run on them. The objection to the lottery system is thus not merely ethical but from the point of view of practical difficulties as well as on account of the serious economic consequences that might ensue.

4. A lottery with land as prizes is thus obviously undesirable. If on the other hand the banks are to be helped by means of an ordinary lottery with cash prizes the whole question of the desirability of raising public funds in this manner will have to be considered. In fact, the Committee's scheme tries to hide the real nature of the lottery as a form of taxation on the general public to help a particular institution. It is true that in this case the public will be voluntarily taxing themselves but it is undoubtedly a method of getting money from the public for paying off the depositors in full when in fact they have lost part of the money and the remainder has become frozen. The lottery cannot be held unless sanctioned by Government and if Government has thus to help the movement it must consider if it is desirable to tax the public in this manner. It will also have to obtain proper sanction of the legislature.

5. It does not seem possible to devise any spectacular scheme which will immediately relieve the banks of the large areas of land and give them cash instead. It must be realized that the disposal of land, if it is not to bring about almost a crisis in land values, must necessarily take time. We can only formulate a scheme which will enable the banks to get rid of the lands gradually and systematically and which will at the same time give the depositors certain amount of certainty that their money will be repaid. It is, however, necessary that the problem should be considered not merely from the point of view of the solution of the immediate difficulties of liquefying the frozen assets of the banks and ensuing repayments of deposits but with the object of putting the movement in Berar on a sound and stable basis.

5. The statement of real assets and liabilities which has been prepared for the use of the Committee shows that out of the 12 banks only four have any excess of assets over liabilities. Out of this two are very small banks, and the excess in the case of one of these is only Rs. 14. The remaining eight banks show deficits. Even if the share capital is written off for meeting these deficits only three of the banks will be able to meet the outside liabilities. In the case of four of the banks the deficits will be very large even after share capital is written off. It will thus be seen that except in the case of two of the banks which have a considerable surplus, liquidation is inevitable and even in the case of two solvent banks a thorough reorganization is necessary as their assets are almost completely frozen. Now liquidation of the banks is by itself no solution, as it will make even more acute the problem of selling lands and also give a shock to the depositors from which Co-operative Credit may find it difficult to survive. On the other hand the desire to keep these banks alive at all costs makes it difficult to apply the only solution which is practicable, *viz.*, writing off of bad debts and spreading out the arrears which alone is likely to clear the mess. It will be therefore desirable to follow a course which would amount to putting the banks into liquidation but which would also make it possible to reconstruct them. If this is done with proper precautions without harming the primary co-operative societies, there is no danger of killing the co-operative movement. There would be in fact greater chances of restarting the movement on a proper basis if the mess is once and for all cleared up.

7. What will be necessary is that in the case of each bank a proper balance sheet will have to be prepared showing the real assets and liabilities. All outstanding loans will have to be classified into (i) those absolutely good, (ii) those which are not so good but might with luck be recovered and (iii) those which are absolutely bad and unrecoverable. The last will have definitely to be written off from the reserves and other funds and if these are not enough, even from the share capital. It must be realised that share capital is the guarantee for the depositors, and that the shareholders must lose their money first before depositors can be affected. Where however losses remain even after the funds and share capital have been appropriated for the purpose the depositors have to bear the loss and there is no alternative. As regards the second category, the assets need not be written off but they should not be counted for the purposes of any immediate repayments of the deposits. They should be reconstituted into a separate fund to which recoveries from that portion of the loans will be credited and distributed ultimately to the creditors, according to the scheme explained below. What the depositors can definitely lay their hands on will be the cash and investments and the assets represented by the absolutely good loans.

8. Thus the first step will be the appointment of an officer to examine the position of each bank. It will not

be necessary to make an elaborate enquiries at this stage as enquiries into the position of each member and the primary societies have already been made. On the basis of this information he will have to reconstruct the balance sheet of the bank on a realistic basis. He will first take the balance sheet of the bank as it stands at present which will include the following figures

<i>Liabilities.</i>	<i>Assets.</i>
Share capital.	Cash.
Reserve and other funds.	Investments.
Deposits.	Land.
Loan from other banks.	Loans.
Other liabilities.	Building.
(Provident Fund of employees, etc.)	Other.

He will make a conservative estimate of the value of the land and classify the loans. This value of the land and the amount of the good loans along with cash and investments will first be considered in relation to the deposits, other loans and other liabilities. If they equal or exceed the liabilities it will mean that the bank is in a position to meet all its outside liabilities. If not it will mean that the bank's creditors will not get an immediate guarantee for the repayment to that extent. He will then consider the amount likely to be further recovered on account of the land fetching a higher value and the doubtful loans being recovered. This amount will be shown separately as being available for further payment. If any liabilities still remain the creditors must lose to that extent. It may also be possible to scale down some of the liabilities like arrears of interest on deposits if the interest was allowed at an excessive rate. To put it in another way, the absolutely bad loans will be first written off against the funds and share capital. Amounts equal to the doubtful loans will be separated from the deposits and other liabilities. For the remaining portion of outside liabilities the cash, investments, good loans and land will be shown on the assets side. The reconstructed balance sheet will be as follows:—

<i>Liabilities</i>	<i>Assets</i>
(1) Deposits and loans and other liabilities (secured).	Cash. Investment. Value of land and good loans.
(2) Same (unsecured).	Extra value of land and doubtful debts.

Such an arrangement will make it possible to frame a scheme for repayments without the danger of having to give up any realisable assets and putting the depositors to a loss. All that is done is that he is assured of being paid back what is considered absolutely good but is given hopes of being given additional payments if the recoveries are better. The creditors will get immediately in cash a proportionate amount out of the cash and investments of the bank and for the portion represented by land and good loans the following arrangement will be made.

9. The main problem is how to find cash for payment to the depositors in view of the fact that the bank's assets largely consist of land which cannot be easily sold or leased out and loans which can be recovered only in instalments over a long period of years. One of the objections to liquidation of the banks has always been that even if this is resorted to the depositors will have to wait for several years before the bank can realise its assets and that in fact the recoveries might take even longer once the banks are liquidated. On the other hand if the banks have to be kept going cash has to be found for paying the depositors and the means which have been so far suggested do not appear to meet the case. We have already come to the conclusion that lottery scheme is impracticable even if the ethical side is completely ignored. It is obviously out of the question for the Central Provinces Government to find all the money to pay off the depositors. It is also not feasible to raise debentures even with Government guarantee except at a very high rate of interest. There does not therefore seem to be any alternative but to make the depositors wait for their money till it can be paid off or in other words to convert the deposits into debentures.

10. There are no doubt several objections to this course. In the first place it may be said that this would keep alive the memory of the present failure of the co-operative banks for a number of years, and thus make the revival of the movement difficult. However it must be realised that however strongly one may wish to have this sad chapter closed as early as possible it is difficult to find the cash to pay off the depositors unless somebody else undertakes to take the risk. It is a question whether it is right to shift the risk on another person or agency. Such a responsibility can only be assumed by Government but it is doubtful if the financial position of the Central Provinces Government would warrant its undertaking such a liability. Thus there is no alternative. The effect on the depositor will however be mitigated to some extent by the cash payment he will receive for part of his deposit and the definite arrangement that will be made for repayment of the rest in regular instalments. The possible bad effect on the credit of the banks could also be somewhat alleviated by the arrangement described below under which a separate institution will take up the liability for the unpaid deposits. A second objection to the suggestion likely to be raised is that all the depositors may not agree to the arrangement even though it ensures them better than anything else the return of their money. However at the worst a recalcitrant depositor can only apply for the liquidation of the bank and under the scheme the banks will already be undergoing voluntary liquidation with a view to reorganization. If it is necessary to pass any legislation to give effect to the scheme it should provide that the scheme should be enforced only if an independent banker considers it sound and it is approved by the majority of the creditors. This will also prevent any misunderstanding arising about the Government countenancing a compulsory moratorium by legislation. When an independent authority

has found that the scheme is the only way of getting back for the depositors most of their money and that it is intended not to put them to a loss but to make the best possible arrangement, there will be little danger of Government being accused of helping debtors to renounce their liabilities.

11. A proper arrangement must be made to get the lands sold and the arrears of loans recovered so that the extended deposits would be repaid according to a programme. For this purpose the most effective course would be to adopt the Burma scheme with necessary modifications. Both for the sale of land and the recovery of arrears it would be necessary to adopt, as far as possible, the hire-purchase system. It has been said that in Berar this system has been tried but has not proved a success and that the margin of profit is too narrow to permit of any such arrangement being successful. It is also said that there is no hope of saving the present members and that the members themselves have lost all interest in the land because it is not remunerative. So far as the last point is concerned it may be pointed out that the owners have lost interest in the cultivation probably because they find it impossible to save the land and that their interest will be revived under the hire-purchase system. In the case of those who may have given part of their land to get rid of their debts and who do not wish to have it back it should be possible to find another agriculturist who would like to get it. It is not necessary that in every case the land must be sold under the hire-purchase system or that it must be given to the original owner. The idea is that in order to efface the bad impression that must have been created by expropriations and to enable the original holders who have been turned into landless labourers to get their lands back the original owner should be first approached. But if he is not a good cultivator or is unwilling to take the land it may be settled with another. Also if it is possible to sell the land profitably or at reasonable value this should be done. The present inability of the banks to find reliable lessees arises from the fact that these lessees get no interest in the land. Under the Burma scheme the lessee will, while paying the rent be working all the time for the purchase of the land. The banks have also found it difficult to dispose of the land because the purchasers are not in a position to pay the price in cash and this difficulty is also obviated under the hire-purchase system. Even if it is not possible to get the original cultivator it will not be difficult to find other agriculturists in the village to take up the land on these terms. There are several people who take land on hire and they will be glad to take advantage of this system for acquiring the land as their own property. As regards the objection that the land having deteriorated, it will not be possible to get lessees, it must be pointed out that from the statement of lease money recovered by the banks it would seem that some of the land is good, some middling and some bad. It should not be difficult to find lessees at least for the first two sort. It would not be right to consider the whole scheme unworkable because part of the land may not be good.

12. The management of the land on the Burma model requires an honest faith in the scheme, sincere efforts to win over the confidence of the people and a whole time attention to the work. If it is left to each individual bank to carry out the scheme it may not receive the necessary attention and enthusiasm. It is therefore desirable that a separate institution should be organized for taking over the management of the land acquired by the banks as well as for the recovery of the loans which have become long-term loans. Such an institution might be called "Land Management Board" and Government might lend it the services of an energetic and experienced Extra-Assistant Commissioner with experience of settlement work as president of the board. The main function of this institution would be to try to get the lands settled on hire-purchase system on the lines of the Burma scheme. The board will not be a co-operative bank nor an ordinary financing institution since it will not grant any new loans. It will be a sort of a court of wards and may be considered to be an agent or a trustee for liquidating those assets of the banks which have become frozen up. The advantage of such an institution will be that it will be able to work on uniform lines for the entire division and since its work will not be complicated by any other pre-occupations it will be in a better position to lease out the lands and to make the recoveries. In the case of the outstanding frozen loans it will make the same arrangements as in Burma, namely, acquiring the lands of the members in repayment of the loans and then entering into hire-purchase agreement with them. The inducement to the cultivator to agree to this arrangement would be that his debt would be brought down to the value of the land and he would get an opportunity of saving his land. Scaling down of the loan to the paying capacity will be necessary especially where the rate of interest charged has been high. It is difficult to share the belief of the Committee that land in Berar has so much deteriorated and become so unprofitable that it is not possible to get enough out of it to pay its cost. The Central Provinces Government have taken under Court of Wards some of the most backward tracts and heavily indebted estates and it has been possible to free such estates from debt under careful management. There is no reason why given an energetic officer with the necessary help, the land management board should not be able to clear off the frozen loans.

13. This institution will take over from all the banks their good assets locked up in lands and long-term loans. In transferring these assets care must be taken to value them very conservatively so that this institution will not be saddled with more liabilities than assets. To ensure this not only should the valuation of the land be made on a conservative basis but the loans taken over by the bank should be about 20 per cent more than the corresponding liabilities assumed by it. The depositors will be offered as a part of the scheme of liquidation debentures in this institution equal to the value of the land and loans transferred to it. Interest will

be paid on the debentures at the rate of 3 or $3\frac{1}{2}$ per cent and the institution will charge the borrowers 5 per cent. The advantage of this scheme is that it avoids the necessity of the Government having to find the money or the necessity of resorting to the money market for the raising of debentures. At the same time the depositors will get something substantial in addition to the cash paid to them out of the bank's cash and investments as these debentures will be repaid by instalments every year out of the recoveries and any debenture-holder who is in urgent need of money will also be able to sell off his debentures in the market though at some discount. It is also necessary that the working of this institution should be put on as sound a footing as possible. A formula should be worked out for repayment of the amount of the debentures in instalments every year. A trustee should be appointed to whom all the recoveries should be handed over and who should see that debentures are repaid according to the prescribed formula. The institution should also be given special powers for seizing the crop as well as a first charge over it in order to recover its annual instalments. It should also be allowed the facility to recover its dues through the village headman along with the land revenue. This will ensure recovery of its instalments. But it will also be necessary to make some arrangements for repayment in any year in which sufficient recoveries cannot be made owing to unavoidable causes. For this purpose whether the Government guarantee the debentures or not, it should undertake to help the Board in the following manner. It should in the beginning make a small grant to meet such of the expenditure of the board as cannot be met out of its own income and should also undertake to make every year a loan to meet any deficit in the instalments of the debentures to be repaid up to a certain sum, say two lakhs. This loan will have to be repaid to the Government out of the recovery of the arrears. The advantage of the system described above will be that even though Government is required to give certain assistance it is limited to the very minimum. It does not have to find large amount of funds at one time nor has it to take any indefinite contingent liability. The amounts which it will have to give to help the scheme will be spread out over a number of years so that it will not cause any inconvenience to the Government.

14. It will of course take some time before this institution is able to enter into arrangements with all owners of land. It will be, therefore, necessary to bring the scheme into effect gradually. The institution should first look into the affairs of only one bank, preferably the one which is worst off and it should take over liability in respect of the deposits only after it has succeeded in making arrangements with the cultivators for the disposal of land. The officer-in-charge of the Board will be helped by the officers of the Bank and of the Co-operative and Revenue Department and after initial experience has been gained it will be possible to deal more quickly with the remaining banks which should be looked into one after another.

15. After fixing its own instalments the Land Management Board will consider what additional payments can be made by the lessees towards the part of the debt classified as doubtful. The Board will undertake the recovery of this amount also but will keep it entirely separate from its own accounts. Rateable distribution would be made to the depositors from this fund as recoveries are made.

16. It will be necessary to supply the lessees with finance for cultivation expenses and for this purpose they must continue to be or be made members of co-operative societies. The old societies must be reorganized on the lines of multiple purpose societies recommended by us. If it is found that the central bank's entire reserves and share capital has been wiped off it will be necessary to establish an entirely new central institution and this should take the form of a banking union. If on the other hand the central bank can save some of its capital, it may be reorganized with the remaining assets and short-term loans if it is possible to make it a paying concern. In any case its scope should be widened on the lines of banking unions. It will be possible for the societies to work co-operatively only if they are reconstituted on these lines and there will be no point in taking all the trouble to keep them alive if they are to work in the old way merely as credit institution. The financing institution must not only supply them with cash for their cultivation expenses but also with seed and manure in kind and also undertake to sell the produce jointly and to assist them in other ways. The Banking Unions will undoubtedly have no funds in the beginning but once the societies are made to organise themselves strictly for short term finance it will be possible for the Provincial Co-operative Bank with its large idle funds to finance them through the Banking Unions and it should also be possible for the Government to help the co-operative movement by giving small subsidies to the new banking unions for their working expenses. The recoveries from these members who have also to make long-term repayments to the Land Management Board should be co-ordinated and if possible a system should be worked out for making the consolidated recovery in kind through the co-operative society as in Burma."

(2) We have very carefully considered the above proposals of the Reserve Bank but the following are the objections to the feasibility and the chances of success of these suggestions :—

(a) It is proposed that the assets of the central banks should be definitely determined and the claims of the depositors and of the Provincial Bank should be reduced accordingly. While it is possible for the purposes of drawing up a balance sheet to estimate the present market value of land, in view of the uncertain economic conditions it is not possible to say with certainty what price will be received by the central banks when all the lands are finally sold. If the present economic depression continues the prices may go down still further and the deficits might increase while if they rise the deficits might decrease and may even be wiped out. If, to be on the safe side, a margin of 20 per cent is kept to provide against further losses.

the claims of the depositors will have to be reduced still more. The depositors might object to this arbitrary method of the scaling down of their claims and may insist that they should not be reduced till all the lands are disposed of and the real deficit is found. We are also of the opinion that nothing is to be gained by scaling down these claims immediately.

(b) The scheme is one of liquidation and it is doubtful if a scheme of liquidation can proceed *pari passu* with a scheme of reconstruction as proposed by the Reserve Bank.

(c) In view of the deficit of Rs. 14.79 lakhs for the movement as a whole all the fluid resources will be wiped out at the first stroke. Scaling down of debts will create another deficit which will result in *pro rata* reduction of creditors' claims in the first instance. Even the reduced claims will not be paid in cash but will have to be paid in 25 annual equated instalments based on interest at 3 per cent without any guarantee from Government or the Provincial Bank. Will such a scheme appeal to the depositors and will a majority agree to its acceptance? The depositors might feel that in any case they are going to lose their money and, therefore, they might as well bring the banks under liquidation and get what they can now, rather than wait doubtfully for the next 25 or 30 years. Depositors might be tempted to wait if repayment was guaranteed by Government but scarcely otherwise.

(d) We are very doubtful if the hire purchase system will work at all. Our experience in the land mortgage banks is that although the instalment is based on half the assets the instalment is occasionally not paid and overdues are raising their head. When the instalment is fixed on the full value of the land, the period is not to be more than 20 years and the rate of interest to be 5 per cent, the annual instalment will be beyond the paying capacity and the scheme is foredoomed to failure. It may have succeeded in Burma but we have seen in Akola and lately in Yeotmal and in the land mortgage banks throughout the province that it is unlikely to succeed. It is no use embarking upon a scheme without confidence in its success and with the feeling of certainty that it will fail.

(e) Central Banks without a single pie to begin with will find it difficult to function even if the Provincial Bank agrees to provide funds for short-term finance of members of reconstructed societies. The recovery of short-term finance will be over and above the instalment payable to the land management board. Without fresh finance the hire purchase system must fall to the ground and the question that will arise is whether even in the name of short-term finance the Provincial Bank should agree to advance loans which in the event of non-payment of instalment will become long-term loans without any security on the part of societies and members of societies.

(f) Government may not agree to bear management expenses of central banks in Berar indefinitely.

(g) The land management board will have to engage staff to supervise the hire purchase system and to ensure punctual payment of instalments and the management of all such staff for the purpose of lands scattered throughout the length and breadth of Berar must be well nigh impossible.

(h) To call upon Government to guarantee the deficit in the annual equated payment to the creditors by the land management board is to ask Government to take on a contingent liability and it would hardly be prudent for Government to enter into such an unknown liability. It may happen that the scheme may fail and Government will be required to pay deficits every year but the difficulty of course may be got over by prescribing a maximum limit to the total assistance to be given by Government to the management board under this item of the scheme. After the maximum has been reached, the same position as obtains today will arise with the additional handicap that all the fluid resources will have been exhausted and there will be nothing but barren bankruptcy staring in the face blasting all chances of revival of the movement.

(i) There will be difficulty of dividing claims of creditors into short-term and long-term and allotment of the same to central banks and to the land management board.

(j) It is doubtful whether it would be legal to transfer a part of the assets and liabilities to a management board under the present Co-operative Societies Act.

(k) It is also doubtful if societies in Berar can be organised wholesale on multipurpose type at the stroke of a pen. If this is not done the scheme says that there is no hope for revival. Government tried to establish multipurpose societies even with grants and so far the department has not been able to organise more than six in the whole of the province. That being so, the difficulties of converting all the 500 societies of Berar into multipurpose societies can be well imagined. Joint purchase and sale is not so easy to accomplish particularly when we have to deal with sophisticated and, we are sorry to say, in many cases dishonest members of societies who have in the past done their best to defraud the societies and to bring the banks into losses. This will not be a proper material for undertaking such functions and objects.

(l) In the chapter on disposal and management of lands we have fully dealt with the arguments advanced in the Reserve Bank note against our lottery scheme and have, therefore, not repeated the same here. We would only refer to the impression in the note that the idea underlying our lottery scheme is to keep the banks alive at the cost of societies. We are afraid that there is some misunderstanding as to the purpose with which the scheme was conceived. Even granting for the sake of argument that the scheme seeks to keep the banks alive at the cost of societies, we would say that the relation between a central bank and the societies is in the nature of the relationship between the heart and other organs in the human body. If the heart is strong and alive, there is hope that the rest of the body will survive even a serious disease, but if the heart itself is affected, then there is no such chance for the body, the organs of which may be in a healthy condition. We should have no apology to make for the proposition that if the movement is not to be liquidated, the central banks must be kept alive and must be rehabilitated. From there will radiate rays of life to the societies. New societies will spring up, but the body of the co-operative movement will be kept alive. As a matter of fact, our

scheme not only keeps the banks alive but also aims at rehabilitation of the societies, for their present difficulties lie in the financial bankruptcy and recurring deficits of their central institutions, viz., the central banks. Once this difficulty is overcome, concessions by way of writing off of overdues, granting of instalments, reduction of rates of interest on loans, fresh advances to members of existing societies for purposes of cultivation, will all be possible and that is how the societies will be reconstructed.

(3) We are thus not convinced that the arguments given by the Reserve Bank against our lottery scheme are such as to induce us to give up our scheme in favour of the one recommended by them.

Modified Hire-purchase Scheme

19. One of our colleagues has proposed the following scheme:—

(1) If our proposal for the disposal of land by means of a lottery is not approved and the movement has to fall back upon the hire-purchase system as the only practicable scheme for the disposal of its lands, the scheme suggested by the Reserve Bank of India will have to be modified in the following particulars:—

(a) There must be a thorough enquiry into the assets and liabilities of each member taking into the account the reserve funds of societies and the debts should be reduced to half or at the most 60 per cent of the present book value of the assets.

(b) The instalment should be worked out on the value calculated as in (a), on the basis of 30 years and 4 per cent interest or 35 years and 5 per cent preferably the former.

(c) Owing to this scaling down of debts the capital deficit which at present is 14.79 lakhs will be materially increased. In all probability it will be nearly Rs. 40 lakhs. It would not be correct to ask Government to suffer this loss for no fault of its own. The loss must be borne by the creditors of the movement, viz., the Provincial Bank and the depositors. Their claims should be conciliated in such a way as to wipe out the accumulated deficit. The balance left over should then be guaranteed by Government and debenture scrips should be issued redeemable within a maximum period of 35 years. (This period should be five years over and above the number of instalments so as to leave a margin for defaults, lean years, etc.)

(2) There should be no objection to Government guarantee being given in respect of such debentures. They will be on the same lines as the debentures of the land mortgage banks which have been already guaranteed to the extent of Rs. 50 lakhs in this province, and of which so far only Rs. 8 lakhs have been floated. The objection to a government guarantee may be the possibility of eventual loss but that factor is eliminated by the precautions implicit in the scaling down of debts and fixation of the instalment well within the paying capacity of the debtor.

3. This scheme has the merit of calling upon creditors to suffer the loss which they would in any case suffer if they were to drag the movement into liquidation; at the same time a fair portion of their investment will have been saved and in future

guaranteed by Government. There will be very little risk of loss to Government; and at the same time it will not lay itself open to a charge of shutting its eyes and doing nothing to save the movement from distress and destruction. The scheme gives the debtor a chance of lifting his head through the burden of indebtedness and once the claim has been reduced to half the value of his assets and an instalment has been fixed well within his paying capacity, he ought to breathe a new life and make every endeavour for abiding by the instalment. Thus alone the heavy frozen overdues of today will begin to move. A substantial sacrifice will no doubt be demanded of the creditors, but that is inevitable, for the loss may be much greater in case, in the alternative, the banks had to be liquidated. Even this scheme will require legislation inasmuch as there will be compulsory conversion of the conciliated capital into debentures for a period of 35 years bearing interest at 3 per cent.

(4) The essence of a successful hire-purchase scheme is that the instalment must be within the paying capacity. This can be achieved in various ways. The claim may be reduced to half (or more or less) of the current market value. The number of annual instalments may be raised from 25 to 40, 45, 50. The rate of interest may vary from 3 to 6 per cent. We do not advocate more than 5 per cent as the capital will carry only 3 per cent and a debtor is entitled to the maximum of relief in the rate of interest. We would not like to go beyond 30 instalments, that period being known as the normal span of a generation. Many of us would prefer 25 instalments and the period of debentures to be 30 years. If these postulates are accepted, the question of valuation and conciliation becomes simple. A statement appended at the end of Chapter IX shows what the instalments would be for different claims taking the current value of a specimen holding of 16 acres at Rs. 1,000 (Rs. 60 per acre). We are assuming that the paying capacity will be equal to land revenue. Calculating in this way we find that for the instalment to be within paying capacity the claim should be 50 per cent of the assets, the number of instalments being 30 and the rate of interest being 5 per cent.

We have considered the above scheme in great detail. We agree that the basis of any solution must be the conciliation of debts of members with a view to their being brought within the paying capacity if repayment is to be ensured and the movement is to be kept up. The scheme, however, requires the depositors to bear the loss. We have considered this question in detail in the next chapter dealing with the reorganisation of primary societies and for the reasons given there, we are of opinion that the scheme is not workable unless Government undertakes the liability caused by the conciliation of debts. We must voice here the fear that if Government decides not to take over this liability and it is expected that the loss should be borne by the depositors the credit of the movement will be rudely shaken, the responsibility for which will rest solely on Government. The amount involved is no doubt large but then under the final scheme which we have recommended and which follows in the next paragraph, Government will be required to make good the

amount not immediately but at the end of 25 years when the period of debentures will expire. If in the meantime land values appreciate this loss may be reduced or even wiped out. We do not expect that values will fall further and there is, therefore, no danger of the loss being enlarged.

20. After having very carefully considered all schemes that have occurred to us or have been suggested to us, we now finally make the following recommendations:—

(1) As suggested in a previous chapter, the present constitution of all the central banks in Berar should be suspended till the lands are disposed of and the management should be entrusted to a central organisation to be called the Berar Central Banking Board.

(2) The liability to share-holders, namely, the share capital and the undistributed dividend should for the present not be taken into account as a liability for the purposes of estimating the deficits. If eventually, after the claims of all the present creditors are met, there is any surplus, the value of the shares will be restored; but till then the value of the shares should be considered as nil and they should not be redeemed. It is not necessary to write off the share capital from the books immediately.

(3) The Provincial Bank should for the present write down its claim by Rs. 10 lakhs. It is not necessary to write off this amount permanently, but it should be understood that the central banks will pay this amount only after all the remaining liabilities to the present creditors have been met in full and there is a surplus. Till then, it follows, that no interest will be charged on this amount.

This amount of Rs. 10 lakhs should be distributed among the weaker central banks in proportion to the present estimated deficits in their assets after ignoring the liability to the share-holders. We have examined the financial position of the Provincial Bank and are of opinion that it is in a position provisionally to reduce its claim by this amount. The justification for the Provincial Bank coming to the rescue of the movement has already been discussed in a previous portion of this chapter.

(4) In future, the interest on the remaining debt due to the Provincial Bank should be reduced to 3 per cent. The present rates are 4 per cent on ordinary loans and 4½ per cent on overdue loans. If banks are revived and the flow of repayments which has been choked at present is restored, the sacrifice involved in this writing down and reduction in interest will have been well worth it.

(5) All the present deposits should be compulsorily converted into debentures for a term of 30 years. The same should be done as regards the remaining loan due to the Provincial Bank. The interest on these debentures should be 3 per cent. Both the principal of and the interest on these debentures should be guaranteed by the Government.

It will be necessary for the Government to introduce legislation for this compulsory conversion.

(6) As suggested previously, the lands owned by the central banks at present should be sold by running a lottery. Even after that, it is possible that some lands will remain and some more land will have to be acquired in future. These lands should be sold by auction and failing that on the hire-purchase system and failing even that they should be leased out till it is possible to sell them.

The cash that thus becomes available every year should be distributed *pro rata* among the debenture holders annually or at suitable intervals.

(7) The Government should make an annual grant of Rs. 1 lakh to meet the deficit in the running expenses of the central banks till the lands are disposed of by the central banks.

21. The financial results of the suggestions made in the above paragraph will be as follows:—

(1) After excluding the liability to the shareholders, the total deficit in the weaker central banks amounts to Rs. 14.79 lakhs. When the Provincial Bank would write down its claim by Rs. 10 lakhs, the deficit would be reduced to Rs. 4.79 lakhs only. This can easily be made up by a slight appreciation in land values in future, and from future profits.

(2) The annual expenditure of the central banks will be reduced as follows:—

- (i) Interest paid and due to depositors for 1937-38 (actuals)—Rs. 3,13,505.
- (ii) Interest paid and due to the Provincial Bank for 1937-38 (actuals)—Rs. 1,08,648.
- (iii) Total—Rs. 4,22,153.

Interest to be paid in future.

- (iv) On Rs. 19 lakhs of Provincial Bank loan at 3 per cent.—Rs. 57,000.
- (v) On Rs. 69 lakhs of deposits at 3 per cent.—Rs. 2,07,000.
- (vi) Total—Rs. 2,64,000.
- (vii) Net saving per year (iii) minus (vi)—Rs. 1,58,153.

The present estimated annual deficit is Rs. 2.83 lakhs per year. The annual grant of Rs. 1 lakh from the Government as proposed by us will reduce the deficit to Rs. 1.83 lakhs. This will be made up by the reduction of the Provincial Bank loan and the rates of interest as proposed above. Thus the recurring annual deficit will be stopped.

22. (i) As has already been mentioned by us there is every likelihood of land values appreciating within the next 30 years. The guarantee of the safety of the debentures is not likely to cause any actual loss to the Government. If, however, even after 30 years, land values do not rise sufficiently or fall still further and the Government has to bear a loss, we are of opinion that the Government should be prepared to bear it for the reasons already mentioned by us. Should, however, Government take the view that it cannot undertake any of the financial liabilities of the movement, howsoever remote or unlikely they may

be, either on principle or on financial grounds, some of us would suggest that the government guarantee of interest on and principal of the debentures may be dropped and Government's intervention may be limited to the sponsoring of legislation to enable the Central Berar Banking Board to convert deposits into debentures and to pay interest thereon at not more than 3 per cent. The Committee as a whole would press for conversion of deposits into debentures with government guarantee. In the absence of such a guarantee, the conversion would be in the nature of confiscation and would not commend itself to the depositors who would prefer immediate liquidation to this deferred liquidation. None knows what is in the womb of the future and the depositors would naturally go by the principle of a bird in the hand is worth two in the bush. The waiting for 25 or 30 years would be worth it only if it was accompanied by a government guarantee as to the safety of the principal and a small interest at 3 per cent. Our view, therefore, is that if Government is not prepared to come forward with a guarantee and if liquidation is the only alternative, it must be faced rather than that there should be compulsory conversion of deposits into debentures without any government guarantee. Liquidation is, as we have often repeated, the last thing we desire but that need not drive us into agreement with a scheme which is also nothing but liquidation or slow death. The third term of reference of our Committee requires from us proposals for financial accommodation to banks in difficulties. Moratorium without arrangements for payment within a reasonable term is liquidation rather than accommodation and that is an additional ground why we do not commend the suggestion made in this paragraph.

(ii) In making the suggestion of legislative interference for compulsory conversion of deposits into debentures, the repercussions, if any, of it on the prestige or credit of Government have not been ignored. One view is that the association of Government or the legislature with a compulsory moratorium of the nature suggested by us would shake the credit of Government in the eyes of the investing public to which Government has to go for various purposes such as treasury bills and long-term loans. It may be argued that if the legislature passes a law granting such a moratorium to the depositors and creditors of the co-operative movement, there is no guarantee that a similar law may not in future be passed in respect of creditors of and investors in Government loans and securities. Should there be any suspicion in the minds of the investing public that Government now or at a future date may try to evade its contractual obligations by legislative interference, there would be difficulty in government bills and loans being subscribed to or proving successful. The protagonists of this view would warn the Government against being associated with a proposal for a compulsory conversion of deposits into debentures. We have given every thought to this aspect of the question but remain unconvinced of the soundness of the view expressed above. To our mind this line of argument indicates confusion of thought. Simply because Government enables banks to declare a moratorium it does not follow that Government will evade its own obligations. The absence of government association with such

a moratorium is no guarantee that should a need for it arise in respect of government loans, Government would be precluded from approaching the legislature for a measure sanctioning the same. Action of today may not be a precedent for a similar action in future, nor the absence of action, a guarantee that it will not be taken if it is found to be necessary in future. Powers of the legislature are regulated by the Government of India Act and cannot be enlarged or circumscribed by precedents, and we may rightly assume that the investing public is aware of this simple proposition. Secondly, association of Government with a scheme of moratorium is essentially to the benefit of agriculture which forms the main industry of the province and of the agriculturists who form the bulk of the population. Any measure that is intended to secure the greatest good of the greatest number is bound to be supported and approved. Thirdly, the history of all countries will show that at some stage or another Government has found it incumbent to declare a moratorium not only in respect of private loans but also in respect of government debts. Nevertheless the financial credit of Government has not suffered irrevocably and government loans have not remained unsubscribed to, simply because of a previous moratorium. Authorities of the Reserve Bank will, we feel sure, support our view that moratoriums have been declared by Governments in other advanced countries without permanent, deleterious effects on their credit. Fourthly, the moratorium will be not to deprive the depositors of their dues but to enable them to receive full payment or as much as possible of it, gradually but with every hope of certainty. The moratorium will ease the banks and will eventually prove to the benefit of the depositors and creditors as well. Lastly, we see no special difference between such legislation as Debt Conciliation Act or Postponement of Execution of Decrees Act and the moratorium suggested by us. No one will be taken in by the plea that the Debt Conciliation Act is based on a voluntary basis, whereas the moratorium proposed by us will be on a compulsory basis. The working of the Debt Conciliation Act with which most of us are familiar has convinced us that there is very little difference between the debt conciliation that is going on and the moratorium that we suggest. In fact Government has recently introduced a Debt Relief Bill the main provision of which is compulsory curtailment of debt. To our mind, this Bill goes much beyond the moratorium that we have in view. Similarly, a Debt Relief Bill has been passed into law in Madras and yet the financial credit of the Government of Madras has not suffered in the slightest degree. For these reasons we are convinced that there need be no fear that Government credit will suffer in the financial market by sponsoring a legislation involving the compulsory conversion of deposits into debentures with government guarantee. This is the least help which the movement expects from Government and it is hoped that failing everything else it will not be denied.

23. In Chapter V we have laid down certain principles by which any scheme of reorganization should be judged. The scheme recommended by us and outlined in paragraph 20 *supra* may be tested in the light of these criteria. Sale of land by lottery is the best manner in which the land can be disposed

of without loss to the movement and without any loss to Government or public as a whole. The capital deficit will be substantially reduced by the proposal that the Provincial Bank should write down its loans by a sum Rs. 10,00,000. The annual deficit will be converted into a surplus partly by the grant of Rs. 1,00,000 by Government until the lands are disposed of, partly by a reduction in the rate of interest on the Provincial Bank loans and the deposits and partly by increased business with crop loan societies, with reconstructed societies and with societies undertaking urban business. The financial accommodation will be provided by the compulsory conversion of deposits into debentures for a period of 30 years during which lands will have been disposed of, the programme of reconstruction will have been completed and sufficient time will have been allowed to the movement to raise the money for the redemption of debentures and liquidation of debts. There is no other scheme which satisfies all these conditions so successfully as the scheme suggested by us. The scheme should be treated as an organic whole and given effect to. If any part of it is cut out, the plan will be seriously mutilated, and will not yield the desired results. For instance, if the lottery is not approved, lands will not be disposed of and more and more lands will come into the possession of banks, thus aggravating the problem of annual deficit unless Government conceives of some other method of equally quick disposal of lands. If the deposits are not converted into debentures or banks are not in a position to reduce the rate of interest from 4 to 3 per cent, impatient creditors will try to put the banks into liquidation and the annual charges on the funds of the banks will be so heavy as to make revival of the movement absolutely impossible. In fact, if the lottery is approved and proves successful, and we have every hope that it will, most of the difficulties of the movement will immediately disappear and it might be possible for the movement to redeem the debentures long before the period of expiry and to raise fresh capital at 3 per cent in excess of which for some time to come at least it will not be possible for banks to pay interest. None can be more conscious than the members of the Committee that the solution suggested by us is not ideal or free from difficulties. Indeed when the movement has got into an impasse by the operation of factors spread over several years and over many of which neither Government nor the honorary workers could have had any control, the solution is bound to be difficult and open to various criticisms. What we have to consider at this stage is what under the circumstances is the best solution. We have got to weigh the pros and cons of the different schemes and accept that which appears to be the least objectionable or the most practicable. Approaching from this angle we feel that the scheme suggested by us is the one which is least open to objection and most conducive to success. It has the merit of not requiring Government to shoulder a substantial portion of the burden and should the land values appreciate in the next 25 years there will be no loss to Government at all. It does not demand a sacrifice on the part of the Provincial Bank which will be unreasonable. It requires a sacrifice on the part of the depositors and the creditors who cannot expect to get back every

pie of their money when they invested their capital in a business which they knew or ought to have known was connected with agricultural finance. It ensures slow, gradual but certain revival of the movement based on past experience and taking care that the future is built on a solid foundation. The scheme carries with it maximum measure of agreement between the different interests concerned with the problem.

24. Lastly, we must bring to the notice of Government that the situation in Berar has become serious and the movement is on the edge of a volcano. The crisis was precipitated by the refusal of the Provincial Bank to advance further loans, but no right-minded person can really take objection to the policy of the Provincial Bank which must be based on considerations of safety and of sound banking principles. The confidence of the depositors in the integrity of the movement has been shaken and if the withdrawals of deposits have not been as heavy and rapid as they might be expected, the reason is that the people know that a committee is enquiring into the matter and will report shortly. We have met many people who have informed us that they are simply waiting for the findings of the committee and the decision of Government thereon. It is, therefore, necessary that our report should be considered with least delay and that the decision of Government should be announced to the public within a very short time and certainly before the next session of the Assembly. As the scheme recommended by us involves legislation, we would point out that an early decision might be reached and that the necessary legislation should be introduced in the March session of the Assembly so that the period of uncertainty might be ended and Government's earnestness to find a solution of the problem emphasized. In financial matters delay will mean not only defeat but danger and we, therefore, take this opportunity humbly to impress upon Government with all the emphasis at our command the necessity of a just and speedy solution.

*Specimen holding—16 acres, value Rs. 1,000. Land revenue—Rs. 432
Payin? capacity—Rs. 32.*

Amount for working out the instalments	Number of instalments						
	20	25	30	35	40	45	50
EQUATED INSTALMENTS AT INTEREST AT 4 PER CENT							
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,000	74	64	58	54	51	48	47
900	66	58	52	48	45	43	42
800	59	51	46	43	40	39	37
700	52	45	40	38	35	34	33
600	44	38	35	32	30	29	28
500	37	32	29	27	25	24	23
EQUATED INSTALMENT AT INTEREST AT 4½ PER CENT							
1,000	77	67	61	57	54	52	51
900	69	61	55	52	49	47	46
800	61	54	49	46	43	42	40
700	54	47	43	40	38	37	35
600	46	40	37	34	33	31	30
500	38	34	31	29	27	26	25

Specimen holding—16 acres, value, Rs. 1,000. Land revenue—Rs. 432. Paying capacity—Rs. 32—concl'd.

Amount for working out the instalments	Numbers of instalments						
	20	25	30	35	40	45	50

EQUATED INSTALMENT AT INTEREST AT 5 PER CENT

Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,000	80	71	65	61	58	56	55
900	72	64	59	55	52	51	49
800	64	57	52	49	47	45	44
700	56	50	46	43	41	39	38
600	48	43	39	37	35	34	33
500	40	35	33	31	29	28	27

EQUATED INSTALMENT AT INTEREST AT 5½ PER CENT

1,000	84	75	69	65	62	60	59
900	75	67	62	58	56	54	53
800	67	60	55	52	50	48	47
700	59	52	48	45	44	42	41
600	50	45	41	39	37	36	35
500	42	37	34	32	31	30	29

CHAPTER X.—MISCELLANEOUS MATTERS

1. In this chapter we propose to make suggestions regarding some other matters relating to the movement which have not already been dealt with in the previous chapters.

Necessity of a reduction in expenditure

2. The central banks are meeting even their establishment expenditure from fresh borrowings. Such a position is financially untenable. In the near future also, there is no hope of the income rising substantially. Therefore, it is absolutely necessary for the central banks to make drastic reductions in their expenditure, even if it be at the cost of some efficiency. The question is not what we would like to have, but what we can afford to have. Our suggestions for a reduction in expenditure are as follows:—

Reduction in the strength of the staff.

(1) After the management of the central banks is taken over by the Berar Central Banking Board, as recommended by us in a previous chapter, it should be possible to make a considerable reduction in the number of employees. For example, in a small taluq bank it should not be necessary to have a highly paid manager. In making this reduction, inefficient men should be weeded out.

Reduction in salary.

(2) For some time to come, the main work of the central banks will be the management of lands and collection of the out-standings. It has been found that for this kind of work highly educated employees are neither necessary nor suitable. This work can and should be done by a lower paid agency. The more educated and highly paid employees should be necessary only for the education and supervision of the new healthy societies.

Berar Co-operative Institute Staff.

(3) It has been brought to our notice that the present system under which the field staff belongs to the Institute and the bank staff to the bank is not working satisfactorily. Some office-bearers have complained that the staff does not care for them or for their orders. On the other hand, it has been brought to our notice that even the Berar Co-operative Institute staff sometimes cannot express its opinion candidly for fear of annoying the members of the Local Supervision Committee or the directors. However, these defects should automatically disappear after all the staff is brought under the control of the Central Banking Board. There will then be no necessity for the contribution at present paid to the Institute and we suggest that it (*i.e.*, the contribution) should be abolished. Each bank will be required to bear the expenditure on account of the staff attached to it.

Uniformity in Registers, Forms, etc.

(4) At present, each central bank gets its forms and registers printed separately. In future there should be a uniformity in this matter. In that case, they can be printed at one time which will reduce the expenditure to some extent.

(5) At present, under some central banks disproportionately heavy expenses are incurred in connection with general meetings, travelling allowance to directors, etc. After the proposed central management comes into force, these expenses will automatically disappear.

(6) Another way in which the expenditure can be considerably reduced is by the abolition of the offices of the central banks at taluq places. Only one central bank at the headquarters of each district should be quite sufficient. But this is possible only if the assets and liabilities of all the central banks can be pooled together. We have already mentioned the difficulties in the way of such an amalgamation. However, if and when such an amalgamation becomes possible, this suggestion might be considered.

Increase of income

3. It is also necessary for the central banks to increase their income in order to wipe out the existing deficits and to guard against future recurring deficits. For this purpose, the following suggestions are made :—

(1) The central banks should take up other forms of banking business such as selling cheques and advancing loans on the security of gold, silver, grain, cotton and other articles of merchandise. In other provinces, such as Bombay, this business has been quite successful and has added to the income of the central banks. There is no reason why with proper precautions it should not succeed in Berar also.

One of the reasons for the present difficulties of the central banks is that they have locked up all their assets only among one particular class of persons, namely, the agriculturists. If the assets are distributed in different professions, the risk of the bank coming into difficulties as a result of any particular industry being adversely affected at any time will be reduced. This will be an additional advantage in taking up other kinds of business.

In order to facilitate this business, Government should allow the use of Remittance Transfer Receipts free of charge as is at present allowed for the transfer of funds in connection with the financing of societies. If there are any impediments in the way, they should be removed by suitable representations to the Government of India and the Reserve Bank, enlisting, if necessary, the support and sympathies of other provinces.

The central banks will also require money for taking up this business. It will not be in the interests of the Provincial Bank to grant further loans to central banks if they are to be merged in the general assets and then to stand in the position of the other creditors even for these additional advances. In order to safeguard the interest of the Provincial Bank so that it may have no objection to grant additional loans for this purpose, the following procedure should be followed :—

(a) These loans should have a first charge on the rights and assets of the central bank which it acquires during the course of the new business.

- (b) The other assets of the central bank also should be a security for any loss that may arise to the Provincial Bank in case the assets mentioned in the previous paragraph fall short.
- (c) There should be a separate account for this branch of the business and the cash relating to this business should never be used for any other requirements of the central banks.

We are of opinion that with these precautions the Provincial Bank can safely finance the central banks for this business and will be running no risk of loss.

Formation of New Societies

(2) There is very little scope for healthy financing in the existing societies. Therefore, so far as these societies are concerned, the central banks are now reduced to mere debt-collecting institutions and the co-operative movement has practically ceased to exist. It is necessary to revive the movement by the formation of new societies on healthy lines. The lines on which these societies should be organised will be discussed later. The formation of new societies will incidentally also increase the income of the central banks. In these societies loans should be granted for cultivation purposes only and after proper scrutiny regarding the paying capacity. No default should be tolerated and a tradition of punctual payments should be built up. The Provincial Bank should grant loans to central banks for this purpose and the following procedure should be followed:—

- (a) There should be a separate account kept for this new business.
- (b) The cash relating to this business should not be utilized for any other purpose.
- (c) The Provincial Bank should have a first charge on these rights and assets of central banks arising from this business.

With these precautions, we are of opinion that the Provincial Bank can safely advance loans to the central banks for financing these new societies.

Land to be ploughed where necessary

4. There are the following classes of land owned by the central banks:—

- (1) Good land in good condition.
- (2) Good land but in neglected condition.
- (3) Poor land.

It is comparatively easy to lease out the land of the first class. There is still a large area of land which is inherently of a good quality but for which proper lease money is not being received because it is in a neglected condition. It has been suggested that such land should be ploughed. We have very

carefully examined this suggestion. The following are the points against this proposal :—

- (i) It has been demonstrated conclusively that the present staff of the banks and the Institute is not suitable for work in connection with the management of lands. Ploughing of large areas will involve additional work and the staff will not be able to do it properly.
- (ii) Even if the staff can do this work, it is very doubtful whether the expenditure incurred will be recouped with interest in the shape of higher lease money or higher selling price.

On the other hand, it is contended that the expenditure thus incurred will be more than recouped in the shape of better lease money and higher selling price. It is difficult to make a general statement on this point. We would suggest that a careful examination be made of such fields and those lands should be ploughed where the expenditure is likely to be recouped. The Agricultural Department may be induced to undertake this ploughing by a tractor and charge to the central banks a reasonable amount per acre. Government will be justified in incurring this capital expenditure in purchasing a tractor because ploughing by a tractor will increase the productivity of the land. It will also serve as a propaganda for the introduction of improved machinery for agricultural purposes. The Provincial Bank should finance the central banks for this purpose also. This loan should have a first charge on the lease money of the land and so there need not be any risk to the Provincial Bank.

It will not be desirable to spend any more good money on land of the third class, namely, poor land, and efforts should be made to sell it as early as possible and at any price.

Long-term leases

5. When lands are leased out for only one year at a time, the lessee has no incentive to improve the land and often leaves it in a condition worse than that in which he got it. As an inducement for improving the land, we would recommend that leases may be given for periods up to 5 years, provided the following conditions are satisfied :—

- (1) The lessee undertakes to improve the land.
- (2) The stipulated lease money is somewhat more than that which can be obtained at the present depression level from yearly leases.

6. We discuss below some other points relating to the management of the banks :—

Utilization of village officials for recovering lease money.

It has been suggested that patels and patwaris should be utilized for recovering lease money and for these services they should be given some commission. We have carefully examined the question and have also discussed it with several revenue

officers. The following are the difficulties in adopting this suggestion :—

- (1) There can be no financial liability on them for failure to recover the lease money.
- (2) It is possible that in many cases they will make no efforts to recover the lease money. There are always some lessees who pay voluntarily and who would have paid the amount to the bank staff also. The village officials will get commission on such recoveries without having done anything, to earn it.
- (3) Once the practice is begun, it will be difficult to discontinue it. The village officials might begin to look upon it as their right. They are in a position to put obstacles in the way of the recovery of the lease money unless commission is paid to them.
- (4) In order to favour their friends, they will be inclined to report as irrecoverable even those amounts which can be recovered.
- (5) For scrutinising such reports and for recovering the amounts not recovered by the village officials the banks will still have to maintain the staff.
- (6) As they will be required to make the recovery, the village officials might insist upon the leasing also being done according to their recommendations and, if this is allowed, it might lead to favouritism and losses to banks.

We are of opinion that this suggestion, if adopted, is not likely to improve recoveries of lease money. On the other hand there is a likelihood of some additional losses to the banks. Therefore, we are not in favour of the proposal.

Change in the law of pre-emption

7. The present provisions in the Berar Land Revenue Code regarding pre-emption will come in the way of the success of the sale of lands by hire-purchase system. It is possible that after the cultivator has paid the instalments regularly for the full term and the land is sold to him for a nominal price, a co-occupant might sue him for pre-emption. Even if the consideration for the sale is shown to be the full amount paid in instalments, still such claims might deprive the cultivator of the fruits of the improvements made by him during the period of the instalments. We recommend that these provisions should be so amended as to exclude such sales from claims on account of pre-emption.

These provisions are causing difficulties to the central banks even in the ordinary out-right sales. For fear of such pre-emption suits, people are reluctant to purchase sub-divisions. In ordinary private transactions, the purchaser generally protects himself by inserting an inflated price in the sale-deed. This device is obviously not possible when a co-operative bank is a seller. The banks sell their lands by holding auctions. The Registrar has laid down a procedure which corresponds to that followed by the revenue officers in holding public auctions. The date, time and place of the auction and the property to be sold

are made well-known by a proclamation in the village at least 15 days before the date of sale. We would, therefore, recommend that such sales should be considered as public auctions and no claims regarding pre-emption should be admissible after such sales. The provisions of the Berar Land Revenue Code should be amended accordingly.

Delay in execution proceedings

8. We have come across many cases where for very trifling reasons, the execution proceedings before the revenue officers have dragged on for many years, sometimes for as many as five years. In the first place, even when the debt to be recovered is nearing or is even above the market value of the property, unnecessary attempts are made to save the property. The requests of the members to postpone sales are granted too freely. Even when, after the execution case has dragged on for some years, the auction is held, the sale is not confirmed on the ground of inadequate price. Even if a central bank is prepared to bid at the auction, a minimum price is fixed which in many cases is more than the actual market value. If the central bank does not bid above this arbitrarily fixed price, the sale is postponed for another year. During all this time the interest on the decretal amount continues to run. If by the time the property is actually sold, the sale-proceeds do not suffice to meet the whole of the claim and the member has no other property, the deficit will have to be recovered from his sureties or from the other members of the society as they are jointly and severally liable. Thus the delay in these execution proceedings fails to save the property of the debtor and at the same time causes hardship to the other members of the society. These dilatory proceedings may probably help an ordinary debtor and may be unobjectionable, but in the case of a member of a society such delays are very harmful to other members and to the movement. Central banks also are put to a loss because the member almost always stops paying the land revenue as soon as coercive proceedings are started against him. We are, therefore, of the opinion that delays in the execution proceedings against members of co-operative societies should be avoided and the property should be sold as early as possible and that these cases should be distinguished from similar proceedings initiated at the instance of private decree-holders.

Recovery of arrears of land revenue

9. We have found that central banks are required to pay arrears of land revenue in the following kinds of cases :—

Sales for arrears of land revenue.

(i) Revenue officers call upon central banks to pay the land revenue due on the land which has been sold for recovering arrears of land revenue.

There are not many instances of this kind but still there have been some cases where the central banks have been required to pay the arrears for some years previous to the date of sale. The law is quite clear on this point. Under section 163 of the Berar

Land Revenue Code, the purchaser is not liable for such arrears and the central banks should refuse to pay them. We would also recommend that the attention of the revenue officers should be drawn to this provision and they should be instructed not to make such demands. Central banks make the payment in order to avoid conflicts with revenue officers even though they can legally refuse to do so.

Mortgaged lands.

(ii) Central banks are required to pay the land revenue due on the lands mortgaged in their favour.

The banks are told that if these arrears are not paid up, the lands will be sold for arrears of land revenue to avoid which (sales) the banks have to make the payments. If such sales are held there is a danger that an outsider might purchase the land for a very low price and the bank will lose its rights as a mortgagee. It is true that under the law as it stands at present this action of the revenue officers is not illegal but it puts the banks to unnecessary expenditure. We are of opinion that all efforts should first be made by the revenue officers to recover these arrears from the actual occupants by attaching the standing crops. If even after all efforts the arrears are not recovered, the central banks should refuse to make the payment and allow the lands to be sold for arrears of land revenue and purchase the land at the auctions. There will, no doubt, be some cases in which this procedure may not be in the interest of a central bank. In such cases, there is no alternative but to pay these amounts.

Fifty-six class cases.

(iii) After the lands are purchased by central banks at auctions held in the execution of decrees (56 class), the banks are required to pay the arrears of land revenue for the period during which the member was in possession.

The banks have been required to pay large amounts in this way. It is estimated that the Akola Central Bank alone has had to pay about Rs. 40,000. In order to avoid this hardship, we recommend that the following procedure should be adopted :—

- (a) The revenue officers should make efforts to recover the land revenue from the member in the very year in which it falls due and not allow the arrears to accumulate. This can be done by attaching the standing crops and by other coercive methods allowable under the law.
- (b) If the land revenue is still not recovered no further time should be given in the 56 class case and the property should be put to sale immediately.
- (c) The amount due on account of the arrears of land revenue should be clearly mentioned in the proclamation so that the purchaser may know the financial implications of bidding at the auction. These sales should be made subject to the encumbrances notified in the proclamation. Encumbrances not notified should be deemed to have been discharged.

Lessees.

(iv) The banks are required to pay the land revenue due on the lands leased out by them while the lessees reap the crops and pay nothing to the banks. Revenue officers make no efforts to recover the land revenue from the lessees. There have been numerous cases where patels and patwaris themselves are the lessees and have paid neither the lease money nor the land revenue. Requests made to the revenue officers to deduct the land revenue from the amounts due to them on account of their commission have not been granted.

The following memorandum (No. 148-V, dated the 23rd February 1938) issued by the Deputy Commissioner, Akola, to the Tahsildars illustrates the attitude of the revenue officers and the reasons for it:—

“I notice that village officers attempt all the time to recover land revenue due on leased fields from lessees who are actually in possession without making any attempt to recover the money from the Kabzedar by attaching the land. It will be seen from section 132 of the Berar Land Revenue Code that the person primarily liable for the payment of land revenue in an occupant's holding is the occupant thereof. Under section 133 in the case of default by any person who is primarily liable the land revenue is recoverable (‘must be recovered’) not from any person in possession of the land. In other words, the lessee is liable only when the occupant himself has defaulted. It is very convenient for absentee landholders to enter into an agreement with lessees that they should pay the land revenue of the leased fields. They then utilize the village officers to realise part of their lease money in the shape of land revenue on the land. This is obviously undesirable and in future no *demand* should be made from lessees and bataidars for land revenue. If they voluntarily offer the money, it should be accepted and credited towards the land revenue of the field concerned. If the occupant does not pay the assessment on his land on the due date and is not resident in the village, it is absolutely unnecessary for the village officers or for Mahars or for any one else to search the man all over the taluq. Above all they should not harass the lessee to pay. The field should be attached immediately and after the issue of proper proclamation should promptly be sold in the village itself if possible. If the lessee buys the land for the arrears, so much the better from the point of view of the cultivating village community.

2. I attach great importance to this procedure. Tahsildars must impress it on the village officers that it is not their duty to act as collectors of lease moneys from lessees. A circular should be issued to Revenue Inspectors that all leased lands for which current year's arrears are outstanding should immediately be reported for attachment and sale. I shall make a special point of looking into action taken by Tahsildars when I am on tour or inspect Tahsils.”

In view of the fact that the co-operative central banks are entirely different from other absentee landlords and are entitled to active help from Government, we would suggest that

instructions should be issued to revenue officers to make efforts to recover the land revenue first from the lessees. If necessary, the standing crops should be attached and sold.

Delay in liquidation proceedings

10. We find that at present the liquidation proceedings of primary credit societies drag on for many years, sometimes for more than even 10 years. It is desirable that these proceedings should be wound up as early as possible and in order to achieve this we make the following recommendations :—

- (i) Before a society is put under liquidation it can apply for and obtain from the Registrar a mortgage award against a member defaulter who has executed a mortgage as security for the loan. But as soon as the society is put under liquidation, the liquidator cannot obtain any award from the Registrar nor can he himself pass a contributory order which will be equivalent to a mortgage decree. He can pass only a simple contributory order. If he wishes to take advantage of the mortgage-deed, he must file a suit in the civil court and obtain a mortgage decree. This procedure takes a long time. We recommend that the Act should be amended so that the liquidator himself can pass an order which would be equivalent to a mortgage decree.
- (ii) Under the present law, if a liquidator has to proceed against a non-member heir or legal representatives of a member, or past member, he has to file a suit in the civil court. The law should be amended so that he can refer such disputes to the Registrar.
- (iii) At present the liquidator merely passes the contributory orders. After that they have to go through the lengthy execution proceedings in the civil and revenue courts and in this matter he is in no better position than an ordinary creditor or moneylender. In order to expedite the collection of the assets of the society he should be given the powers of executing his own orders and selling the property. Thus, he should have the powers of both the civil court and the Tahsildar so far as the execution of his contributory orders is concerned.

Primary Societies

11. We shall now deal with our recommendations regarding the working of primary credit societies—

Co-operative Society and Rural Uplift.

(a) As has already been mentioned before, very few of the old societies are now working. Even in these few societies, this is no sign of a corporate life. Members do not understand fully their rights and responsibilities and look upon the society as merely an agency for obtaining loans. The society, as it has been worked so far, has failed to improve the economic condition of its members. We are of opinion that the main reason for this

failure is that the co-operative society merely provided him with cheap credit. This by itself cannot improve the economic condition of the members. The society should control and guide all his other activities and help him to increase his income, to reduce his expenditure and to spend and live wisely. Unless this is done, the saving of a few rupees in the shape of interest can do no good to the members. Therefore, we feel that the co-operative society should also take up measures for the uplift of the village in general and of the members in particular. It should take up all kinds of co-operative activities such as co-operative production, purchase and sale. Members should also be taught how to regulate their expenditure so as to get the maximum benefit from it. In other words, the co-operative society should be a "multi-purpose society" of which credit should be only a branch.

Local capital.

(b) Efforts should be made to attract local capital as deposits in the societies. This will create local stake and so stimulate local interest and ensure stricter supervision.

Fresh advances.

(c) In future, loans should be granted only for meeting the cultivation expenses. They should be rigorously recovered from the crops and no wilful default should be permitted. A tradition of punctual payments should be built up.

Registrar's power regarding resolutions.

(d) There have been many instances where under the influence of some big borrowers or other influential members, resolutions have been passed by the societies showing favours to some particular members which have caused heavy losses to the societies. In some cases such resolutions are final and nothing can be done to upset them when they come to the notice of the central banks or of the Registrar. In such cases when the resolution is clearly against the interests of the society or the other members, the Registrar should have the power to direct that the resolution shall be considered invalid.

Regulation of renewals.

(e) We found in the course of our enquiry that a pernicious practice had grown up of grant of renewals in respect of defaulted instalments without consultation with the central bank which is the financing authority and in many cases against the interests of the financing authority. A rule has recently been inserted in the rules framed under the Co-operative Societies Act which lays down that defaulters cannot be elected as directors or office-bearers in a bank. This salutary restriction has been circumvented by the practice of renewals. Cases have occurred where the society was given 5 instalments by the central bank but the society gave to its members as many as 20 instalments. Cases have also occurred in which the society gave instalments to its members without itself obtaining instalments from the financing

bank. There are instances in which instalments have been given to the detriment of the interests of the central bank. These cases occur where there is collusion between the society and its members or where a society is dominated by a group of big borrowers who have appropriated to themselves the bulk of the loan and who by reason of their influence or importance impose their will on the other members of the society. We recommend that the rules should be so framed as to discourage such practices and abuses. The consent of the financing bank (*i.e.* central bank) should be necessary before a renewal is granted by a society to its members. In the same way consent of the financing bank should be necessary before a society settles a claim of its member by a compromise. Cases have occurred, for instance, under the Amraoti Central Bank, in which societies acting in collusion with members have compromised the claims of their members for comparatively small amounts and have purchased lands at far above their market value knowing fully well that ultimately these lands will pass on to the bank and the loss will be suffered neither by the society nor by the member but by the central bank. There should be a rule which would effectively prevent such malpractices.

Surcharge.

(f) Similarly, there have been instances when, on account of the deliberate action or wilful negligence of the office-bearers or of the panchayat, loss has been caused to the society. We recommend that in such cases the Registrar should have the power to levy a surcharge on the persons responsible for the loss. This provision should be applicable to central banks also when the normal constitution is restored.

Lien to be converted into charge.

(g) Under the present section 19 of the Co-operative Societies Act, co-operative societies have a priority of claim, but this priority is allowed in respect of certain loans only and can be enforced only after an award is passed by the Registrar. In actual practice this provision gives no advantage to the society, because by the time the award is obtained and executed the member can easily transfer his property or the crops. The Bombay Act converts this priority into a regular charge and allows it in cases of all kinds of loans. We recommend that a similar provision should be made in these provinces.

Joint Liability.

(h) As a result of successive defaults on the part of members, the debts have increased considerably and have gone much above the amounts originally granted to them. On the other hand, land values have fallen. The result is that in many cases, the debt now exceeds the present market value of the property owned by the member. This has necessitated enforcement of joint liability against the other solvent members. In most of the societies, the debt of every member exceeds the value of his property and there is no scope for enforcing joint liability against any member, but there are still some societies in which there are a few

solvent members in whose cases there is still some margin between their debt and the present value of their property. The following figures show the extent to which joint liability has already been enforced in Berar and is likely to be enforced in future. In most cases of the latter class the property has already been attached and is to be sold in the near future :—

Amount already recovered.

- (1) Number of societies—148.
- (2) Number of members—361.
- (3) Area of land taken—3,207 acres.
- (4) Present multiple value of (3)—Rs. 1,66,227.
- (5) Cash taken—Rs. 59,358.
- (6) Value of other property taken—Rs. 4,210.
- (7) Total amount recovered [Total of (4), (5) and (6)]—
Rs. 2,29,795.

Amount likely to be recovered.

- (1) Number of societies—226.
- (2) Number of members—591.
- (3) Amount likely to be recovered—Rs. 5,76,242.

Strictly speaking, joint and unlimited liability is the fundamental principle on which a rural co-operative credit society is formed, and the intention underlying is to ensure mutual check and supervision. But we find that one of the main causes of the present unpopularity of the movement is this enforcement of joint liability. In some cases it has caused real hardship. We are told that those solvent persons who are afraid that they will be required to pay under joint liability are withholding payment of their own debt also on the ground that in any case they are to lose the whole of their property. It is further said that really solvent members hesitate to join a co-operative society for fear of this liability. We find that in some other countries, rural credit societies without unlimited liability have been formed and are working well. In our provinces also, some societies with limited liability have been formed recently and they have begun well. We recommend that in the primary societies to be formed in future there should be joint liability but it should be limited to an amount equal to five or at the most ten times the share capital held by them in the society.

As regards the existing societies, we find that in some cases this enforcement of unlimited liability has caused much hardship. It is also true that the necessity for the enforcement of this joint liability has arisen mainly on account of the unprecedented fall in the values of land and not through any negligence or dishonesty on the part of the other members. Therefore if it were possible, we would have recommended that this joint liability should not be enforced even in the existing societies. But even after taking the amounts likely to be recovered under joint liability into account, there is a deficit of Rs. 14.79 lakhs in five central banks. The central banks have already recovered about Rs. 2.29 lakhs under joint liability and hope to recover about Rs. 5.76 lakhs more. If Rs. 5.76 lakhs are to be given up,

it is but fair that Rs. 2.29 lakhs also should be given up and returned to the persons who have paid them. The movement will then have to give up claims worth about Rs. 8 lakhs. The waiving of these rights in deficit banks will cause additional loss to the banks and it will not be legal for such banks to forego them. The creditors also might object to such a course. Therefore, unless the safety of the deposits in such banks is also ensured, it will not be possible for them to give up these rights.

Recoveries and conciliation of debts.

(i) The present predicament of the co-operative movement cannot be wholly explained by poor crops, low prices or depreciation in land values. Wilful withholding of payment has doubtless materially contributed to the accumulation of overdues and consequent financial embarrassments. We have remarked in another connection that there are many members who though able to pay are not paying because of the fear of the ultimate loss of their property through enforcement of joint liability. If it can be shown to the members that by making regular payments their debts will be discharged and their property will yet be saved to them, we have no doubt that repayments will begin and the frozen overdues will begin to thaw. It must be demonstrated to a member that the debt which he is called upon to discharge is within his paying capacity and that if he pays regularly within a reasonable number of years, his liabilities will be wiped out and he will be a free man. Evidence of office-bearers of banks, members of societies and staff of the co-operative movement is unanimous on this point, *viz.*, that for the recoveries to begin there must be conciliation of debts within the paying capacity of the members. As a corollary of this it will follow that there will be a further shrinkage in the total assets. The disparity between assets and liabilities will become wider. The deficit of Rs. 14.79 lakhs of today may become substantially larger. It is difficult to estimate what the exact financial effect of this conciliation of debts would be, but it is believed that roughly the further loss to the movement would be Rs. 25 lakhs. The total disparity would thus be Rs. 40 lakhs. If this relief is to be given to the members, as it must be in order to revive the flow of repayment, arrangements must be made for a corresponding accommodation of the creditors of the movement. All our proposals require the Provincial Bank to suspend recoveries of principal of and interest on Rs. 10 lakhs of its claim and it is, therefore, obvious that no further sacrifice can be demanded of it. That leaves only two agencies which can be considered, *viz.*, Government and the depositors. One school argues that simultaneously with the conciliation of debts there must be a conciliation of the claims of the depositors. It is argued that whether we conciliate the debts or not, repayment will never exceed what we propose to conciliate the debts to and, therefore, for all practical purposes, the assets of the movement are not what we calculate as the present book assets, but what would be the assets after a sympathetic conciliation of debts. A depositor is only entitled to a rateable distribution of the assets and, therefore, if he is called upon to bear the loss consequent on the conciliation of debts, he is not asked to bear any additional or

unreasonable loss. Even in liquidation we cannot get from a member what does not belong to him or what he is not worth, and the depositor as a creditor will not get from the liquidator what he has not been able to recover. Liquidation will not, therefore, be more advantageous to the depositor than conciliation of debts as proposed above. In liquidation, recoveries may be still less and the share that may fall to the depositor may also undergo a corresponding reduction. On the other hand, conciliation has the advantage of ensuring regular payment and distribution of the proceeds to depositors while keeping the movement alive. The other view is that conciliation of deposits is nothing short of liquidation and that a depositor would prefer liquidation to this arbitrary conciliation. The desirability of keeping the movement alive may make no appeal to the depositor. If the depositor has to forego half of his claim he might precipitate liquidation and get immediately whatever he can from the salvage of the movement. Conciliation of deposits will shake, once and for all, the confidence of the depositors and the investing public in the safety and integrity of the co-operative movement, the repercussions of which will travel far beyond the four corners of Berar. Even sound banks in the Central Provinces and the Provincial Bank may be affected and there may be heavy withdrawals of deposits which might bring forthwith new problems. The co-operative movement is the only agency which can provide cultivation finance and nothing should, therefore, be done which is likely to disturb its equilibrium or affect its efficacy. The advocates of this view argue that conciliation of debts of members is no doubt desirable and essential but that its burden must fall not on the depositors but on the Government. They contend that reduction of debts has been necessitated not through any fault of depositors or workers in the co-operative movement but by factors beyond their control. The calamity is a national one and must, therefore, be met by a national force which only the State can provide. Secondly, the conciliation of debts is fundamentally in the interests of agriculturists for whom no sacrifice on the part of the State can be said to be too heavy. It is true that for the State to shoulder the liability means that the tax-payer should be required to provide the money but then the general tax-payer is bound to find the money for the improvement of agriculture and for the relief of agriculturists. From the point of view of both helping agriculturists and avoiding dislocation of the only available instrument for financing agriculture, the State will be justified in taking over the responsibility for the loss that would be caused to the movement by the process of conciliation of debts so as to bring them within the paying capacity of members. We have tried to place ourselves in the position of Government and to look at the problem from the Government point of view and we are convinced that there is nothing wrong in principle or expediency in Government bearing the loss to the movement involved in the conciliation of the debts of members. Although we have devoted a large part of our report to the financial reorganization of the central banks, we have not been oblivious of the patent fact that the primary society and not the central bank is the pivot of the movement and that until and unless action is taken for the revival of the

primary society there can be no life in the co-operative movement. For the primary society to be made alive again, the incubus of overdues must be eliminated and members must be made liable to only such debts as they are capable of discharging while still retaining their lands. We have also suggested reorganization of the primary society so that the provision of cheap credit does not remain the sole function of the society. By its many-sided activities it should be possible for the society to improve the economic well-being of its members thus ensuring a better paying capacity and the unhampered pursuit of his only means of livelihood. We would suggest that conciliation of debts should take place not only in the working societies but also in societies under liquidation, not because we feel that the societies of which registration has been cancelled are capable of being revived but because that is the only practicable way of bringing forth recoveries from persons who otherwise find it more profitable to be obstructive and unreasonable. Before we close we could like to emphasize that we consider reorganization of primary societies by the scaling down of debts as an integral part of our recommendations.

(j) As to the agency for carrying out the operations of conciliation of debts of members, we would suggest a small staff working under the Registrar of Co-operative Societies and invested with the powers under the Debt Conciliation Act. Debt Conciliation Boards appointed under the Debt Conciliation Act are, in our opinion, not suitable for settling claims between members of co-operative societies and their societies and central banks. We understand that a more or less similar procedure is being devised in the Presidency of Bombay.

12. We have made a number of suggestions in this chapter, which, to be given effect to, would require an amendment of the present Co-operative Societies Act. The present Act is a central enactment and dates as far back as 1912 when the co-operative movement was still in its infancy. Since then nearly a generation has passed which has been full of vicissitudes and during which we have burnt many fingers and learnt many lessons. A number of defects have come to light. The Act was thoroughly examined and overhauled by an influential committee on which a majority of our members worked and which has drafted a bill which we understand has been recently amplified by the Registrar with the aid of a number of non-official workers who are known to be authorities on the movement and the law relating to co-operation. Burma, Bombay, Madras, Bihar and Orissa, all have provincial Acts framed to supply the many deficiencies which over a quarter of a century's working has revealed in the existing legislation. There are legal uncertainties particularly as regards disputes and liquidation proceedings which need to be cleared up. It is desirable that the Registrar should have powers to intervene and rescue a society from mismanagement without having to resort to the only weapon which he can now use, *viz.*, dissolution; and that penalties should be provided to deal with abuses which have been found to exist. Power is needed to enforce the demand of dues on those who withhold them without reasonable cause. There should be a means of ascertaining the actual indebtedness of a prospective member and of safeguarding the

society's interest by providing that it receives intimation of circumstances affecting his economic position. Loans must be restricted to safe amounts and used strictly for the purpose for which they have been granted, and sanctions must be enacted against irresponsible lending and misappropriation or misuse of sums borrowed. It is also advisable to make it clear that co-operation is not restricted in its scope to persons of small means as at present. The co-operative movement in the province has now passed its probationary period and, notwithstanding the present difficulties, is attempting to cover a much wider field of activities than was originally intended in the preamble to the existing Act. For a co-operative society in a village to attack the problem facing the villager on all fronts, the law should provide facilities to the movement to extend its activities in the direction of marketing of agricultural produce and products of subsidiary cottage industries, to improve the rural health and sanitation and to form thrift, better-living, better-farming and rural welfare societies. We hope that the bill will be immediately taken into consideration by Government and that it will be introduced in the next, i.e., March (1939) session of the Assembly so that much time may not be lost before it is enacted into law. Its provisions may appear in some ways stringent; but it must be remembered that these provisions come into effect only when misdemeanours and offences have been committed and that the co-operative movement cannot exist unless it commands the confidence and respect of the public. There is little justification for demanding that confidence and respect if there is no guarantee that it is deserved; and there can be no such guarantee if there is no provision penalizing an action which is unworthy of and undermines public confidence. We would, therefore, wholeheartedly support the various provisions made in the bill which when passed would replace the existing out-of-date Act.

We have already emphasized that credit is only one feature of the co-operative movement, though perhaps it may be the most important feature. But there are other aspects which call for attention if the co-operative movement is to play the role expected of it in rural economy. There is, for instance, co-operative marketing of agricultural produce. We find that for want of storage facilities, the agriculturists have to sell their produce at any price and the general tendency is for the prices to be low at the time when the harvest comes into the market for being sold. A beginning has been made with the provision of facilities for co-operative marketing by the erection of godowns in Chhattisgarh but nothing like that has so far been attempted in Berar. We would recommend that godowns should be constructed at important places where cotton and some of the other agricultural commodities can be stored waiting for being sold when the prices are most favourable. More attention may also be paid to adats societies which have not been particularly successful in Berar but which nevertheless offer good prospects for obtaining higher prices for the agriculturists. In this connection we feel that there ought to be greater co-ordination between the Co-operative Department and the marketing organization under the Director of Agriculture than appears to exist

at present. We might go one step further and suggest a co-ordination of the activities of the Agriculture, Co-operative and Industries Departments with a view to pursuing an intensive campaign of rural development. We believe that Government is considering a scheme for the creation of a Rural Development Department under a separate Minister and would rest content with expressing a wish that the goal will be achieved at an early date.

CHAPTER XI.—ADMINISTRATIVE

Although the co-operative movement in Berar has suffered a severe set-back as a result of the general depression, the working of the co-operative movement both in Berar and in the Central Provinces has increased to a considerable extent in recent years and with the establishment of land mortgage banks and expansion of the sphere of co-operation so as to embrace urban business, non-credit societies and rural uplift propaganda, there is in our opinion a clear need for a separate whole-time officer as Registrar, Co-operative Societies. We find that in this province he is entrusted with the work of other departments such as industries and rural uplift and has hardly time to devote the care and attention required by the evergrowing department of co-operation. Not a single committee or commission has sat here or in any of the Indian provinces without emphasizing the need of a whole-time Registrar. In paragraph 193 of their Report, the Maclagan Committee have stated as follows:—

“The post of Registrar is not one which can without detriment be combined with other duties and we consider that the Registrar should be, as he is already in most provinces, a whole-time officer.”

Again in 1922 the King Committee which examined the position of co-operative societies in the Central Provinces impressed upon Government the exacting nature of the Registrar's duties and the heavy responsibility imposed upon him. In paragraph 15, the King Committee remarked as follows:—

“In the first place we desire to state that the duties of the Registrar are such as to require the whole of the time which any officer can reasonably be expected to devote to them. This was the conclusion arrived at by the Maclagan Committee in 1915 and it applies with much greater force now. If to the task of guiding and controlling the co-operative movement there is to be added that of organizing and developing the department of industries, the burden is greater than any one man, however able and industrious, can carry.”

The necessity of the appointment of an experienced officer as Registrar is emphasized in the following extract from paragraph 15 of the Report of the King Committee:—

“We feel that we cannot state too strongly our opinion that only a specially trained man who has shown by experience his fitness for the post should be appointed as Registrar. The work is of a very exacting nature and in our view as important as any administrative post in the province. * * * The duties of the Registrar require special knowledge and aptitude. A banker has a long period of training and must acquire practical experience before he can interpret a balance sheet. * * * It is just as essential that a Registrar of Co-operative Societies should have gained considerable experience of co-operative work before he attempts to guide and control a movement which was started by Government sixteen years ago and has in the interval developed into what we consider to be a very advanced organization.”

Again the Indian Central Banking Enquiry Committee observed as follows :—

“Status of the Registrar should be one of the very highest in the province. All authorities are agreed that in co-operation lies the one hope of rural India. The responsibility of the Registrar is, therefore, very great and is of such a nature that it should only be placed on the shoulders of men of proved capacity and administrative ability of the very highest order.”

Recently when the progress of the co-operative movement in this province was reviewed by Mr. Darling on behalf of the Government of India, he had the same criticism to make, *i.e.*, there should be a separate whole-time Registrar. The last authority to enter on the field with a positive recommendation to this effect is the Reserve Bank of India. In paragraph 31 of their Statutory Report under section 55 (1) of the Reserve Bank of India Act, they point out that in order to infuse new life into the societies, to introduce the various reforms suggested by them and to secure the growth of the movement on sound lines, a highly progressive, efficient and well-trained staff is a vital necessity. The Report goes on to say that since the Registrar forms the foundation of the whole movement, his training in co-operation, banking and rural economics requires the greatest possible attention. The Report further quotes the Royal Commission on Agriculture in respect of the following statement :—

“The modern Registrar must be fully abreast of the activities of all departments working for the improvement of rural conditions; he must see that there is a sound foundation of Better Business to support the superstructure of Better Farming and Better Living; the more efficient the movement, the more will other departments make use of it to promote their own special activities.”

The Reserve Bank gave lengthy quotations from different reports because they felt that not every Provincial Government had given these valuable recommendations the attention they deserved. They felt that the non-observance of these principles had resulted in hampering the progress of the movement in some of the provinces and they strongly recommended them to the serious consideration of the various Provincial Governments. We are convinced that time has now come when the post of the Registrar should be separated from other duties and there should be a separate whole-time officer appointed to it. Whether as a result of our recommendations the co-operative movement in Berar is revived or has to be liquidated, the work in future will require close supervision and constant guidance on his part. We would also emphasize that great care must be exercised in the selection of the Registrar and that before he is appointed he must be required to acquire a thorough knowledge and experience of the co-operative movement and banking. There must be a definite system by which future Registrars are trained up under a properly conceived plan.

2. We are also impressed with the inadequacy of the present co-operative staff in Berar in particular and in the province in

general. Now that rural uplift is looming large in the programme of all Governments including that of the Government of India, we would suggest that the proper staff to conduct such propaganda would be the co-operative staff. Village uplift is a special item in the election manifesto of the Indian National Congress and the present Government in our province is committed to it and has been devising ways and means to give an impetus to the village uplift activities in the province. If these two departments are co-ordinated as they ought to be, the increased departmental staff will be fully justified. On the co-operative side alone there is necessity for a close supervision of the work of the banks in Berar and also to keep a strict watch on the activities of the members of co-operative societies. Under our scheme Government would have to come forward to assure the depositors and give the guarantee as regards the safety of their investments. In the event of that scheme being accepted it will be absolutely necessary to ensure that Government is not put to a loss. Government will be vitally interested in the work of collection of overdues from members of societies as well as in the collection of lease money from cultivators so that the ultimate financial burden on Government arising from the guarantee may be minimized. We are also of opinion that the committee of management which will be appointed as the central agency after the suspension of the present constitution of the Berar banks should be given assistance of the staff of the individual banks, but the staff must be efficient and must be generally supervised by the officers of the department. It is not possible for us to give more details as to the increase required in the staff and we would rest content with bringing to the notice of Government the desirability of increasing the staff to ensure direct and close supervision of the working of the central banks in Berar for such time as the normal constitution is kept under suspense.

CHAPTER XII.—ACKNOWLEDGMENT, ETC.

Unanimity of conclusions but not necessarily of details

Happily for us and fortunately for Government our report is unanimous. It does not follow that every member of our Committee subscribes to every detail, view or opinion embodied or expressed in the report; but wherever there has been a disagreement, it has been on some minor point for which we did not consider it desirable to disturb the unanimity of our findings and to append a multiplicity of dissenting minutes. Every opinion of course reflects not only the view of the majority but also that of most members of the Committee, and such opposition as any particular member may have felt to it has not been thought fit for being made the subject-matter of a separate note. For instance, some of us may not agree that there was unjustifiable over-financing in the past, that it was improper for the Provincial Bank to stop advancing of loans thus compelling the banks to cease to run as banking institutions when our Committee had already been appointed and was to submit its report within a short time, that a demand can reasonably be made on Government for Government guarantee of debentures or even for a Government grant of Rs. 1 lakh annually until the lands in possession of the banks are disposed of, or that liquidation is preferable to a moratorium for 25 years without Government guarantee of the safety of the principal amount of the debentures. There is, however, one point on which there has been complete unanimity and that is that there is, in our opinion, no alternative to the scheme of lottery for a fair and speedy disposal of lands which are slowly but surely eating into the vitals of the co-operative structure.

2. We are fully conscious of the imperfections and deficiencies in our report and would point out that, pressed as we were by time, we could do no better. The problem entrusted to us was vast, complicated and urgent. We had to deal with an area with 12 central banks and over a thousand societies. We had to deal with the movement, the working capital of which exceeds a crore of rupees. We were hustled by the nervous depositors on the one hand and anxious banks on the other. We saw that everyone had pinned his faith on the findings of our Committee and decisions of Government thereon and had to expedite our proceedings. Our conclusions involve legislation and we had, therefore, to submit our report so as to give sufficient time to Government to consider our recommendations and, if approved, to prepare the necessary draft Bill for being introduced in the next session of the Legislative Assembly in March. The Registrar, a member of our Committee, had to work in addition to his duties as Registrar and Director of Industries, which duties are, as remarked by us in a previous chapter, more than one man can be legitimately expected to bear. Our Secretary was also not a whole-time officer and had to work in addition to his duties as Junior Deputy Registrar of a heavy and difficult circle like Berar. We had no time to revise our report or to ensure a better and more logical arrangement or to cut out repetitions. Some repetitions are of course

inevitable either for facility of reference or for making any particular point clear without having to refer to the previous contents. We have held the time, and not the literary quality of our report, as the essence of our task.

3. Finally we desire to record our sincere and cordial appreciation of the services of our member and Secretary, Rao Saheb S. B. Dave, whose intimate knowledge of Berar conditions and movement acquired from intimate contact extending over twelve years was of invaluable assistance to us in the prosecution of our investigations, preparation of tables and statements and formulation of our proposals. He carried out his arduous duties at high pressure and with an inadequate staff.

P. B. GOLE,
Chairman.

K. P. PANDE,
Member.

M. G. DESHPANDE,
Member.

W. B. LAKHE,
Member.

M. P. KOLHE,
Member.

V. K. SOMAN,
Member.

K. V. BRAHMA,
Member

C. C. DESAI,
Member.

S. B. DAVE,
Member and Secretary

NAGPUR :
The 14th February 1939.

APPENDICES

APPENDIX I

Progress of the co-operative movement in Berar.

Year	Number of central banks at the end of the year	Number of primary credit societies at the end of the year (excluding those under liquidation)	Number of primary credit societies (excluding those under liquidation)	Number of primary credit societies registered during the year	Number of primary credit societies cancelled during the year	Loans advanced in cash by the central banks to societies during the year	Loans recovered in cash by the central banks from societies during the year	Loans outstanding against the societies at the end of the year	Deposits in the central banks at the end of the year	Loans due to the provincial bank at the end of the year	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
						Rs.	Rs.	Rs.	Rs.	Rs.	
1911-12	..	3	30	561	..	..	33,248	17,657	25,391	6,226	..
1912-13	..	4	102	1,366	..	..	2,05,343	59,448	1,71,086	44,000	61,273
1913-14	..	5	171	1,993	..	..	2,94,363	1,76,185	3,35,356	90,967	1,15,080
1914-15	..	5	170	2,156	..	..	2,06,019	1,66,503	3,74,563	1,48,067	86,561
1915-16	..	5	197	2,653	..	..	2,66,417	2,61,470	5,19,331	3,28,407	75,611
1916-17	..	7	357	4,697	..	..	7,21,366	2,80,340	9,09,026	5,13,012	2,03,563
1917-18	..	8	377	5,473	..	..	10,11,541	5,66,672	13,83,369	8,07,992	2,99,852
1918-19	..	10	552	8,518	..	..	16,30,650	9,26,542	24,53,637	14,04,414	4,43,169
1919-20	..	10	750	10,626	..	..	26,23,450	16,97,331	35,18,627	19,85,789	7,79,976
1920-21	..	10	711	11,076	..	..	34,06,989	20,46,527	44,10,089	24,85,151	12,08,349
1921-22	..	10	706	11,226	..	..	24,29,813	28,33,010	40,72,794	33,40,188	7,49,524
1922-23	..	10	704	10,805	..	..	31,90,001	25,50,316	46,59,147	41,52,332	6,65,157
1923-24	..	11	706	10,745	..	..	10,67,436	30,46,929	42,54,222	46,99,828	3,82,469
1924-25	..	11	753	11,158	..	..	28,11,587	15,47,718	58,27,320	51,84,504	11,58,854
1925-26	..	13	758	11,361	..	..	18,41,582	11,18,097	71,90,835	56,40,929	18,74,904
1926-27	..	13	755	11,593	..	..	16,04,244	12,63,379	83,84,251	63,76,013	22,68,037
1927-28	..	13	768	11,784	..	..	16,12,868	25,72,131	83,54,403	75,34,859	12,07,127
1928-29	..	11 (a)	726	10,947	..	..	18,84,237	16,21,993	85,05,332	86,16,545	5,31,057
1929-30	..	11	725	11,004	..	..	18,39,227	19,87,600	91,39,151	93,94,991	6,06,036
1930-31	..	12	664	9,757	25	14	8,23,486	9,15,628	94,26,034	93,49,161	9,49,622
1931-32	..	12	608	8,964	11	74	2,84,969	5,02,201	95,89,156	85,06,048	12,56,668
1932-33	..	12	506	6,788	10	41	1,35,744	4,71,021	97,08,345	79,92,086	15,47,292
1933-34	..	12	579	7,592	4	36	1,04,939	4,17,925	97,42,975	79,52,306	17,37,941
1934-35	..	12	520	6,272	12	47	78,377	4,79,813	93,19,738	73,13,355	21,04,426
1935-36	..	12	533	6,036	52	32	1,05,174	3,25,780	90,16,643	71,17,613	23,86,295
1936-37	..	12	582	6,218	60	40	1,37,522	5,13,766	81,81,710	72,79,306	24,54,318
1937-38	..	12	670	7,316	112	49	1,88,689	3,38,571	82,23,419	67,86,610	28,86,640

(a) In this year the registration of two central banks at Jalgaon and Murtizapur which did not start working after registration was cancelled.

APPENDIX I—concl'd.

Progress of the co-operative movement in Berar—concl'd.

Year	Working Capital of the central banks at the end of the year	Societies under liquidation at the end of the year		Societies under award at the end of the year		Individual members under award at the end of the year		Total of columns (14), (16) and (18)	Area of land owned at the end of the year		
		Number of societies	Amount due to the central banks	Number of societies	Amount due to the central banks	Number of members	Amount due		By banks	By societies	Total of columns (20) and (21)
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Rs.		Rs.		Rs.		Rs.	Rs.	Acres	Acres	Acres
1911-12	32,798	..	..	..	..	..	..	..	..	..	..
1912-13	1,75,921	..	..	..	..	..	..	..	..	..	..
1913-14	3,58,010	..	..	..	..	..	..	..	..	..	..
1914-15	3,47,017	..	..	..	..	..	..	..	..	..	..
1915-16	5,56,907	..	..	..	..	..	..	..	..	..	..
1916-17	9,65,383	..	..	..	..	..	..	..	..	..	..
1917-18	14,27,381	..	..	..	..	..	..	..	..	..	..
1918-19	25,45,715	..	..	..	..	..	..	..	..	..	..
1919-20	36,08,551	..	..	..	..	..	..	..	..	..	..
1920-21	46,28,460	..	..	..	..	..	..	..	..	..	..
1921-22	51,43,139	..	..	..	..	..	..	..	..	..	..
1922-23	61,41,290	9	28,650	42	2,09,828	213	99,111	3,37,589	..	..	..
1923-24	67,54,603	22	34,455	51	1,94,980	235	1,31,595	3,61,030	..	..	..
1924-25	83,92,392	27	57,347	82	1,93,808	376	1,41,194	3,92,349	..	..	..
1925-26	98,23,763	36	88,529	41	1,68,221	496	2,63,750	5,20,800	..	..	..
1926-27	1,25,23,517	51	1,63,418	70	5,59,621	715	6,44,082	13,57,121	..	..	..
1927-28	1,18,84,380	67	2,18,401	105	12,57,034	1,111	10,22,948	24,98,383	..	..	..
1928-29	1,24,90,829	124	6,07,976	113	15,02,119	1,349	12,29,384	33,39,479	..	..	..
1929-30	1,35,80,925	151	8,55,206	109	14,67,674	1,230	15,25,250	38,48,130	1,413	936	2,349
1930-31	1,43,47,666	231	18,28,060	95	13,44,625	1,308	16,37,439	48,10,124	4,109	1,882	5,991
1931-32	1,46,01,753	286	22,57,869	90	12,89,631	1,490	18,92,630	54,40,130	11,164	2,941	14,105
1932-33	1,43,61,838	305	24,32,960	92	13,65,615	1,738	22,41,083	60,39,658	17,214	4,290	21,504
1933-34	1,49,13,544	322	33,36,415	113	17,77,169	1,751	23,12,671	74,26,255	24,779	5,565	30,344
1934-35	1,41,00,709	390	36,54,636	99	15,23,311	1,519	17,17,708	68,95,655	32,341	6,592	38,933
1935-36	1,39,91,858	405	40,32,207	95	13,59,348	1,369	15,59,799	69,51,354	39,390	5,859	45,249
1936-37	1,40,48,290	423	40,74,940	79	9,64,336	1,331	16,35,338	66,74,614	41,992	4,674	46,666
1937-38	1,41,06,442	471	47,25,255	50	5,63,239	1,183	14,70,188	68,58,792	49,892	4,797	54,689

APPENDIX II

Real Assets and Liabilities.

Name of Central bank	Total assets	Including share capital and undistributed dividend as a liability			Share capital and undistributed dividend	Excluding share capital and undistributed dividend as a liability		
		Total liabilities (including share capital)	Excess col. (2) minus col. (3)	Deficit col. (3) minus col. (2)		Total liability col. (3) minus col. (6)	Excess col. (2) minus col. (7)	Deficit col. (7) minus col. (2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Amraoti ..	17,06,224	21,89,401	Nil	4,83,177	1,17,682	20,71,719	..	3,65,495
2. Ellichpur ..	3,93,115	4,05,928	..	12,813	24,330	3,81,598	11,517	..
3. Morsi ..	11,18,016	11,52,117	..	34,101	56,190	10,95,927	22,089	..
4. Daryapur ..	3,60,617	3,67,387	..	6,770	28,350	3,39,037	21,580	..
5. Yeotmal ..	16,19,635	14,91,011	1,28,624	..	86,810	14,04,201	2,15,434	..
6. Pusad ..	37,132	29,578	7,555	..	11,596	17,982	19,150	..
7. Darwaha ..	21,592	21,578	14	..	3,462	18,116	3,476	..
8. Akola ..	17,88,373	26,63,562	..	8,75,189	93,787	25,69,775	..	7,81,402
9. Buldana ..	3,51,254	4,01,985	..	50,731	24,590	3,77,395	..	26,141
10. Khamgaon ..	5,96,832	8,78,911	..	2,82,079	59,460	8,19,451	..	2,22,619
11. Mehkar ..	5,94,842	4,89,660	1,05,182	..	68,620	4,21,040	1,73,802	..
12. Malkapur ..	4,69,871	5,80,822	..	1,10,951	27,395	5,53,427	..	83,556
Total ..	90,57,504	1,06,71,940	2,41,375	18,55,811	6,02,272	1,00,69,668	4,67,049	14,9,213

APPENDIX III

Voluntary sales of Land registered in the offices of the Sub-Registrars from 1st July 1937 to 30th June 1938.

Name of district	Name of taluq	All voluntary sales, i.e., including sales of sub-divisions of survey numbers						Voluntary sales of full survey numbers only, i.e., excluding sales of sub-divisions					
		Number of sales averaged	Area sold	Land revenue of col. (4)	Selling price of col. (4)	Price per acre i.e., col. (6) divided by col. (4)	Price per rupee of Land Revenue i.e., col. (6) divided by col. (5)	Number of sales averaged	Area sold	Land Revenue of col. (10)	Selling price of col. (10)	Price per acre, i.e., col. (12) divided by col. (10)	Price per rupee of Land Revenue, i.e., col. (12) divided by col. (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Acres.	Rs.	Rs.				Acres.	Rs.	Rs.		
Amraoti	Amraoti..	511	3,154	4,924	1,78,549	56	36	178	1,529	2,359	76,196	48	31
	Chandur..	335	2,454	3,216	1,30,439	53	40	119	1,176	1,520	56,275	48	37
	Ellichpur	253	1,022	2,085	91,875	89·8	44	26	189	314	13,630	71·7	43·2
	Morsi— W a r u d C i r c l e .	301	1,271	1,996	1,27,570	100	63·4	63	519	755	41,394	80	54·83
	M o r s i C i r c l e .	246	1,260	2,164	95,746	76	44·2	54	477	682	19,776	41	29
	Total ..	547	2,532	4,160	2,23,316	88	53·6	117	996	1,437	61,170	62	42·4
Yeotmal ..	Daryapur	626	2,545	5,433	2,30,577	90·6	42·4	68	305	634	27,844	90·9	43·91
	Yeotmal ..	248	3,084	2,327	1,21,559	39·4	52·2	74	1,778	1,205	60,563	34·0	50·2
	Darwha ..	390	4,317	3,081	1,76,041	40·7	57·1	109	2,031	1,405	68,844	33·8	48·9
	Kelapur ..	138	2,161	891	82,973	38·3	93·1	58	1,509	566	47,613	31·5	83·9
Akola ..	Akola ..	790	5,932	12,632	2,40,446	41	19	65	1,091	2,084	29,088	27	14
	Akot ..	920	3,834	10,719	2,89,262	75	27	70	725	2,046	48,587	67	24
	Balapur ..	508	2,625	5,432	1,41,899	54	26	33	439	742	19,377	44	26
	Mur t i z a - p u r .	433	3,300	5,425	1,22,062	37	23	63	903	1,488	29,930	33	20
Buldana ..	Chikhli ..	404	3,378	3,287	1,45,317	44·9	44·2	..	..	..	..	..	..
	Khamgaon	350	1,719	2,608	88,771	51	34	66	528	619	18,641	35	30
	Jalgaon ..	294	1,073	2,449	79,381	73	31·6	54	220	521	15,338	69	27·4
	Mehkar ..	305	2,618	2,033	1,27,285	48·6	62·5	32	656	470	33,477	50·9	71·5
	Malkapur	618	3,494	6,838	2,92,123	84	43	44	677	1,057	35,604	52	34

APPENDIX

1936-1937

Income and Expenditure

Name of Central Bank	Total expendi- ture	Including unrealized but realizable income as income			Excluding unrealized but realizable income		
		Total income	Profit col. (3) <i>minus</i> col. (2)	Loss col. (2) <i>minus</i> col. (3)	Unrealized but rea- lizable income	Net profit col. (4) <i>minus</i> col. (6)	Total loss col. (5) <i>minus</i> col. (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Amraoti ..	1,35,221	1,12,831	..	22,390	35,000	..	57,390
Ellichpur ..	29,037	26,642	..	2,395	..	..	2,395
Morsi ..	71,043	82,053	11,010	..	31,220	..	20,210
Daryapur ..	26,730	22,727	..	4,003	2,330	..	6,333
Yeotmal ..	85,110	71,174	..	13,936	24,000	..	37,936
Pusad ..	1,638	3,188	1,550	..	..	1,550	..
Darwha ..	1,121	1,213	92	..	..	92	..
Akola ..	1,91,590	1,02,266	..	89,324	5,000	..	94,324
Buldana ..	29,218	25,039	..	4,179	22	..	4,201
Khamgaon..	60,572	34,450	..	26,122	6,054	..	32,176
Mehkar ..	29,611	39,764	10,153	..	..	10,153	..
Malkapur ..	38,121	27,998	..	10,121	10,046	..	20,169
Total ..	6,99,012	5,49,345	22,805	1,72,472	1,13,672	11,795	2,75,134

IV

of the Central Banks.

1937-1938

Name of Central Bank	Total expendi- ture	Including unrealized but realizable income as income			Excluding unrealized but realizable income		
		Total income	Profit col. (10) <i>minus</i> col. (9)	Loss col. (9) <i>minus</i> col. (10)	Unrealized but rea- lizable income	Net profit col. (11) <i>minus</i> col. (13)	Total loss col. (12) <i>minus</i> col. (13)
(1)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Amraoti ..	1,16,391	1,06,580	..	9,811	50,800	..	60,611
Ellichpur ..	29,663	25,502	..	4,161	2,265	..	6,426
Morsi ..	63,982	91,073	27,091	..	63,220	..	36,129
Daryapur ..	20,773	21,512	739	..	8,200	..	7,461
Yeotmal ..	76,035	78,521	2,486	..	23,000	..	20,514
Pusad ..	1,246	2,226	980	..	..	980	..
Darwha ..	1,238	1,415	177	..	..	177	..
Akola ..	1,79,510	1,19,677	..	59,833	21,000	..	80,833
Buldana ..	25,646	19,311	..	6,335	3,302	..	9,637
Khamgaon..	57,398	35,292	..	22,106	17,000	..	39,106
Mehkar ..	24,501	27,655	3,154	..	548	2,666	..
Malkapur ..	38,360	31,455	..	6,905	15,816	..	22,721
Total ..	6,34,743	5,60,219	34,627	1,09,151	2,05,151	3,763	2,83,438

APPENDIX V

Copy of memorandum No. 3115, dated the 17th August 1934, from the Deputy Director of Agriculture, Western Circle, Amraoti, to the Director of Agriculture, Central Provinces.

REFERENCE.—Your endorsement No. 1990, dated the 19th May 1934, asking for a report on the Karanja-Ramjanpur Scheme.

As desired in your endorsement referred to above, I am enclosing herein, in triplicate, a summary of results of the five years' working of the Karanja-Ramjanpur Scheme. Before discussing the figures given in the summary of results, I would briefly outline the main features of the scheme.

The Karanja-Ramjanpur Scheme has been launched with the most laudable object of redeeming the heavily encumbered lands of the members of the local co-operative credit societies, by repaying the debts which they owe, to the Akola Central Bank, from the profits derived by cultivating their lands collectively and on strictly economical lines, under efficient management. It was expected that this object could be accomplished within a period extending from 15 to 20 years, the expectations being based on the occurrence of the normal seasons throughout the period. The members concerned, were to supply the necessary labour and co-operation, for the success of the scheme.

The farm comprises an area of 647 acres. The land is not of one uniform quality but ranges from deep black to very light soil. A greater portion of the land, further, is very undulating and is subject both to scouring and water-logging during heavy rains. The fields comprising the farm, are also not in one compact block, but are scattered all over the village area. Roughly, the land is classified as under :—

	Quality of the land	Area Acres	Remarks
(1)	Good	250	44 acres of "Dharmasala Inam" are also cultivated by the farm in addition to its own land.
(2)	Medium	170	
(3)	Poor	183	

About 100 acres of the above land is allowed to remain fallow every year as it would not pay to cultivate it, at the present low prices of farm produce.

The lands were taken possession of, by the bank in March 1930 and tillage operations were commenced soon after. The condition of the land when it was taken over, was very bad, being overgrown with seeds and brush wood of all kinds. It was farmed continuously, with absolutely no provision for maintaining its fertility. This lack of attention, on the part of the owners, had resulted in poor yields and an unproductive condition of the soil, in many cases. The reason for such neglect was obvious. The owners of the land were indebted to almost the full extent of the value of their land. They had further realized that owing to the heavy liabilities that were hanging on their heads, it was not possible for them to save their lands and as such, they had become negligent of its cultivation and had extracted from it,

as much as they could, for a series of years, before they actually parted with it. The only fact that there were only six pairs of bullocks with all the 13 members put together, for carrying on the cultivation of such a large area, is sufficient to prove the neglect to which the land had suffered.

The land, under such conditions, had naturally run down and radical measures of improvement were necessary. The main operations in the soil improving programme of the farm consisted of (1) cleaning of the land of all brush wood and perennial weeds, etc., and (2) ploughing and manuring it; as, without these preliminary operations, it was not possible to expect a fair crop from the land.

As soon, therefore, as the land was taken possession of, in the month of March 1930, the above tillage operations were commenced and only during the first year, 60 acres of land were ploughed. A greater part of the time of the Agricultural Assistant, who was deputed by this department to carry out the scheme, was taken up in organising the work and arranging necessary equipments, such as purchases of bullocks, implements and construction of building etc., required for the farm.

During the following two years, an area of 500 acres was ploughed. The total area, therefore, ploughed only during the first three years, amounted to 560 acres. This operation was done very economically and at the total cost of only Rs. 3,000 which works out to about Rs. 5 and a little more per acre.

The second item of equal importance was that of manuring the land. Application of cattle dung and sheep folding have mainly been resorted to and the expenditure incurred on this account, during the last five years, amounts to about Rs. 3,000. The cost of digging kunda, bakharing and such other operations which form ordinary items of cultivation, are left out of account, as these details do not rightly come under the programme of general land improvement.

The major operations stated above, are not expected to give returns during the same year they are undertaken. The expenditure incurred on them should rightly be distributed over a series of years. Building up the fertility of the soil, is an economic as well as an agricultural problem. This expenditure will doubtless be recovered by an increased yield at some time in the near future, though not at once. Such investment therefore cannot either be debited to one year or put down as a loss, since it is a productive investment and is bound to pay in the years to come, either by increased yield if the land is cropped or by an enhanced price if the land is sold.

In the cultivation of the land, it must be noted that no effort has been made to effect any rapid improvement which always involves a great capital outlay; but improvement is being brought about gradually. This course has its advantage in that it gives more time for becoming familiar with important details and invites less danger from losses through putting in more money into the soil than returns will warrant. Such losses may occur when improvement is brought about rapidly. The principle adopted, therefore, in running this farm is to raise the crops with as small an investment as possible.

Now looking to the financial side of the farm, it will be seen from the figures of total income and total expenditure, given in the summary, that the farm made a small profit only in the first year; while due to continuous and heavy rains in the beginning, or to their abrupt cessation, during the period of maturity of the crops, the last four years have proved very disastrous to the farm, putting it to a heavy financial loss. These unfavourable seasonal conditions resulted in giving poor outturns of all the principal crops even in spite of proper, timely and careful cultivation which the land had received. To these bad harvests, was added another misfortune. The fall in the commodity prices was so rapid and extensive, that all efforts to adjust cost of production to the lower levels of prices, have been ineffective and margins of profit have, in almost every case, completely disappeared. At the prices prevailing in recent times, it must be admitted that even the best known practice of cultivation, will probably fail to give adequate remuneration. During the first year, the total income of the farm was Rs. 12,564, the receipts from the crop of cotton alone, amounting to Rs. 9,150 and if the season and prices would have remained equally favourable, success to the scheme would not have been very far.

Besides ruinous crop prices, there are other factors which are responsible for the difficulties of the farm to show profits. Among these latter, the principal factor is that of the interest on capital cost and the accumulated losses. The item of interest presses with very great severity on the agricultural possibilities of the farm. The incidence of interest, it must be admitted, is very heavy, and under the present conditions, may easily lead to the profits being entirely wiped out. At the present rate of interest, viz., 8 per cent which the bank charges, the total annual amount, on this account alone, works out to a round figure of Rs. 2,050, which when distributed over the 400 acres of land which is really fit for cultivation, works out to Rs. 5 per acre. We cannot expect agriculture to pay more than 6 per cent interest on capital outlay, in a normal year. I, therefore, consider it contrary to the interest of the farm, that so large an amount on account of interest alone, should be taken annually from its income.

The cost of cultivation, which, during the year 1930-31, amounted to Rs. 10,000 has been reduced by about 50 per cent and during last year, it amounted to only Rs. 5,535. The cost of management has also been considerably reduced, from Rs. 1,584 in 1930-31, Rs. 531 in 1933-34. These drastic reductions in the expenditure, are sufficient proof of the rigid economy that is being observed in running the farm. As a result of this, the annual loss to the farm, which sometimes amounted to over Rs. 7,000, has been brought down to only Rs. 195 during last year.

At present, the situation in respect to crop production on the farm is as follows:—

The stronger and naturally more fertile soils will continue to produce good crops for some years. Other soils that have been built up by improved methods of soil management, to a higher state of fertility, will also be productive. By far, about

one-fourth of the area, however, is returning crop yields so small, that is responsible for placing many of the fields on the border line between a profitable and a losing concern. There is also a considerable extent of land that is decidedly unproductive and should not be formed at all. Since crop yields constitute one of the very important factors in determining profits of farming, it is of the utmost importance that such areas as will not produce yields large enough to put the farming on a paying basis, should be allowed to lie fallow. To solve the problem of these poor lands, is perhaps most difficult at present and should not be considered, until at least, the other area of the farm has given encouraging results. With these considerations I have suggested to the bank that only about 400 acres of farm area would remain under cultivation and so long as the present depression continues, no improvement in which heavy cash outlay is involved, should be undertaken.

The phenomenally low prices for all the farm products doubtless continue to cause great anxiety and the results of the last four years provide ground for pessimism, but personally I feel very sanguine about the success of the scheme if the existing conditions improve and give it a chance to work.

Apart from the object with which the farm has been started it has been fulfilling the purpose of a standing demonstration centre. It has created various agricultural activities in the tract and people from neighbouring villages visit the farm almost every day; some, out of curiosity to know about the new venture and some, with a view to see and study the methods of farming followed on the farm. All seeds of improved varieties of crops produced on the farm, are distributed to the cultivators for sowing purposes.

In short, the use and importance of improved implements, improved methods of cultivation, pure and improved seeds, timely cultivation, include some of the valued lessons which the farm has been teaching to the public and which, it is hoped, they will utilize the profit.

STATEMENT OF RECEIPT AND EXPENDITURE

Receipt and expenditure statement of Karanja-Ramjannpur

Crops grown	Receipts			Expenditure		
	Area under each crop	Value of produce	Total income	Cost of cultivation	Cost of management	
	(1)	(2)	(3)	(4)	(5)	(6)
	A g.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
1929-30						
Cotton ..	225 27	9,150 0 0	} 12,564 0 0	} 9,000 15 6	} 1,093 12 0	
Juar ..	121 36	1,597 0 0				
Groundnut ..	140 30	1,741 0 0				
Miscellaneous receipt..	..	76 0 0				
1930-31						
Cotton ..	231 16	3,854 0 0	} 9,169 0 0	} 10,000 4 0	} 1,583 15 2	
Juar ..	136 4	3,141 0 0				
Groundnut ..	94 7	1,503 0 0				
Rabi and other crops ..	64 1	572 0 0				
Miscellaneous receipt..	..	99 0 0				
1931-32						
Cotton ..	228 3	836 0 0	} 4,002 0 0	} 7,079 14 3	} 1,220 5 3	
Juar ..	143 4	1,091 0 0				
Groundnut ..	87 5	1,137 0 0				
Rabi and other crops ..	59 17	286 0 0				
Miscellaneous receipt..	..	652 0 0				
1932-33						
Cotton ..	191 31	2,688 0 0	} 6,490 0 0	} 7,500 6 9	} 1,114 13 3	
Juar ..	91 5	1,826 0 0				
Groundnut ..	71 13	591 0 0				
Rabi and other crops ..	141 8	707 0 0				
Miscellaneous receipt..	..	678 0 0				
1933-34						
Cotton ..	170 10	3,768 4 0	} 10,005 5 3	} 5,534 3 3	} 531 3 3	
Juar ..	87 11	1,760 3 6				
Groundnut ..	52 36	650 6 9				
Rabi and other crops ..	60 31	2,256 7 6				
Miscellaneous receipt..	..	1,569 15 6				

Farm for the period from 1929-30 to 1933-34 (5 years)

Expenditure—concl'd.				
Micellaneous expenditure	Depreciation on stock	Interest on capital outlay	Total expendi- ture	Profit (+) and loss (-)
(7)	(8)	(9)	(10)	(11)
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
58 9 0	284 3 0	1,213 12 4	11,951 3 10	+612 12 2
..	1,145 12 6	1,633 12 10	14,453 12 6	-5,284 12 6
...	1,010 8	1,880 2 0	11,190 14 3	-7,188 14 3
	1 3	2,057 6 0	11,343 11 3	4,853 11 3
1,234 2 0	612 5 3	2,288 15 8	10,200 13 5	195 8 2

APPENDIX VI

Copy of Memorandum No. 1674, dated Nagpur, the 21st May 1938, from C. C. Desai, Esq., I.C.S., Registrar, Co-operative Societies, Central Provinces and Berar, to the Honorary Secretaries of all Central Banks in Berar (except Central Banks, Amraoti and Malkapur); the Officer in Charge, Central Bank, Ltd., Amraoti; and the Manager, Central Bank, Ltd., Malkapur.

SUBJECT.—*Restoration of lands and grant of long term instalments.*

A copy of the report of the sub-committee appointed by the Conference of office-bearers of the Berar Co-operative Institute and Central Banks in Berar held on the 18th October 1936 is sent herewith. In order to gain experience and to find out how the scheme works, Central Banks, other than Yeotmal Central Bank, also may, if they like to do so, try this scheme to the extent of the owned capital of the Central Bank and of the primary societies affiliated to it, *i.e.*, to the extent of the paid up share capital of the Central Bank *plus* the reserve fund of the Central Bank *plus* the reserve fund of the societies, as this amount can safely be locked up in long term loans.

2. It has been suggested that an instalment worked out on the basis of 20 years and 7 per cent rate of interest might prove beyond the paying capacity of the members. Therefore, in order to make the repayment of instalments easier, the number of instalments may be extended to 25. The rate of interest also may be reduced to 5 per cent but the lessee must pay in addition the land revenue and cesses of the land. The scheme may be tried both for restoring lands to expropriated members and for granting instalments to members whose lands have not yet been sold, but in the latter case, the member should be required to execute a sale-deed of all or sufficient lands in favour of the Central Bank. There is a danger that a member may take the lands on lease for one year under this scheme and then fail to pay the lease money. As ordinarily he will have no other property, recovery of the lease money in such a case will be very difficult. To guard against such a risk, the lessee should be required to pay the lease money for each year in advance. In very exceptional cases, this condition may be relaxed but then the lessee should be required to produce two solvent sureties for the lease money.

3. The drafts of the necessary deeds for sale by the member, for the lease by the Central Bank, for the agreement by the Central Bank and the member, etc., are being drawn up by the Yeotmal Central Bank. After they are ready and are approved, copies will be sent to all Central Banks for their use. In the mean time, in applying the scheme in this year, the land should be leased out to the person concerned for one year for an amount equal to the instalment for one year, and the usual form of lease-deed for one year should be used. The other documents can be executed later.

4. The terms of the scheme should be made known to all members of societies and efforts should be made to make some progress even in the present season.

5. In the application of this scheme, efforts will probably be made by some members to get their land under-valued. The Central Banks should firmly resist such efforts.

No. 1674-A

OFFICE OF THE REGISTRAR, CO-OPERATIVE
SOCIETIES, CENTRAL PROVINCES AND BERAR

Nagpur, the 21st May 1938.

Copy, with a copy of the report mentioned above, is forwarded to—

the President, Berar Co-operative Institute, Ltd., Amraoti,
the Manager, Central Provinces and Berar Provincial Co-operative Bank, Ltd., Nagpur,
the Junior Deputy Registrar, Co-operative Societies, Amraoti,
the Chief Auditors, Co-operative Societies, Central Provinces and Berar,
all Circle Auditors, Co-operative Societies in Berar,
for information.

C. C. DESAI,

*Registrar, Co-operative Societies,
Central Provinces and Berar.*

Report of the sub-committee appointed by the conference of office-bearers of the Berar Co-operative Institute and Central Banks in Berar.

The conference of the office-bearers of the Berar Co-operative Institute and Central Banks in Berar held at Amraoti on the 18th October 1936, passed the following resolution :—

RESOLUTION NO. IV

“Remedies for reducing the overdues and the management and sale of lands by banks and societies.—Whereas the solution of the problem involved in subjects I and IV before the conference, viz., “Remedies for reducing the present overdues” and “the management and sale of lands acquired by banks and societies” depends largely on the provision of long term capital—it is resolved that a committee of the following five gentlemen be appointed to examine the suggestions received in this behalf

and to devise schemes for the disposal of lands and to find out remedies to reduce overdues :—

- (1) Rao Bahadur M. G. Deshpande, C.B.E.
- (2) The Registrar of Co-operative Societies.
- (3) Mr. M. P. Kolhe, M.L.C.
- (4) Mr. R. A. Kanitkar, M.L.C.
- (5) Dewan Bahadur K. V. Brahma, C.I.E., M.B.E.

It was further resolved that Dewan Bahadur K. V. Brahma, should be the convener of the committee and that the committee should have the power to co-opt members, if necessary”.

2. A copy of the proceedings of the conference in this connection is attached herewith as Appendix A.

3. The committee met twice in the office of the Central Provinces and Berar Provincial Co-operative Bank, Limited, Nagpur, on the 29th November 1936 and on the 14th February 1937. The first meeting was attended by all the members of the committee and the second by all except Mr. M. P. Kolhe and Mr. R. A. Kanitkar.

4. Two main problems confronting the movement in Berar are—

- (1) Recovery of the heavy overdue loans, outstanding against societies; and
- (2) Disposal of land acquired by Central Banks and Societies.

5. Loans outstanding against societies and overdues are shown in the statement below :—

From	Amount due to central banks (Lakhs)	Of which overdue (Lakhs)
(1)	(2)	(3)
	Rs.	Rs.
Working societies (not under award)..	37.25	25.47
Societies under award ..	13.59	13.13
Societies under liquidation ..	40.32	40.25

The figures of recoveries of loans from primary societies by the central banks in Berar are shown below :—

Year	Outstanding against societies at the beginning of the year	Loans advanced in cash during the year	Loans recovered in cash during the year
(1)	(2)	(3)	(4)
1930-31 ..	91,59,151	8,23,486	9,15,628
1931-32 ..	94,26,034	2,84,969	5,02,201
1932-33 ..	95,89,156	1,35,444	4,71,023
1933-34 ..	97,08,345	1,04,939	4,17,895
1934-35 ..	97,42,975	78,377	4,79,813
1935-36 ..	93,19,738	1,05,174	3,25,780

The percentage of overdue loans is as high as 86 per cent. In spite of all possible efforts on the part of banks and societies, the cash recoveries from members have been very poor. Most of the members are now so heavily indebted that even with normal crops it is doubtful if they can pay up their debts from their surplus income even in five years, the period for which the bulk of the deposits of the banks is held. The position is thus most unsatisfactory and may at any time become serious. The bulk of the capital of the banks consisting of deposits held for periods varying from one year to five years is locked up in loans which have become practically frozen. Except in a few banks, the deposits are, however, generally renewed from year to year and to some extent such renewals may be expected in future also. But it will not be safe to rely on this contingency always. Financially, the position is very unsound and might at any time land the movement in difficulties. It is, therefore, urgently necessary to devise measures for putting it on a sound basis.

6. If the movement could afford it, a convenient way to reduce the overdues would have been to grant remission and bring down the debts to such a level that members can pay up the balance from their income within periods for which the central banks can afford to keep their capital locked up. But on account of the depreciation in the value of land, the increase in bad debts from members and the inadequate income from the capital locked up in lands, the margin between the assets and liabilities of central banks is being steadily reduced and now the position is that no central bank can afford to give up any appreciable portion of its recoverable assets. In order to encourage members to repay their good debts, a scheme has been put into operation by which the estimated bad debts are to be written off from the reserve funds of the societies. The lending rates have been brought down to the lowest possible level. The reserve fund scheme has been extended, so that the rates of interest payable by members have been reduced. Thus, relief has been granted to the utmost extent possible consistently with safety and it is not possible to grant any further remission.

7. The members of societies may be divided into the following classes:—

(1) Those members who can pay up their debts, from their income within a maximum period of five years. No special arrangements are necessary for the debts due from such members.

(2) Those members who cannot pay up their debts from their income in five years but whose debts are within 50 per cent of the present market value of their lands.

The debts of such members should be transferred to the existing land mortgage banks.

(3) Members whose debts exceed 50 per cent of the present market value of their lands but are still within the total market value. Such members can pay their debts provided the recovery of the loans is spread over a long period of years.

About 50 per cent of the members of working societies fall in this class. Can anything be done to help them? It is being vehemently urged by the members themselves and also by the

non-official co-operators in Berar that the property of even these members can be saved if easy instalments are given to them.

8. The equated yearly instalment for a debt of Rs. 2,000 recoverable in 20 years at various rates of interest will be as follows :—

	Rs.	a.	p.
8 per cent	...	203	12 0
7½ "	...	196	4 0
7 "	...	188	8 8
6 "	...	174	6 0

Assuming that a scheme could be worked out in which members could be charged interest at 7 per cent, a member with 20 acres of land valued at Rs. 2,000 assessed to land revenue of Rs. 50 and with a debt of Rs. 2,000, would have to pay annually Rs. 188-8-8 for 20 years. He would be able to do this if he could make a net profit of Rs. 10 per acre.

The recent years have been abnormal for the cultivators and it will not be correct to estimate the net profits per acre on the results of these years. For a normal year, the net profits of cultivation are estimated at different figures by different authorities. The Central Provinces Banking Enquiry Committee estimated them at Rs. 14 to Rs. 15 per acre for the cotton zone (Volume I, page 69). Making allowance for unforeseen circumstances, Rs. 10 to Rs. 11 per acre may not be taken as an unduly optimistic estimate. The profits were certainly much more before the present period of economic depression and low prices. For the successful working of the scheme, normal years have to be presumed.

9. We consider that it is desirable to give a reasonable opportunity to members to pay up their loans in easy instalments and to enable them to save their property. The instalments should not exceed 20 in number. The yearly instalments should be strictly recovered and no default should be condoned except in years when the recovery of the land revenue is partly or fully suspended by Government. The central banks cannot, however, grant such instalments unless and until their own liabilities are spread over a correspondingly long period. We shall revert to this subject later on.

10. In order to recover the accumulated arrears, the banks have had to resort to coercion on a large scale. Award and liquidation proceedings have, however, not brought cash. If the property of the members is put to sale, adequate prices are not obtained in these days and in order to avoid further losses the societies and banks have had to bid at auctions to purchase lands themselves. The area thus acquired by them is now 45,540 acres. The acquisition of large areas of land has created other difficult problems. It has not been possible for the central banks and societies to manage the lands profitably. The cultivation of lands directly by the central banks was tried in some places and had to be given up as it resulted in heavy losses. Lands are now generally leased out, but the lease money is not sufficient to bring an adequate return on the capital sunk in them. All possible efforts are made to dispose of these lands but very little land could be sold for adequate prices. During 1935-36 only about 1,500 acres of land could be sold.

11. The main difficulty in the way of disposal of lands is said to be the inability of prospective purchaser to pay the sale price all at once. It is urged that if the banks could agree to accept the sale price in instalments they would be able to sell larger areas and realize better prices than they have been able to do hitherto.

12. We would also emphasize the fact that the acquisition of the lands of members by the banks has made the movement most unpopular. There has been considerable criticism of the policy of the banks in the Legislative Council. The charge of expropriation has been levelled against them, and the word "co-operation" has come to be hated in some quarters.

13. Thus, it is necessary to devise some measures for the speedy and profitable disposal of the lands within a definite period, and at the same time, if possible, to enable the original owners to get back their lands. Our attention has been drawn to a scheme of restoration of member's lands brought into operation in Burma, which is attached as Appendix B. We recommend that a similar scheme may be tried in Berar. In brief, the scheme is that a member is to be given back on lease the land originally belonging to him for a certain number of years. If he pays the lease money regularly for that period, the central bank will transfer the land to him at the end of the stipulated period. The yearly lease money shall be equivalent to the annual equated instalment required for repaying a debt of an amount equal to the estimated market value of the land, to be determined after a joint inquiry on the spot by an officer of the department and a representative of the bank, the interest being charged at 7 per cent. The number of instalments shall not exceed 20. If the lessee pays the lease money regularly, the central bank will agree to transfer the land to him at the end of the stipulated period for a sum of one rupee. The object of selling the land for one rupee is to dissociate from the cultivator's mind the idea of lease money being a part of the purchase price. This precaution is necessary in order to avoid legal disputes and complications. This central bank will also agree to transfer a portion of the land at the end of every five years if the lessee so desires. The consideration for such transfer shall be Re. 1. At the end of every five years, the amount paid by the lessee towards the principal after deducting interest at 7 per cent will be found out and the area of land to be transferred will be in proportion to the amount so paid towards the principal. In the event of a default in the payment of an instalment, the central bank may terminate the agreement and the lease, and the lessee shall have no further rights over the land. The central bank may, however, grant time in a year when there is failure of crop and Government suspends or remits the collection of land revenue. In the event of the death of a lessee, his heir or successor shall have a right to continue the agreement and the land shall be transferred to him at the end of the stipulated period on the same terms. The land revenue of the land shall be paid by the central bank. A lease-deed and an agreement embodying the above term shall be executed by the lessee and by the central bank. As soon as a member expresses his willingness to take back his land on lease, a detailed inquiry shall be made into his

income and expenditure so as to arrive at his true paying capacity. This inquiry will be made by the Chief Group Officer of the bank, whose report will be considered by the working committee. If the working committee considers that the person can be expected to pay the lease money regularly and is otherwise suitable, the proposal will be forwarded to the Registrar and on his approval the necessary agreements shall be executed. In order to avoid the necessity of recourse to civil courts, a condition shall be included in the lease-deed and the agreement that any dispute between the parties arising from the working of this scheme shall be referred to the Registrar whose decision shall be final and binding on both the parties. It shall also be definitely laid down that the working of the scheme in all its details shall be subject to the approval of the Registrar.

14. The scheme is mainly intended to restore the land to the original members but if such persons are not coming forward to take advantage of it or are not considered suitable by the bank, the land may be disposed of to other agriculturists on similar lines. But if such a scheme is put into operation, the recovery of the capital of the banks at present sunk in land, will be spread over a period of about 20 years.

15. Thus, the solution of both the problems—recovery of the overdues and disposal of lands—lies in finding out long term capital for the central banks. The following figures indicate the position regarding the long term capital required :—

	Lakhs.
	Rs.
(1) Total deposits	... 73.50
(2) Loan due to Imperial Bank	... 0.59
(3) Loan due to Provincial Bank	... 23.84
(4) Total	... <u>97.93</u>
(5) Fluid resource of central banks and other investments.	8.28
(6) Invested reserve funds of central banks (excluding shares in Provincial Bank).	4.77
(7) Invested reserve funds of societies (excluding shares in Provincial Bank).	8.75
Total (5), (6) and (7)	... <u>21.80</u>
(8) Short term loans (which can be repaid by the members within five years and so for which no long term capital is necessary).	7.50
(9) Loan that can be transferred to the existing land mortgage banks.	7.00
(10) Total (5), (6), (7), (8) and (9)	... <u>36.30</u>
(11) Long term capital required (4) minus (10)..	61.63

It may be expected that the central banks would be able to sell a portion of their lands in the ordinary course. Some of the members also might pay up their debts by selling their land. In

this way it is hoped that a long term capital of about Rs. 50 lakhs will be sufficient for Berar.

16. If it were possible, the best method would be the provincial bank, as the apex bank, to arrange for this long term loan. But the bulk of the capital of the provincial bank also is derived from short term deposits and cannot safely be locked up in loans for 20 years. We are definitely of the opinion that the provincial bank cannot grant the necessary accommodation without jeopardising its own position, and that no solution of the problem is possible without some form of Government assistance.

17. The most suitable way to obtain the necessary long term capital appears to be by way of debentures to be issued by the provincial bank and backed up by Government. The following are the main terms on which the debentures should be issued :—

(1) The issuing agency will be the provincial bank but the debentures shall not have a charge on any portion of its assets.

(2) The security for the debentures will be the lands owned by the banks and societies in Berar and the mortgages executed by the members in favour of the societies.

(3) The face value of the debentures shall not exceed the market value of the lands.

(4) The debentures shall be issued for 25 years and the number of instalments to be granted to members shall not exceed 20 to be recovered on the equated system.

(5) The provincial bank would not be able to raise the necessary capital without some kind of backing by the Government. Government should, therefore, guarantee at least the interest on the debentures. It is hoped that this guarantee of interest would suffice and it would not be necessary to guarantee the principal also. The interest on Rs. 50 lakhs at 4 per cent would be Rs. 2 lakhs and at $4\frac{1}{2}$ per cent Rs. $2\frac{1}{2}$ lakhs. This would be the maximum annual liability which Government would have to undertake. It is expected that the provincial bank would be able to float debentures at 4 per cent.

(6) The Registrar should allow a portion of the reserve funds of banks and societies to be invested in the debentures.

(7) In view of the guarantee of interest by the Government and the association of the provincial bank with the scheme and in order to ensure efficient management and to create confidence, the Registrar and one nominee of the provincial bank and two other persons from the shareholders of the bank to be nominated by the Registrar should be on the working committee of the central bank. The byelaws of the Central banks shall be amended accordingly.

(8) The Registrar and the President of the Berar Co-operative Institute should be the trustees on behalf of the debenture-holders.

(9) A sinking fund should be created for redeeming the debentures when they mature.

(10) The provincial bank should charge $\frac{1}{2}$ a per cent commission for the work. The central banks will get the money at $4\frac{1}{2}$ per cent. They should lend to societies at 6 per cent and the societies should lend to members at 7 per cent.

(11) In other details, the procedure adopted for floating the debentures for raising the capital for land mortgage banks should be followed.

18. A consolidated balance sheet of the central banks in Berar is attached as Appendix C. It will be observed that the liabilities total Rs. 104.61 lakhs, while the assets total Rs. 112.18 lakhs. Thus although the position of a few individual banks is not sound the movement as a whole in Berar is solvent and has sufficient assets to pay off all the liabilities. The financial position of the Akola, Khamgaon and Malkapur banks was recently reviewed by a sub-committee appointed by the provincial bank which has drawn up a scheme for their rehabilitation. We have every hope that if the scheme adumbrated in this report is adopted the co-operative movement in Berar will be placed on a sound footing.

19. In order to find out whether the scheme is workable and whether the debentures on the terms mentioned above would be taken up by the public, the scheme might be tried at first in a limited area. The area of land acquired by the Yeotmal central bank and the societies affiliated to it is about 5,149 acres. This area is not so large as that under the Akola central bank which has acquired 18,448 acres but is still sufficiently large for the purposes of an experiment and a beginning. The financial position of the bank is quite good. The bank is well managed and is free from the influence of party politics which are found in the areas of some other banks.

20. The relevant figures relating to the Yeotmal central bank are as follows :—

	Lakhs.
	Rs.
(1) Total deposits	... 10.55
(2) Loan from the Imperial Bank	... 0.02
(3) Loan from the Provincial Bank	... 3.15
	<hr/>
(4) Total (1), (2) and (3)	... 13.72
	<hr/>
(5) Fluid resource	... 3.32
(6) Reserve fund of the central bank	... 0.50
(7) Reserve fund of societies	... 1.37
	<hr/>
(8) Total (5), (6) and (7)	... 5.19
	<hr/>
(9) Short term loans (which can be repaid within five years and so for which no longer term capital is necessary).	1.50
(10) Loans that can be transferred to the existing land mortgage banks.	1.50
	<hr/>
(11) Total (8), (9) and (10)	... 8.19
	<hr/>
(12) Long-term capital required (4) minus (11)	... 5.53
	<hr/>

Thus long-term capital required for this bank is about Rs. 5 lakhs. We recommend that debentures of the face value of Rs. 5 lakhs

should be issued in the first instance. In order to inspire confidence in the public, the provincial bank should underwrite the whole issue.

The following security will be available for the issue of the debentures for the Yeotmal central bank and societies under it:—

		Rs.
(1) Unencumbered land owned by the central banks.		1,66,350
		Acres.
Area	..	3,080
		Rs.
Land revenue	..	2,218
Purchase price	..	1,36,008
Market value according to the multiple	..	1,66,350
(2) Unencumbered land owned by the societies		90,300
		Acres.
Area	..	1,847
		Rs.
Land revenue	..	1,204
Purchase price	..	71,077
Market value according to the multiple	..	90,300
(3) Mortgages executed by the members in favour of societies.		7,75,050
		Acres.
Area	..	13,978
		Rs.
Land revenue	..	10,334
Mortgage debt	..	8,00,584
Market value of land mortgaged by adopting the multiple.		7,75,050
		Acres.
	..	10,31,700

21. The scheme outlined in this report has been drawn up mainly for Berar. If it is found working satisfactorily it can be applied to some of the central banks in the Central Provinces also where the conditions are similar.

G. S. BHALJA,
K. V. BRAHMA,
R. A. KANITKAR,
M. G. DESHPANDE,
M. P. KOLHE.

NAGPUR :
The 23rd February 1937

APPENDIX VII

Copy of memorandum No. 2303, dated Nagpur, the 19th September 1934, from G. S. Bhalja, Esq., I.C.S., Registrar, Co-operative Societies, Central Provinces and Berar.

SUBJECT.—*Utilization of the Reserve Fund and other funds of Primary Credit Societies for writing off bad debts in Berar.*

On the dissolution of a society, the reserve fund is permitted to be utilized to meet bad debts of the society, under rule 37 of the rules framed under the Co-operative Societies Act. The principles for utilizing reserve funds for writing off bad debts in working societies are contained in Memorandum No. 1343, dated the 8th March 1926, printed on pages 60-61, Part II, of the Co-operative Manual. In accordance with this circular, reserve funds have been allowed to be utilized for writing off bad debts in the process of re-organization, provided equal or some amounts are contributed by the central bank and the members of societies.

2. Recently requests are frequently being received from central banks and societies for permission to write off bad debts solely from the reserve fund of the society. The conference of the representatives of central banks and the Berar Institute held in April 1933 suggested by Resolution No. 7 that the whole of the reserve fund of a society should be made available for writing off bad debts due from the members to the society. In order to grasp the full implications of this suggestion, the Berar Co-operative Institute collected detailed information and the subject was reconsidered at the conference of the office-bearers of the central banks and the Institute held in October 1933. This conference also recommended that the reserve funds of societies should be permitted to be utilized for writing off bad debts of members (*vide* resolutions Nos. 9 and 10).

3. The following arguments are advanced in support of the proposal :—

- (i) On account of the existence of bad debts in a society even the good members are not willing to pay up their debts as they are afraid that after they pay up their own debts they will not be free from all liability to the society and may be called upon to pay additional amounts on account of bad debts from other members on the principle of joint and unlimited liability.
- (ii) The member whose debts have exceeded the market value of his property has no heart in paying even what he can because he thinks that whatever he might do he can never be free from his debts. If that portion of his debt which is considered bad is written off from his account, he will be encouraged to make efforts to pay the remainder.
- (iii) Bad debts are increasing unnecessarily by the addition of interest every year and the society is put to a loss

as it earns less interest on the invested reserve fund than it has to pay to the central bank on its borrowings.

- (iv) The clearance of bad debts will increase the chances of reorganization of societies.

4. On the other hand, it might be urged that the proposal is a radical departure from the practice so far followed in this province and if fully worked out might wipe out most of the reserve funds of societies which have been built up by the labours of a generation of co-operators. The strength of the movement may, as a consequence, be affected to some extent. There is also the danger that once it is known that bad debts can be written off in the manner proposed, attempts would be made by unscrupulous persons to show even good debts as bad. There is the apprehension that demoralization might set in amongst the indebted members and they might begin to think that debts if kept unpaid would be written off in course of time. It may further be argued that it would not be sound to write off bad debts during the present period of depression and unstable and abnormally low land values, as debts which may be considered bad at present may turn to be partly or wholly good if and when economic conditions improve.

5. It is vehemently urged by the co-operation in Berar that there is no hope of survival of the co-operative movement unless and until the dead weight of bad debts is lifted off the shoulders of societies. It is also urged that unless this is done even good members will continue to withhold payments. Although, therefore, there are some risks in the proposal, it is deemed fit to fall in with the views of those directly in charge of the central banks, and to give a trial to the proposal. The only justification for the departure from the present practice is the hope that it will lead to a revival of the movement. I need hardly mention that this departure is being made on the definite understanding that after the bad debts are ascertained and an assurance is given for writing them off as explained below, the central banks and societies will make vigorous efforts for recovering the remaining debts. It is needless to say that the success of the scheme will depend upon the loyalty of the members and the efforts of the workers in the movement. It is of primary importance that no further bad debts should occur by slackness in recoveries or the accumulation of interest. This is an exceptional measure to meet the present unprecedented situation. It should be clearly understood that it is not to be repeated.

6. The amount released from the reserve funds of societies by writing off bad debts will not be allowed to be mixed up in the working capital of the central banks. It will be held by the Registrar as a "Special Emergency Reserve" of the central bank concerned on the same conditions as the ordinary reserve fund and will be allowed to be drawn upon by the bank only in an emergency and with the sanction of the Registrar previously obtained.

7. It is obvious that this concession should be given only to those members who are loyal to their societies and who make

genuine efforts to pay up their debts. If a portion of the debt due from a member is written off from his account and he still makes no effort to pay the remaining debt and allows the interest to accumulate so that there are fresh bad debts, this writing off of bad debts will have served no useful purpose. It has also been pointed out that if the whole of the bad debt is written off immediately there will be no inducement left to the member to keep his promise and pay the remaining good debt. It has been urged, further, that if the whole of that portion of the debt due from a member which is considered bad is written off immediately and the amount shown as due from him in his account reduced accordingly, and if the other creditors of the member obtain later on decrees and claim rateable distribution of his assets, the member will in any case lose all his property while the society will get as its share less amount than what it would have got if in the account books the amount shown as due from him had not been reduced. It has been suggested that in order to avoid this risk, the scheme should be applied only to those debts which are secured by first mortgages, but this suggestion, if adopted, will deny the relief to a large number of members. In order, therefore, to secure all the advantages that are claimed for writing off bad debts and at the same time to avoid the financial and other risks involved, the following procedure is laid down :—

Bad debts will be allowed to be written off in proportion to the amount the member actually pays towards that portion of his debt which is considered good. To give an illustration, suppose the total debt due from a member is Rs. 12,000 out of which Rs. 4,000 is estimated as bad and Rs. 8,000 as good, and it is decided to write off the bad debt from the reserve fund of the society. If the member pays up Rs. 8,000 immediately, the remaining Rs. 4,000 will not be demanded from him and will be written off from the reserve fund, and the member will be considered to have cleared off his debt. In his ledger account, Rs. 8,000 will be shown as "received in cash" and Rs. 4,000 as "bonus". If, however, he pays up only a portion of the debt, only a proportionate amount will be written off at the rate of Rs. 50 for every Rs. 100 paid towards the good debt of Rs. 8,000. The bonus will be earned only on the amount paid towards the good debt. The interest on good debt must, of course, be deducted first. In order that the bad debt may not swell by the addition of interest and in order to facilitate the determination of the amount to be credited as "bonus" and also in order that the member may know definitely and clearly the bonus to be received for every rupee paid by him towards the principal of good debt, with effect from the 1st July 1934, interest should not be calculated on that portion of the debt which is declared to be bad. Suppose he pays Rs. 2,000 on the 1st January 1935. Interest at, say 10 per cent on Rs. 8,000 from the 1st July 1934 to the 31st December 1934 comes to Rs. 400. Out of the total payment of Rs. 2,000, Rs. 400 will be taken towards interest and Rs. 1,600 towards the principal. For a payment of Rs. 1,600 he is entitled to a "bonus" of Rs. 800. In his ledger account Rs. 2,000 will be shown as "received in cash" and Rs. 800 as "bonus". It is not necessary to credit the amount

on account of bonus in the middle of the year. It will be more convenient to make these adjustments at the close of the year. The rate of interest to be calculated on the principal will be the rate sanctioned for the society for that year. Ordinarily, no further loans should be granted to such a member until he pays up his present debt. If, however, for any special reason any amount is advanced to him, this subsequent advance with interest will be a first charge on the recoveries and the bonus will be earned only on the amount paid towards the principal good debt, in this case Rs. 8,000. In order that this concession may encourage payments, the bonus to be given to each member should be clearly explained to him. On receipt of the Registrar's sanction, the society should pass a resolution promising to give the sanctioned amount as bonus and it should specify the proportion that the bonus will bear to the payments made towards the remaining good debt. The society should also resolve that in no case shall this sanctioned amount of bad debt be recovered from other members by enforcement of joint liability as long as the reserve fund is sufficient to meet it.

It is hoped that this procedure will secure all the advantages that are claimed for writing off bad debts while it will avoid the attending risks as far as possible. So far as the member is concerned he has the assurance of the society that if he pays the remaining good debt, the debt declared bad will not be recovered from him. Therefore he can no longer put forth the excuse that he has no heart in paying off even his good debt. The other members also will have no cause for withholding payments towards their own debts because after the assurance of the society they should have no reason to be afraid of the enforcement of joint liability.

In the case of a member who has no property left with him and when no recovery is expected from him or from his sureties the whole debt is clearly bad and may be written off immediately, on receipt of the Registrar's sanction. But in such a case utmost care should be taken to make sure that the member is really unable to pay anything.

8. It is obvious that this scheme will not only apply to societies under liquidation. In such societies even under the present procedure, the reserve funds are being utilized to meet bad debts. It is also obvious that the scheme will apply only to those societies in which the reserve fund is sufficient to meet all the bad debts. In those societies in which bad debts exceed the reserve fund it is clear that joint liability will have to be enforced. Many of such societies are already under liquidation; those that are not had better be recommended for liquidation so that the reserve fund may be utilized to meet the bad debt and only the balance will be recovered by the liquidator by enforcing joint liability.

9. It must be clearly understood that only that portion of a debt due from a member can be considered bad which cannot be recovered from the member or from his sureties. The practice of advancing loans to a member on the guarantee of two other members is a cardinal principle on which the successful working of co-operative societies depends. Moreover, the

Other members of the society can rightly insist on the enforcement of the surety liability, as otherwise the reserve fund will be unnecessarily depleted and their liability for future bad debts will correspondingly increase. The liability of sureties, therefore, cannot and should not be given up.

10. The valuation of the assets of members and the determination of bad debts will not be an easy task. It is possible that efforts will be made by some members or by persons interested in them to exaggerate the amount to be shown as bad. The persons entrusted with the enquiry must keep themselves scrupulously aloof from such influences. It will also be necessary for them to study carefully the economic conditions of the tract and the present market prices of lands of different qualities. Utmost care must be taken to ensure that the debt shown as bad is really irrecoverable. When all the available assets of a member and his sureties have been sold for the satisfaction of his debts and the assets are insufficient to meet the entire debt, the remaining debt is demonstrably bad and there is no uncertainty in such cases. But difficulty arises when the property is not sold. Great care should be taken to guard against any recoverable debt being written off as bad. It must be remembered that there is a great difference in making an estimate of bad and doubtful debts for the purpose of making provision in the balance sheet and that for actually writing them off. Figures for the former are merely rough estimates while the figures to be used for the latter purpose must be arrived at after a thorough enquiry so that only those debts which are really bad, *i.e.*, irrecoverable are written off.

The only reliable method for determining the value of land is to examine the prices paid for similar land in that very village in recent years. But as there are not many sales at present such figures may not be available in all villages. In such cases it is very difficult to fix the market value accurately. Every year the Circle Auditors collect the figures of sales of land registered in the offices of the Sub-registrars and a multiple of land revenue is determined as showing the average price of land in each taluq. This multiple may be taken as a guide. Local circumstances, such as the quality of the soil, the condition of the land, the situation of the field, the demand for land in the locality, etc., should, of course, be taken into consideration and in every case in which the valuation adopted is different from that arrived at by adopting the multiple reasons which have necessitated a departure from the standard multiple should be clearly explained. If there is some prospect of the market value being more than a particular amount it will be better to show the additional expected amount as "doubtful" rather than as "bad". It must also be remembered that the prices realized at present are unusually low and it is possible that with an improvement in economic conditions the land values may appreciate. This consideration should be borne in mind while valuing the assets of the members.

Although land will form the important portion of the assets, other assets should not be ignored, and the principles to be followed in valuing such assets should be the same as explained above for valuing land.

11. Under section 17 of the Co-operative Societies Act, it is the business of the Registrar to make a valuation of the assets and liabilities and to determine the debts to be considered bad. But as the interests of the societies and of the central banks are vitally affected, the scheme will be given effect to in close co-operation with them.

The enquiry for determination of bad debts should begin on the 1st November 1934. The Special Officers appointed by the Institute for this purpose should join their duties by this date at the latest. The Circle Auditor in charge of the central bank should frame a joint tour programme for himself and the Special Officer and submit it to the Junior Deputy Registrar for approval. After the programme is approved by the Junior Deputy Registrar, the central bank should send copies of it to the societies concerned for information. The Circle Auditor and the Special Officer should then pay a joint visit to the societies and stay in each village sufficiently long to know the local conditions. Their stay in each village should not be for less than 48 hours at a stretch. Either the Chief Group Officer or the Group Officer in charge of the society should accompany them. He should place all his local knowledge at their disposal. The Special Officer will be primarily responsible for the drafting of the report and the statements. During his stay in the village he should make a detailed enquiry regarding the assets and liabilities of each member of the society. He should personally see the fields of members in order to find out their condition and the market value. He should also examine the records of rights from the Patwari's books in order to verify the rights of the members over the lands shown in their names. He should also make a list of the voluntary sales of land in that village that may have taken place during the preceding 12 months, showing in each case the area, the land revenue assessment and the sale price. This list will be very helpful in valuing the lands of the members. He should also find out the outside debts of the members from an examination of the Patwari's records and from local enquiries. All efforts should be made to make a correct estimate of the simple debts. He should then draw up Statement A in the prescribed form for all the members of the society. This Statement A should be filled up by the Special Officer himself in his own handwriting.

There should be a separate report for each member from whom a bad debt is anticipated, in which the Special Officer should discuss in detail the assets and liabilities of the members and explain how he has arrived at the figure of the bad debt reported by him in Statement A. This report should not be a mere repetition of the figures given in Statement A. It should give a detailed account of the financial position of the member. The Special Officer should discuss particularly the following points:—

- (a) A description of the assets of the member and the reasons for the estimated value. A list of the fields owned by him should also be attached showing against each field the value taken.
- (b) Discussion regarding the total liabilities of the member.

- (c) Discussion regarding the property of the member that will be available to the society for recovering its claims.
- (d) Discussion regarding the amount likely to be available by enforcing surety liability.
- (e) The bad debt expected from the member, with explanation as to how the figure has been arrived at.

After the case of each member has been examined, the Special Officer should draw up Statement B giving consolidated information for the society as a whole. The balance sheet of the society as it stands on the date of the visit should also be attached. All the statements and reports drawn up by the Special Officer should be signed by the Group Officer or the Chief Group Officer who accompanies him. This signature will imply that he has seen all the statements and reports and agrees with the contents. If he disagrees on any point he should explain his views with reasons to the Special Officer. If even then the Special Officer does not agree with the views of the Group Officer or the Chief Group Officer, the Group Officer or the Chief Group Officer should attach to the papers a report showing the points on which he differs from the Special Officer and his reasons. The Special Officer should then call a special general meeting of the society. All efforts should be made to secure the presence of as many members as possible. At this meeting the Special Officer should explain to the members his estimates of bad debts and proposals for writing them off. If the Circle Auditor does not agree with the estimates and proposals of the Special Officer he also should explain his views to the meeting and hear what the members have to say. The meeting should then pass a resolution stating the amounts which it considers as bad and the proposals for writing them off and applying for the sanction of the Registrar. The resolution should also state that the society binds itself to give a bonus to the member at a proportion which the sanctioned bad debt bears to the good debt as explained above. All the statements and reports drawn up by the Special Officer and signed by himself and the Group Officer or the Chief Group Officer should then be handed over to the Circle Auditor who will record his opinion and forward them to the Junior Deputy Registrar through the central bank. It is not necessary to have more than one copy of the reports and the statements, as all the papers will eventually be returned to the central bank with the Registrar's orders for record. The central bank may appoint a committee to examine the proposals. This committee may be elected by the working committee and may consist of three members of whom one may be the chairman of the bank, one may be from the individual share-holder directors and one from the rural directors. This committee should examine the proposals and suggest the amount for each member which it considers bad and recommends for being written off from the reserve fund of the society. If the committee differs from the estimates of the Circle Auditor, full reasons should be given. All the papers should then be forwarded by the central bank to the Registrar through the Junior Deputy Registrar.

The statements and reports of the Special Officer, the Circle Auditor's endorsement and the resolution of the sub-committee

of the central bank should be in English. The resolution of the society should be in Marathi.

12. No debt should be written off nor should interest be stopped on any debt, without the specific sanction of the Registrar. After the sanction of the Registrar is received, the amount of bonus which each member will be entitled to on payment of every Rs. 100 towards the principal of the certified good debt should be calculated and written at the top of the page containing the ledger account of the member. At the close of the year a list will be drawn up of the members entitled to receive the bonus showing the amount paid by them towards the principal of the good debt and the amounts to be credited to their accounts as bonus. The list should be forwarded to the Registrar for approval. After it is approved, the amounts earned as bonus will be credited to the accounts of the members concerned at the time of making up the annual accounts. The reserve fund of the society will be reduced by a corresponding amount. For this purpose, the reserve fund will be utilized in the following order :—

- (i) Uninvested reserve fund of the society, including Kasar, other profits, etc.
- (ii) Reserve fund invested in Post Office Cash Certificates, in Government Securities or anywhere else outside the movement.
- (iii) Reserve fund invested with the Registrar.

When the bad debt is written off from the uninvested reserve fund or profits in the form of bonus as explained above, no cash transactions or entries in the books of the central bank will be necessary. When, however, the bad debt is written off from the invested reserve fund, the society will have to withdraw the corresponding amount from the investments and should pay it to the central bank towards the loan due from it. But as the amount so released is to be held by the Registrar as a "Special Emergency Reserve" of the central bank, there will be no necessity of the transfer of any cash. The central bank should inform the Registrar of the amount so utilized and request him to transfer it from the "Reserve Fund of Societies" to its own "Special Emergency Fund". If any portion of the reserve fund of the society invested in Post Office Cash Certificates, Government Securities or anywhere else outside the movement is utilized, the amount so received by the central bank should be remitted to the Registrar for being invested as the "Special Emergency Fund".

The central banks should keep a separate account in the form given in Statement C of the amounts so received from each society for being credited to the Special Emergency Reserve. A separate account in the same form will be kept in the office of the Registrar of the amounts standing to the credit of each central bank. On the first of every month, a copy of the register (Statement C) containing entries relating to the preceding month should be sent to the office of the Registrar. This copy should also show the total brought forward from the preceding month and the total at the end of the month. An additional column should be opened in the monthly information statement

prescribed by Memorandum No. 2492, dated the 18th November 1933 with the heading "Amount of 'Special Emergency Reserve' at the end of the month" and the amount should be shown in this column. This column should be numbered 38 and the Remarks column will be numbered 39.

13. At the end of the co-operative year 1934-35 the central banks should submit a report showing how far the scheme has been worked and whether the hopes of reorganization have been realized.

14. All inspecting officers of the department as also of the institute and the banks should see that the scheme is properly applied and that there is no abuse of the concession.

APPENDIX VIII

A note on the working of the scheme for restoration of land and recovery of overdue debts from members, as adopted under the area of Yeotmal Central Bank.

1. The above scheme of restoration of lands purchased by the Central Bank to the ex-owners and the recovery of overdue loans from them was drawn up and passed by the Yeotmal Central Bank with certain modifications and the same was approved by the Provincial Bank, Registrar and Provincial Government. It was decided to give a trial to it under the area of Yeotmal Central Bank. According to this scheme, the land of each owner-member purchased by the Central Bank and Societies was to be valued by the Circle Auditor and the Chief Group Officer according to market price and the same fixed price was to be recovered from the ex-owner in 25 years' equated instalments with interest at 4½ per cent *plus* the land revenue of those fields by leasing out the same to them every year for 25 years. The second condition laid down by this scheme was that the Chief Group Officer should work out the average annual income, expenditure of the person and the net saving, which would represent his paying capacity in order to enable him to repay easily the kist as above for 25 years according to the lease-deed to be executed by him and at the end of 25 years, the land was to be returned to him for a nominal price of Re. 1. Since no special Circle Auditor was appointed for this work, the Chief Group Officer (*i.e.*, Manager) was asked to take it up and proceed on the lines indicated above and to submit only sound proposals before the Sub-Committee of the Central Bank, which would after its approval send these cases to the Registrar for his sanction. After the sanction was received, the ex-owner was to execute a lease-deed every year for the fixed instalment and the Central Bank would enter into an agreement with this owner to return the land to him after 25 years.

2. At present the Chief Group Officer under this Bank goes to the spot and in a majority of cases fixes the price of the land not after valuing it at the market rate as laid down by the scheme but approximately according to the loan outstanding against the member with some decrease or increase, *vide* Statements C and D

attached. There has been no basis for valuing the lands to be restored as in Land Mortgage Banks. After the Chief Group Officer has fixed the price of certain fields of one person, he fixes up the instalments of this amount within 25 years together with interest at $4\frac{1}{2}$ per cent. This he does automatically without arriving at the net saving and paying capacity not taking into account the yearly budget of the person. It is doubtful how far the cases worked out on these lines as regards valuation and instalment, and submitted for sanction, would prove successful. It is just likely that the applicant may any how pay up the instalment in the first year of the agreement when he has to take the advantage of the scheme, but may fail to do so in later years if the prices and the kist fixed are more than what he can repay. Each and every case submitted to the Registrar for sanction on these lines is not ensured against failure for the reason that the instalment is not based on a scientifically calculated paying capacity. It is possible that in many cases, the present yearly instalment, for a period of 25 years, may be well within the paying capacity so as not to justify a default, but when members have not made genuine efforts in the past to pay even the interest on the sum, it is doubtful how far they would pay regularly the present kist.

3. The important question before the Bank was to take up the cases of lands already acquired and the management of which was engrossing its attention. It was learnt that the Bank had been able to dispose of some of this land but the portion so disposed of is very meagre as compared to the total area owned. From the Statement A attached, it will be evident that out of 14 cases, 8 have been conciliated by the Debt Conciliation Board with the sanction of the Registrar and the other 4 cases taken up are those in which land has been purchased just before the cases were drawn up and submitted. It may be that the Bank thought it proper to begin the scheme with such cases as would work well from the start. But in order to recover the overdues in cases in which the lands have already been purchased and to solve the problem of management of such land, it should have tackled the ex-owners whose loan accounts have been adjusted instead of adding to its assets by purchasing more lands. Statement A will show that excluding the lands of 8 persons, whose cases have been decided by the Debt Conciliation Board, the Bank has increased its assets by Rs. 21,510 in the shape of lands purchased from 5 persons (Nos. 1 to 5).

4. From the Statement A, it will be seen that out of 13 persons whose sale-deeds have been executed by the Central Bank and whose instalments of lease money to the extent of Rs. 5,658 were due by the end of December 1937 and 1938 as per lease-deeds, only 7 have repaid the kist to the extent of Rs. 1383-1-3. This sum includes the first kist of 3 persons who had resorted to the Debt Conciliation Board. Five of them have defaulted so far. Three persons, Nos. 2 to 4, have repaid the first kist regularly, while No. 1 has not paid his first kist in full. As reported by the Manager, the kist falls due for payment till 31st March 1939 as per understanding between the Central Bank and the members, and as such there is still time for us to watch their recoveries.

But since this is a bad year and suspension has to be given for land revenue in Yeotmal District, we cannot expect half the kist by the end of March 1939. As pointed out by me already, the Central Bank has not yet taken up the scheme of restoration of land to ex-owners, but that of recovery of overdues from members, whose lands it is purchasing in addition to what it already owns. As the scheme has been recently tried, some of the members appear to us have made genuine efforts for repayment of the kist of lease money, but in my opinion, it will yet be too early to say whether the scheme is working well or has been a failure. We should watch the recovery of overdues from these persons this year and the next year. So far as I see, it does not show any sign of success.

5. Statement B attached will show that there have been 12 cases in which the Central Bank has proposed to purchase 339.19 acres of land assessed at Rs. 319-7-3 for a value of Rs. 21,203 as against a loan of Rs. 13,718 outstanding against those persons. The reason for this increase in the price fixed is that some of them have been members of societies under liquidation and hence the liquidator has passed contributory orders. As per Statements C and D, 32 cases have been sanctioned by the Sub-Committee of the Central Bank for an amount of Rs. 68,209 and these cases are yet to be submitted to the Registrar for sanction. Agreements will be executed by the Central Bank after sanction to the form of agreement is received from the Registrar.

K. Y. MAHAJAN,
*Assistant Registrar,
Land Mortgage Banks.*

The 30th January 1939.

THE YEOTMAL CENTRAL BANK, LIMITED

STATEMENT A

Statement of applications received for restoration of lands and recovery of overdue debts as per terms of the Scheme.

Name of person	Outsider	Member	Area of land pur- chased by Central Bank	Date on which pur- chased	Land Revenue of land pur- chased	Price for which pur- chased	Price for which agree- ments are proposed to be executed	Annual instalments fixed	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
			A. g.		Rs. a. p.	Rs. a. p.	Rs. a.	Rs. a. p.	
(1) Madhao Balwant	Yes	235 24	3-1-38	157 10 9	5,643 5 0	5,643 5	517 8 0
(2) Vyankatrao Dhanaji	66 33	8-2-38	87 6 9	4,764 2 6	5,000 0	337 8 0
(3) Keshao Wagji	40 30	20-4-38	44 0 0	1,500 0 0	1,500 0	101 4 0 & L. R.
(4) Bhojrao Shamrao	91 34	21-6-38	113 0 0	6,750 0 0	6,750 0	455 0 0 & L. R.
(5) Ramchandra Govind	32 34	22-4-38	46 5 6	2,853 4 0	2,853 4	193 0 0 & L. R.
(6) Mahadeo Damodhar	123 10	12-5-38	83 0 0	5,115 0 0	5,115 0	441 0 0 & L. R.
(7) Birbarao Nimbaji	27 8	11-5-38	30 5 3	872 0 0	872 0	93 15 3
(8) Ganpat Zuktaji	15 15	12-5-38	20 0 0	632 14 0	632 14	73 0 0
(9) Laxman Gunwantrao	152 3	12-5-38	106 8 0	7,806 8 0	7,806 8	650 0 0
(10) Zolba Dhego	3 15	11-5-38	4 12 0	277 12 0	277 12	24 0 0
(11) Baburao Sheshrao	46 12	12-5-38	23 0 0	1,283 0 0	1,283 0	114 0 0
(12) Sakharam Krishnaji	75 17	11-5-38	60 8 0	2,466 11 0	2,466 11	237 0 0
(13) Tukeram Erappa	114 6	11-5-38	65 8 0	3,771 0 0	3,771 0	319 0 0
(14) Radha w/o Abhiman	17 6	Not purchased	9 8 0	..	550 0	37 2 0 & L. R.
				<u>1,042 7</u>		<u>851 8 3</u>	<u>43,735 8 6</u>	<u>44,521 6</u>	<u>3,593 5 3</u>

STATEMENT A—concl'd.

Statement of applications received for restoration of lands and recovery of overdue debts as per terms of the Scheme—concl'd.

Name of person	Date when possession was given	Number and date on which Registrar's sanction was received	Date on which repayments are due	Amounts due in			Amounts paid	Date on which paid	Balance due	Remarks						
				1937-38		1938-39										
				Rs.	a.	Rs.					a.	p.				
(1) Madhao Balwant ..	Was already in possession.	533 of 21-2-38..	31st March	517	8	517	8	0	323	0	0	1937-38	712	0	0	
(2) Vyankatrao Dhanaji ..	" ..	" ..	" ..	337	8	337	8	0	335	0	0	28-4-38	339	8	0	To be submitted to the Registrar.
(3) Keshao Wagji ..	" ..	" ..	" ..	101	4	101	4	0	101	4	0	18-5-38	101	4	0	Do.
(4) Bhojrao Shamrao ..	" ..	" ..	" ..	455	0	455	0	0	455	0	0	1-6-38	455	0	0	To be placed before the Sub-committee.
(5) Ramchandra Govind ..	" ..	" ..	" ..	Nil.		246	0	0	Nil.			" ..	246	0	0	To be submitted to the Registrar.
(6) Mahadeo Damodhar ..	" ..	26-2296 of 23-2-38.	" ..	Not due.		441	0	0	Nil.			" ..	441	0	0	Debt Conciliation Board.
(7) Birbāro Nimbaji ..	" ..	1766 of 3-9-38..	" ..	Do.		93	15	3	93	15	3	11-11-38	Nil.			Do.
(8) Ganpat Zuktaji ..	" ..	1767 of 3-9-38..	" ..	Do.		73	0	0	Nil.			" ..	73	0	0	Do.
(9) Laxman Gunwantrao ..	" ..	825 of 15-3-38..	" ..	Do.		650	0	0	Nil.			" ..	650	0	0	Do.
(10) Zolba Dhego ..	" ..	568 of 23-2-38..	" ..	Do.		24	0	0	24	4	0	14-3-38	Nil.			Do.
(11) Baburao Sheshrao ..	" ..	823 of 15-3-38..	" ..	Do.		114	0	0	Nil.			" ..	114	0	0	Do.
(12) Sakharām Krishnaji ..	" ..	26-2656 of 15-3-38.	" ..	Do.		237	0	0	Nil.			" ..	237	0	0	Do.
(13) Tukaram Erappa ..	" ..	26-2655 of 15-3-38.	" ..	Do.		319	0	0	50	0	0	16-1-39	269	0	0	Do.
(14) Radha w/o Abhiman ..	" ..	" ..	" ..	Nil.		37	2	0	36	13	6	" ..	0	4	6	To be placed before the Sub-committee.
				1,411	4	3,646	5	3	1,419	4	9	3,638		0	6	

THE YEOTMAL CENTRAL BANK, LIMITED

STATEMENT B

Applications sanctioned by the sub-committee and submitted to the Registrar.

Name of member (1)	Name of society (2)	Land proposed to be purchased			Loan on 1-7-38 (6)	Instalment fixed (7)	Recovery (8)	Number and date of resolution of sub-committee (9)	
		Area (3)	Land Revenue (4)						Value fixed (5)
		A. g.	Rs.	a. p.					Rs.
(1) Chotulal Ahamad Khan	.. Saikhed	.. 63 37	48	0 0	1,500	882	157	131 4	1 of 1-7-38
(2) Keshao Ganesh	.. Arambhi	.. 19 26	18	0 0	1,500	2,392	122	..	2 of 1-7-38
(3) Shankar Balwant	.. Ganori	.. 19 19	24	8 0	1,300	337	116	..	3 of 1-7-38
(4) Nazaralli	.. Tiwari	.. 73 23	45	13 0	3,200	3,198	269	..	4 of 1-7-38
(5) N. B. Deshpande	.. Ganori	.. House at Yeotmal			2,000	3,420	135	..	5 of 1-7-38
(6) Sadbarao Kanbarao	.. Amla	.. 19 9	17	0 0	1,000	987	87	..	6 of 1-7-38
(7) Mahadeo Erbhan	.. Saikhed	.. 13 17	11	0 0	900	928	73	30 12	7 of 1-7-38
(8) Hari Vishwanath	.. Kalamb	.. 11 21	6	6 0	600	511	48	..	8 of 1-7-38
(9) Jiwatya Bajirao	.. Do.	.. 5 0	5	0 0	500	463	40	30 0	9 of 1-7-38
(10) Ananda Shrawan	.. Chikhli	.. 14 0	10	0 0	850	600	69	..	10 of 1-7-38
(11) Ramchandra Govind	.. Pimpalkhuta	.. 32 34	46	5 6	2,853	..	246	..	11 of 1-7-38
(12) Vyankatrao Dhanaji	.. Kharda	.. 66 33	87	6 9	5,000	..	438	335 0	15 of 1-7-38
		<u>339 19</u>	<u>319 7 3</u>		<u>21,203</u>	<u>13,718</u>	<u>1,800</u>	<u>527 0</u>	

THE YEOTMAL CENTRAL BANK, LIMITED

STATEMENT C

Statement of lands restored to ex-owners. Applications sanctioned by the sub-committee and which are yet to be submitted to the Registrar.

Name of member	Name of society	Land restored			Purchase price	Amount of instalment	Recovery	Number and date of resolution of sub-committee
		Area	Land Revenue	Valuation fixed for restoration				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		A. g.	Rs. a. p.	Rs.	Rs.	Rs.	Rs.	
(1) Sadashio Bhagwant	.. Ganori	.. 32 22	42 0 0	4,000	2,200	320	..	1 of 20-11-38
(2) Krishnaji Gangaram	.. Watkhed	.. 3 38	6 0 0	600	360	48	..	3 of 20-11-38
(3) Chintaman Ramchandra	.. Do.	.. 87 4	123 4 0	7,500	7,500	523	..	5 of 20-11-38
(4) Sadashio Balaji	.. Do.	.. 39 17	60 0 0	4,000	3,600	340	..	6 of 20-11-38
(5) Manjulabai, w/o Shamrao	.. Kondha	.. 32 2	34 0 0	2,950	2,950	239	..	15 of 20-11-38
(6) Shioram Sadoba	.. Kotha	.. 10 6	10 12 9	700	690	60	..	1 of 22-12-38
(7) Laxman Sadoba	.. Do.	.. 10 24	10 13 0	700	665	60	..	2 of 22-12-38
(8) Balkrishna Sitaram	.. Do.	.. 12 32	11 8 0	700	300	61	..	3 of 22-12-38
(9) Vithoba Raghoba	.. Do.	.. 11 37	10 12 9	700	645	60	..	4 of 22-12-38
(10) Tukaram Shioram	.. Do.	.. 33 6	38 0 0	2 300	2,280	199	..	5 of 22-12-38
(11) Mahipat Shripat	.. Neir	.. 65 0	29 4 0	2,600	2,450	210	..	8 of 22-12-38
(12) Trimbak Ramchandra	.. Watkhed	.. 32 11	42 11 3	2,600	2,560	225	..	13 of 22-12-38
(13) Sakhu, w/o Pandoo	.. Saikhed	.. 50 28	37 0 0	2,500	2,200	212	..	15 of 22-12-38
		<u>421 27</u>	<u>456 1 9</u>	<u>31,850</u>	<u>28,400</u>	<u>2,557</u>	<u>..</u>	

THE YEOTMAL CENTRAL BANK, LIMITED

STATEMENT D

The applications which have been sanctioned by the sub-committee, but which are yet to be submitted to the Registrar for sanction.

Name of member	Name of society	Lands proposed to be purchased				Instal- ment fixed	Recovery	Number and date of resolution of sub-committee	
		Area	Land Revenue	Value fixed	Loan out- standing			No.	Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		A. g.	Rs. a. p.	Rs.	Rs.		Rs. a. p.		
(1) Kashinath Sadoba ..	Chichgaon ..	40 2	14 8 0	1,000	1,825	84	67 0 0	2	20th Novem- ber 1938.
(2) Dada Laxman ..	Wadgaon Izr. ..	46 20	50 0 0	2,500	2,602	227	..	8	Do.
(3) Vishweshar Bakaram ..	Do. ..	53 22	29 0 0	900	1,310	94	..	7	Do.
(4) Sakbaram Zolba ..	Do. ..	108 15	78 8 0	5,000	4,967	428	..	9	Do.
(5) Ambadas Balkrishna ..	Tiwari ..	111 9	86 2 0	5,000	5,155	437	..	10	Do.
(6) Keshao Wagji ..	Kopra ..	40 30	44 0 0	1,500	1,500	152	101 4 0	11	Do.
(7) Anandrao Kanbarao ..	Amla ..	88 6	56 0 0	7,000	9,310	497	..	12	Do.
(8) Balkrishna Govind ..	Babhulgaon ..	24 4	25 0 0	1,237	1,187	112	..	13	Do.
(9) Ragho Bhagwanji ..	Pahoor ..	77 28	53 8 0	2,500	1,105	223	..	14	Do.
(10) Ganpat Raoji ..	Kondha ..	11 10	13 5 3	550	529	53	37 2 0	6	22nd Decem- ber 1938.
(11) Khushal Anandrao ..	Veni ..	28 8	32 0 0	1,915	4,843	167	..	7	Do.
(12) Nago Gambhirji ..	Takli Bzk. ..	25 31	31 0 0	1,345	1,293	130	..	9	Do.
(13) Gilanikha ..	Bhandegaon ..	12 0	6 0 0	582	560	47	..	10	Do.
(14) Shikandarkha ..	Do. ..	14 4	8 8 0	530	510	46	..	11	Do.
(15) Narayan Ramji ..	Do. ..	86 6	44 5 3	5,000	5,191	389	..	12	Do.
(16) Sadu Akaji ..	Takli Bzk. ..	8 11	13 8 0	750	800	67	..	14	Do.
(17) Gaya w/o Keshao ..	Naigaon ..	10 0	12 0 0	600	320	55	..	16	Do.
(18) Ramchandra Kashinath ..	Do. ..	17 2	20 0 0	1,100	830	97	..	17	Do.
(19) Bhimrao Vithoba ..	Do. ..	16 0	12 0 0	800	401	68	..	18	Do.
	Total ..	819 8	629 4 6	39,809	44,238	3,369	205 6 0		

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



EDUCATIONAL RECONSTRUCTION
AND VOCATIONAL TRAINING
IN THE
CENTRAL PROVINCES & BERAR

Report of the Committee appointed by
Government to do Exploratory Work and to
collect Data for the consideration of Experts
on a Scheme of Educational Reconstruction
and Vocational Training in this Province

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1937

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EDUCATIONAL RECONSTRUCTION AND VOCATIONAL TRAINING IN THE C. P. AND BERAR.

PART I GENERAL

CHAPTER I.—APPOINTMENT OF THE COM- MITTEE AND TERMS OF REFERENCE

1. **Aftermath of the Hartog Report—General awakening of interest in educational reform.**—The critical survey of the educational system in this country made by the Hartog Committee has awakened much public interest in educational matters and has inspired Provincial Governments, Universities and eminent educationists to subject the educational system to further examination and criticism. In 1932-33, the Punjab University Inquiry Committee was instituted to inquire into certain aspects of the educational system. In March 1934, the Inter-Universities Conference, held at Delhi, drew attention to what it considered to be the characteristic weakness of the existing system of education and suggested a general basis for educational reconstruction in this country. In August 1934, the Government of the United Provinces passed a resolution which embodied statements of the views of leading educationists in this country on what they regarded as the inherent drawbacks of the prevailing system of education. This resolution was followed by an inquiry into unemployment among educated people which was conducted by an influential Committee with Sir Tej Bahadur Sapru as Chairman. Other Provincial Governments have also been engaged in examining the system of education in their provinces with a view to the detection of fundamental defects in the system and the adoption of adequate measures for their removal.

2. **His Excellency the Viceroy on the need of educational reconstruction.**—While opening the Inter-Universities Conference in Delhi in March 1934, His Excellency the Viceroy expressed his deep concern for educational reconstruction in India and made weighty observations on some of the essential considerations which no scheme of educational reform can ignore. Among other significant observations made by His Excellency the Viceroy in his speech, the following is of particular interest :—

“From the point of view of the students concerned, it is heartrending that many young men who have forced their way successfully up the educational ladder

and obtained high educational degrees, often in spite of many obstacles and handicaps, are yet unable to find means, either of maintaining themselves or of serving their fellowmen. From the point of view of the country, it is disastrous that the labours and initiative of these young men should be running to waste. Keen and unmerited disappointment, accentuated by irksome inactivity, are apt to lead high spirited young men into dangerous and unexpected channels. I am well aware that Universities cannot by themselves create developments in industries and commerce; in these respects, they are enchained by forces over which they have little or no control. But it is undoubtedly within the province of educational authorities, so to adjust the general scheme of education that the bent of students and pupils shall be turned towards occupations best suited to their conditions and capacities."

3. The Resolution of the Central Advisory Board of Education on unemployment and educational reconstruction.—The Central Advisory Board of Education, which was revived in 1935, immediately took up the study of the problem of educational reconstruction in this country and the co-ordination of the activities in this respect of Provincial Governments and educational bodies. In December 1935, the Board passed important resolutions summarizing various defects in the existing system of education and suggesting in broad outline schemes for educational reconstruction. The following is the text of these resolutions :—

"(1) While conscious of the great debt which is due to the education hitherto provided in India and of the part played by Universities in promoting higher study and research and in training men and women for the service of India, the Board is of opinion that the following considerations, among others, necessitate a new attitude towards educational problems :—

(a) The increasing desire among educationists and others to bring about changes in the educational system in view of the altered conditions of life.

(b) The growing volume of unemployment among the educated classes.

(c) The emphasis laid on a purely literary form of instruction in schools.

(d) The inadvisability of too frequent examinations.

(e) The large number of 'over-age' pupils in the senior classes of high schools.

(f) The increasing number of students in Universities, who are unable to benefit by University instruction and, in consequence, the difficulty in making satisfactory provision for the better qualified students and for research.

(g) The need of developing training of a more practical type than at present and of making provision for such training, especially for those with little or no literary bent, and of adjusting it to the scheme of general education.

(h) The advisability of developing a suitable scheme of rural education, by which boys and girls in rural areas shall be given such training as would develop in them a capacity and desire for the work of rural reconstruction.

(2) The Board is of opinion that a radical re-adjustment of the present system of education in schools should be made in such a way as not only to prepare pupils for professional and university courses, but also to enable them, at the completion of appropriate stages, to be diverted to occupations or to separate vocational institutions.

(3) These stages should be—

(a) *The primary stage*, which should aim at providing at least a minimum of general education and training and will ensure permanent literacy.

(b) *The lower secondary stage*, which will provide a self-contained course of general education and will constitute a suitable foundation either for higher education or for specialized practical courses.

In rural areas, the courses at this stage should be attuned to rural requirements.

Some form of manual training at this stage should be provided, which would aim at the development of practical aptitudes, and be made compulsory.

(c) *The higher secondary stage*, in which would be included institutions with varying length of courses—

(i) for preparing students for admission to Universities in arts and science ;

(ii) for the training of teachers in rural areas ;

(iii) for agricultural training ;

(iv) for clerical training ; and

(v) for training in selected technical subjects which should be chosen in consultation with employers.

Where separate institutions are not possible for the diversified courses, some of them might be incorporated in a higher

secondary course of enlarged scope which would permit a choice of alternative groups of subjects and would end in leaving certificates.

(4) At the end of the lower secondary school course there should be the first public examination.

(5) Candidates desirous of joining the subordinate clerical services of Government and of local bodies should pass such qualifying examinations as might be prescribed by proper authority and should not be more than 19 years of age at the date of their examination.

The certificates granted to pupils completing other specialized courses should receive Government recognition.

(6) Expert advice would be of value in organizing the scheme of reconstruction outlined above ; and also for suggesting methods of training masters who would assist pupils and parents in the selection, by the pupils, of courses of study with due regard to their aptitudes."

4. It is of interest that the views of the Central Advisory Board embodied in the above resolutions are in general agreement with the views expressed by the Universities Conference held in March 1934.

5. Government of India's offer to obtain expert advice for Provincial Governments.—While dealing with the resolutions of the Central Advisory Board of Education, the Government of India were impressed by the need for educational reconstruction which was voiced from various influential sources and by "the general agreement as to the diagnosis of present troubles and discontent". They also expressed their anxiety that the Provincial Governments should give sympathetic attention to the need of educational reconstruction on the lines suggested by the Central Advisory Board of Education. As education was a transferred subject the Government of India was not able to take any direct step in the matter ; yet they expressed their willingness to take the initiative by offering to render such assistance to Provincial Governments as they might need for a specific purpose. In consonance with clause 6 of the Resolution of the Central Advisory Board of Education, the Government of India offered to call experts, "who have practical knowledge and experience of conditions in the West," in order to advise the Provincial Governments which were willing to remodel their system of education on the lines suggested by the Central Advisory Board of Education. The work of educational reconstruction involves considerable preliminary exploration and planning and the

exact issues on which expert advice is needed obviously depend upon local conditions. The Government of India, therefore, suggested that the Provincial Governments, should appoint a local committee to make a preliminary inquiry and to collect data on which to obtain expert advice.

6. Appointment and personnel of the Committee.—The Government of the Central Provinces accepted the offer of the Government of India and appointed the following Committee to do exploratory work and collect the necessary data for obtaining expert advice for the purpose of organizing the scheme of educational reconstruction outlined by the Central Advisory Board of Education :—

- (1) Director of Public Instruction, Central Provinces and Berar—*Chairman*.
- (2) Director of Industries, Central Provinces and Berar.
- (3) Sir Sorabji B. Mehta, Kt., C.I.E.,
- (4) Rao Bahadur G. R. Kothare, M.L.C., Khamgaon.
- (5) L. G. D'Silva, Esq., B.A., Officer on Special Duty, Education Department, Central Provinces.
- (6) The Inspector of Industrial Schools, Central Provinces and Berar.
- (7) Dr. V. S. Jha, B.A., Ph.D., Inspector of Schools, Chhattisgarh Circle—*Secretary*.

7. The task before the Committee was referred to in paragraph 10 of the Government of India letter, dated the 30th April 1936, and the following extract from it may be quoted :—

“The details of a scheme involving the use of the services of such experts will have to be worked out by each Local Government to suit its own requirements. What the Government of India contemplate is that each province should prepare beforehand, in consultation with those concerned, the data on which advice could be given. Local conditions and requirements will determine what the scope of this preliminary investigations should be. It is certainly not the desire of the Government of India that the whole field of education should be reviewed yet again. All that need be attempted will probably be the bringing up to date of information which would enable the experts to advise

how the general educational foundation should be adjusted to the ideals recommended by the Board and a scheme of vocational training erected on this foundation."

8. Terms of reference.—The following specific terms of reference were placed before the Committee :—

(i) To collect information which would enable the experts to determine the nature of the self-contained courses of general education, to be imparted in the lower secondary stage, which will constitute a suitable foundation either for higher education or for specialized practical courses.

(ii) To collect such material as would assist the experts to organize practical training and the institutions in which it should be imparted.

(iii) To suggest methods of training masters who would assist the pupils and parents in the selection, by the pupils, of the courses of studies suited to their special aptitudes.

(iv) To collect information in respect of defects pointed out by the Government of India in the organization of primary schools.

(v) To examine the problem of attuning the courses of instruction imparted in the middle schools situated in rural areas to rural requirements.

9. Procedure.—The Committee held two meetings on the 16th July 1936 and on the 8th and 9th March 1937, respectively. At the first meeting, the Committee appointed the following three sub-committees :—

I.—The Questionnaire Sub-Committee ;

II.—The Educational Reconstruction Sub-Committee ; and

III.—The Vocational Education Sub-Committee.

The questionnaire prepared by the Questionnaire Sub-Committee is embodied in Appendix I.

10. At the second meeting of the Committee held on the 8th and 9th March 1937, the replies received to the questionnaire and the reports of the two sub-committees were considered. The Committee adopted general views and principles on which its report should be based.

CHAPTER II.—THE OBJECTIVES OF EDUCATIONAL RECONSTRUCTION

11. Drawbacks in the existing system of education in the province.—The various drawbacks in the existing system of education are enumerated in paragraph 3 (1). It is necessary to examine the extent to which these defects obtain in the system of education in this province.

12. Agreement with the views of the Central Advisory Board of Education.—We are in general agreement with the opinion of the Central Advisory Board of Education mentioned in paragraph 3 (1) (a) that the system of education should be re-adjusted in the light of the altered conditions of life. The system of education in this province has not kept pace with the real and changing problems of life and bears, therefore, little relation to the environment of pupils. An advance has recently been made in this province by the introduction of revised syllabi for primary schools and normal schools. In both syllabi the environment of the pupils has received special consideration.

13. We are also much impressed with the desire of attuning the courses of instruction in the rural areas to the rural requirements as is suggested in paragraph 3 (1) (c). This demand follows necessarily from the general principle enunciated in paragraph 3 (1) (a). Attempts have been made in this province from time to time to meet the educational requirements of the rural population by creating in the pupils in rural areas a practical interest in rural problems and in the planning of rural reconstruction. There is, however, still much work to be done in this direction and the suggestion of the Central Advisory Board, contained in paragraph 3 (1) (h), adds additional support to the policy which has been pursued in this province for several years. This policy needs to be pursued still more thoroughly.

14. The Committee has found ample evidence in support of the contention mentioned in paragraph 3 (1) (c), *viz.*, that in the present system of education, excessive emphasis is laid on a purely literary form of instruction in schools. This contention leads to the suggestion contained in paragraph 3 (1) (g), *viz.*, the need of training of a more practical type than at present and of making provision for such training specially for those with little or no literary bent and of adjusting it to the scheme of general education. The need of introducing certain practical elements in the

instruction imparted in schools has engaged the attention of the Department of Education in this province for a considerable time. Instruction in drawing has constituted a part of general education ever since educational activities were introduced in this province by Government. Instruction in manual training was introduced in 1918 in some middle schools and this subject has since been included in the syllabus of studies prescribed by the High School Education Board for middle and high schools. Instruction in manual training imparted at present includes clay-modelling, card-board and wood and metal work. Separate vocational institutions for subjects such as carpentry, smithy, leather work and tailoring have also existed for a considerable time and their progress has depended upon the policy outlined by Government in 1922, on the Report of the Vocational Education Committee of that year. The suggestions contained in paragraph 3 (1) (c) and 3 (1) (g) lend support to the policy which has been steadily followed in this province for over a quarter of a century. We are of opinion, however, that there is still room for making the courses of instruction more practical and consider it worth while to investigate further the possibilities of providing training of a more practical type than is imparted in schools under the present system of education.

15. Points in which the Committee disagrees with the views of the Central Advisory Board of Education.—We are reluctant to accept the statement contained in paragraph 3 (1) (b), *viz.*, that the growing volume of unemployment among the educated classes is one the considerations which should necessitate a new attitude towards educational reconstruction. The main theme of the Central Advisory Board's resolution is "unemployment and educational reconstruction" and one may get the impression that the scheme of educational reconstruction outlined by the board is essentially intended to combat the growing volume of unemployment among the educated classes. We are also aware of the fact that the Universities Conference held at Delhi in March 1934, supported this view of the Central Advisory Board of Education by adopting the following resolution :—

" A practical solution of the problem of unemployment can only be found in the radical re-adjustment of the present system of education in schools, in such a way that a large number of pupils would be diverted into occupations or into separate vocational institutions."

16. **Extent of unemployment among educated classes—Products of schools and colleges.**—It is difficult to form a correct estimate of the extent of unemployment among the educated classes in this province. The Census Report of 1931 shows that the figure of unemployment among the educated classes is only 233. The following table, which shows unemployment among persons with various qualifications, is quoted from this report :—

Degree	Total un- em- plov- ed	Age 20—24		Age 25—29		Age 30—34		Age 35—39	
		Un- em- plov- ed for less than one year	Un- em- plov- ed for one year or more	Un- em- plov- ed for less than one year	Un- em- plov- ed for one year or more	Un- em- plov- ed for less than one year	Un- em- plov- ed for one year or more	Un- em- plov- ed for less than one year	Un- em- plov- ed for one year or more
British degrees .. ..	.. ..	..	..	..	..	..	..	..	..
Continental degrees .. ..	.. ..	..	..	..	..	..	..	..	..
American degrees .. ..	.. ..	..	..	..	..	..	..	..	..
Other foreign degrees .. ..	.. ..	..	..	..	..	..	..	..	..
Indian degrees—									
Medical .. ..	.. ..	..	..	..	..	..	..	..	..
Legal .. ..	.. 2	..	..	..	1	..	..	..	..
Agriculture .. ..	.. ..	..	..	..	..	..	..	..	..
Commerce .. ..	.. ..	..	..	..	..	..	..	..	..
M. A. .. ..	.. 1	1	..	..	..	..	..	..	..
M. Sc. .. ..	.. ..	..	..	..	..	..	..	..	..
B. A. .. ..	.. 11	2	1	..	7	..	1	..	..
B. Sc. .. ..	.. 1	..	..	..	..	..	1	..	..
B. Eng. or L. C. E. .. ..	.. ..	..	..	..	..	..	..	..	..
B. T. or L. T. .. ..	.. ..	..	..	..	..	..	..	..	..
S. L. C. or Matric.	218	46	119	8	30	2	7	1	5
Total	233	49	120	8	38	2	9	1	6

17. The number of educated unemployed revealed by the above table is incredibly small and the Census Report contains the following observations to indicate its unreality :—

“ The total number of returns was 233 only and it would seem that the general public was suspicious of the intention of Government in collecting these statistics

for the figure does not in any way represent the true state of affairs, and is stultified by the number of applications for employment in the Census Tabulation Offices received early in 1931. The actual details are given in the margin. Owing to the reduction of the staff of many Government departments since the close of census operations, the number of such unemployed must have risen very considerably. It is clear from the marginal statement that out of 61,122 adult males in the province, literate in English, at least 2,299 were unemployed when the census was taken, that is to say, over 3 per cent and the figure is a low estimate since almost all the applications for employment came from local people. If the percentage of the population, literate in English in Nagpur and Jubbulpore cities and Raipur and Amraoti districts were taken, it would be over 10 per cent but the estimate made before the census was 33 per cent."

Educational qualification	Nagpur	Jubbulpore	Raipur	Total
Graduate ..	51	17	1	69
Under-graduate ..	75	9	6	90
Matriculate ..	411	178	26	615
Non-matriculate ..	690	400	435	1,525
Primary certificate holders and other vernacular knowing men.	258	298	163	719
Total ..	1,485	902	631	3,018

18. The following table will give some idea of the increase in the number of educated people of various grades in this province :—

Statement showing the number of successful candidates at various examinations.

Year	Matric	B. A.	B. Sc.	M. A.	M. Sc.
1912 ..	276	50	10	2	..
1917 ..	425	94	4	5	1
1922 ..	420	51	16	3	2
1927 ..	1,082	146	37	33	8
1932 ..	1,355	198	54	20	11
1936 ..	2,209	252	63	49	19

In addition, in 1936 three students passed the B. A. (Hons.) examination and six students the B. Sc. (Hons.) examination,

19. The above paragraphs are instructive and we are tempted to make the following observations :—

- (a) While it is not possible to determine from the data available the precise extent of unemployment among the educated classes, it cannot be denied that the products of schools and colleges experience a growing difficulty in finding occupation. Yet the number of unemployed educated persons cannot be said to be very large, at least in comparison with some of the other provinces.
- (b) Considering the economic and educational backwardness of the province, the number of educated people and the annual output from schools and colleges cannot be regarded as being unreasonably excessive.
- (c) An inadequately exploited province requires leadership for its economical and educational expansion and that leadership can best be provided by the products of schools and colleges. Unemployment among educated persons is due, not so much to excess of supply from schools and colleges, as to the lack of adequately organized life in the province for the purpose of its economic exploitation, educational betterment and general social amelioration. To give but one example, if even a part of the educational demand of this province were realized, all unemployed educated persons in it could be provided with employment.

20. It has often been suggested that one cause for the unemployment obtaining amongst educated people is the predominatingly literary form of education imparted in the schools and colleges. This contention cannot bear much justification. There is little ground for believing that, had the education imparted in schools and colleges been predominatingly practical instead of literary, the extent of unemployment among the educated classes would have been different. It cannot be denied that, in the past, the literary form of education imparted in schools has helped its pupils in securing a fairly wide range of employment. Times have now changed and unemployment prevails not only among those who have received a literary education but also among those who have received a practical training in the schools.

21. Products of Vocational Institutions.—It is unfortunate that full information regarding the employment of the students from the schools of handicrafts is not available. Yet it is possible to form some idea of unemployment among vocationally qualified persons from the following statistics :—

Government School of Handicrafts, Nagpur.

Year.	Carpentry.	Smithy.	Mochi.	Total number of pupils who have passed out of schools of handicrafts.	Appointed as Assistant Instructors direct from the school in urgent cases.	Employed by local factories and mills.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
From 1916 to 1926.	118	122	36	276	20	49
1927 ..	13	8	..	21	..	3
1928 ..	13	10	..	23	..	4
1929 ..	16	11	..	27	..	2
1930 ..	21	20	..	41	..	6
1931 ..	20	17	..	37	..	3
1932 ..	17	16	..	33	..	3
1933 ..	16	15	..	31	..	7
1934 ..	13	12	1	26	..	3
1935 ..	18	18	5	41	..	5
1936 ..	15	18	6	39	..	..
Total ..	280	267	48	595	20	85

Year.	Employed in railway workshops.	Employed in Gun Carriage Factory in Jubbulpore.	Started in business.	Believed to have gone back to their villages.	Working locally.	Not heard of.	Died.
(1)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
From 1916 to 1926.	22	4	25	54	44	51	7
1927 ..	6	..	..	..	9	3	..
1928 ..	..	..	1	8	4	5	..
1929 ..	1	..	2	4	10	7	..
1930 ..	5	..	2	11	5	10	..
1931 ..	1	..	..	3	10	19	..
1932 ..	3	..	2	5	7	13	..
1933 ..	..	..	1	12	2	8	1
1934 ..	3	..	..	11	3	3	..
1935 ..	5	..	5	4	6	15	..
1936 ..	..	..	..	..	..	..	..
Total ..	46	4	38	112	100	137	8

1928, one pupil awarded scholarship in lacquer work in wood at Lahore. 1929 one enlisted in Central Provinces Police. 1930, one enlisted in Central Provinces Police and one appointed as Instructor at Rajkumar College, Raipur. 1931, one enlisted in Central Provinces Police. 1934, three working in sugar mills. 1935, one State scholar working at Raigarh State.

22. The above table should be interpreted in the light of two facts :—

- (a) the products of the school do not expect, nor do they obtain, higher salaries than those for ordinarily skilled labour, and
- (b) the number of handicraft schools in the province is not very large and the vocations taught in them are varied and represent the major demands of society.

23. The conclusion is inevitable that unemployment faces vocationally trained pupils, even though the number of institutions is small and instruction is only imparted in the humbler vocations for which the demand is largest.

24. The Government Engineering School, Nagpur, which is the only school of its type in this province, has pursued a cautious policy of restricting the admissions to such numbers as can be absorbed in suitable vocations available in the province. The school passes out about 15 candidates in Civil Engineering (Overseer and Sub-Overseer), 10 in Mechanical Engineering and F 3 in Automobile Engineering annually. All trained engineers from the school are reported to have been employed, some of them in temporary vacancies. The civil engineering students are generally employed in the Public Works Department, Central Provinces and Berar, and the mechanical and automobile engineering students in private mills and factories.

25. It is often asserted that agriculture is the chief industry of the province and is likley to provide a vast scope for employment to persons trained in agriculture. It is no doubt true that agriculture is the main source of income of the vast majority of the people in this province. Yet even in this sphere, graduates in agriculture have experienced much difficulty in obtaining suitable occupation. In this connexion the Principal, College of Agriculture, has supplied the following information :—

Statement showing the post-college careers of students who have passed through the Agriculture College, Nagpur, up to 1932 and graduates in agriculture employed in various departments (1932—37).

In the Agriculture Department, Central Provinces ..	181
In other Agriculture Departments in British India ..	44
In other Government Departments in the Central Provinces.	27

In Indian States Agriculture Departments ..	51
In other Government Departments outside the Central Provinces.	7
Private agricultural employment ..	10
In private farming ..	43
As Estate Managers ..	12
As State Managers ..	2
Village Uplift Work ..	1
Consolidation of Holdings ..	1
Postgraduate studies ..	4
Practising Pleaders ..	2
In other trades, in some cases linked with agriculture..	14
Unknown (in some cases probably farming) ..	34
Unemployed ..	7
Total ..	<hr/> 440 <hr/>

26. The condition of unemployment among the graduates in agriculture reached such a stage that the University decided to accede to their request for admission into the law classes and to permit them to take their M. A. in Economics in the Faculty of Arts.

27. **Utility of mere Educational Reforms to solve unemployment problem.**—It is safe to conclude from the conditions of unemployment obtaining among persons qualified in the agricultural college and the schools of handicrafts that unemployment is not limited merely to students who have received a mainly literary education. It prevails also among those who have been trained in various types of vocational institutions. This situation awakens serious doubts in the method of remedying unemployment by resorting to a reconstruction of the educational system so as to divert the growing volume of students into vocational or technical schools according to their special aptitudes. This method has been tried in Western countries and has proved a failure. Altering the educational qualifications of the unemployed without decreasing their number will not solve the problem. There is much ground for the contention made by a writer in the Year Book of Education for the year 1935 that the “illusion that there exists some ‘pre-determined harmony’ between the volume of ability and the absorptive power of the vocations has utterly collapsed”.

28. In view of the above considerations, the Committee finds it difficult to accept the view that the existing system of education in this province and, particularly, the predominatingly literary character of instruction imparted in the schools and colleges, is responsible for the growing unemployment among the educated classes. Unless more "jobs" are created, vocational education will not remove unemployment, as one of its chief aims is to attain greater efficiency in producing the things that we want. Unless outside markets are found the greater the efficiency of our vocational education, the less will be the total amount of work for all. This will naturally lead to more unemployment.

29. Unemployment obtains not merely among educated persons nor is it the characteristic of the economic condition of this province alone. It is a world-wide problem and is, perhaps, due to the international economic maladjustment. Whatever be the reasons for the prevailing unemployment among the educated classes, it is vain to seek its causes in the realm of education. The problem of unemployment is not created by the existing system of education and its remedy need not be sought in any educational reform. Education cannot influence the natural resources of the country, climatic conditions and a number of other factors upon which the development of industry depends. The Committee is convinced that the programme of educational reconstruction suggested by the Central Advisory Board of Education or any other similar programme provides no panacea for the prevailing unemployment. We lay special emphasis on this contention lest we should awaken a hope which is incapable of realization through mere educational reform.

30. We are, therefore, constrained to observe that the condition of unemployment need not influence our attitude towards educational reconstruction and we express ourselves in favour of the following contention of a writer in the Year Book of Education, 1936 :—

"We, teachers, should emphatically, clearly and unmistakably declare that the solution of this problem is impossible within the compass of any educational measures. Education should decline to be saddled with the odium which may be called forth by the breakdown of impossible experiments."

31. We hope, on the contrary, that the remedy of most of the problems of education will depend on a satisfactory solution of the problem of unemployment. If all

the unemployed element in the province is harnessed to fruitful schemes of economic advancement, it will be possible to realize the many schemes of educational progress which confront us as more funds will become available and opportunities for the employment of educated people will follow in the wake of economic advancement.

32. Frequency of public examinations.—The Committee is alive to the evils of too frequent examinations suggested in paragraph 3 (1) (*d*). It is not possible, however, to suggest further restriction in the number of public examinations in this province. What may be necessary perhaps, is an investigation into the method of conducting the existing examinations. We do not, therefore, feel that the problem of restricting the frequency of examination should be considered when suggesting schemes for educational reform in this province.

33. Over-age pupils.—In respect of the suggestion contained in paragraph 3 (1) (*e*), we find that the number of over-age pupils in the senior classes of high schools in this province is very large. We are anxious, however, that this circumstance should not be interpreted to mean that the senior classes in high schools are flooded by pupils who are incapable of following the courses of instruction imparted to them. The presence of a large number of over-age pupils is not peculiar to the senior classes of high schools alone; it obtains in all classes of the primary and middle stages also. The following statistics, which relate to 1932, indicate the position in respect of pupils in various classes :—

Class	Total number of boys	Number of boys over-age	Percentage
I	.. 160,702	62,741	39.04
II	.. 88,921	45,437	51.09
III	.. 74,189	43,593	58.75
IV	.. 64,764	43,211	66.72
Total	.. 388,576	194,982	50.17
V	.. 16,835	11,162	66.30
VI	.. 13,055	9,112	69.79
VII	.. 11,866	8,719	73.47
VIII	.. 5,881	3,948	67.13
Total	.. 47,637	32,941	69.15
IX	.. 3,192	2,032	63.65
X	.. 2,724	1,685	61.85
XI	.. 2,197	1,328	60.45
Total	.. 8,113	5,045	62.18

34. These figures prove that there is a very large number of over-age pupils in all classes, the largest percentage being in the middle school stage. It will be wrong, therefore, to infer that the large number of over-age pupils in the senior classes of high schools represents the number of pupils who are incapable of following the education imparted at this stage and who should be diverted into institutions for specialized practical instruction after the completion of the lower secondary school stage. On the contrary, the number of over-age pupils is so overwhelmingly large and so universal as to arouse the suspicion that the courses of studies and methods of instruction in the schools are not suited to the experiences and interests of pupils of the ages for which the instruction is intended. It is possible, perhaps, that the number of over-age pupils will steadily decrease if the courses of instruction imparted to them at various stages of instruction are framed with due regard, on the one hand, to the special requirements of the pupils of that age, and, on the other hand, to the realities of the environment in which they live. We feel that it would be more desirable to experiment by making the courses of general instruction obtaining in the secondary schools more humane and truly liberal than they are at present, rather than to embark upon the expensive and risky undertaking of providing more schools for specialized practical education than are warranted by the economic needs of the province. We may discover after careful investigation that liberal education in its true sense has not been given a fair trial in the present system of education and that there is abundant need of humanizing education, especially in the lower secondary stage.

35. **Overcrowding in Universities.**—We are conscious of the presence in the University of a large number of students who are unable to benefit from the courses of instruction imparted in it. In this respect it is relevant to consider the results of the deliberations of the Universities Conference, attended by representatives of the leading Universities of the world, held at Oxford in July 1934, which discussed the problem of overcrowding in Universities. Several methods for limiting admissions to the Universities were discussed. It was not possible for the Conference to arrive at any principle for discriminating amongst the candidates for admission to the Universities and for shutting its portals to those who, by some arbitrary method of selection, were considered to be unsuited for education imparted in the colleges. The Conference agreed that the fixation of the maximum number of students was

in principle, undesirable as indicating too narrow a view of the purpose of University education. While there may be adequate grounds for limiting the number of admissions to the technical and professional faculties, any limitation, for non-academic reasons, of the number of those seeking University education for mainly cultural purposes, was to be deprecated. The general feeling of the Conference was against any action by the Universities which would tend to restrict admission to secondary schools.

36. The solution of the problem of overcrowding in Universities does not lie within the competence of the Universities nor of those who are responsible for the educational system. Overcrowding is the result of the prevailing unemployment the cure of which does not rest with education. Overcrowding in the Universities is a mere symptom of the shrinkage of economic opportunities because those who find no work "practise climbing on the mountains of education".

37. In view of the above considerations, we are of opinion that the schemes of educational reconstruction in this province should be inspired more by the desire of bringing the educational system into conformity with the special requirements of the students of various ages in different school stages and of the varied types of environments in this province, rather than by considerations of an extraneous nature over which education has little or no control.

CHAPTER III.—THE SYSTEM OF EDUCATION IN THIS PROVINCE AND THE SCHEME OF EDUCATIONAL RECONSTRUCTION PRO- POSED BY THE CENTRAL ADVISORY BOARD OF EDUCATION

38. The system of education in this province.—The system of education in this province consists of the following well-marked stages :—

The main current of literary education.—
(a) *The primary stage.*—The primary stage of education provides a four years' course and includes classes I to IV. The courses of studies for this stage are prescribed by the Department of Education and are intended to suit children of the ages of 6 to 10. Promotions from class to class are made by the head masters of schools and the examination of class IV constitutes the Primary Certificate Examination. This is the first public examination which the pupils have to face and is held *in situ* by the Deputy Inspectors of Schools.

(b) *The middle school stage.*—Education at this stage is provided in two broad types of institutions. They are—

(i) The vernacular middle school, which comprises classes V to VII. The courses of instruction for these schools are prepared by the High School Education Board and are meant for pupils between the ages of 11 to 14. No uniform practice throughout the province of conducting the examination of the final class of vernacular middle schools is followed. These schools are mainly confined to rural areas.

(ii) The anglo-vernacular middle school which consists of four classes, V to VIII. The courses of studies for these schools are prepared by the Central Provinces High School Education Board and are meant to suit pupils of the ages of 11 to 15. At the completion of the course the pupils have to appear for a public examination known as the High School Entrance and Scholarship Examination which is held by the Department of Education. Successful pupils are entitled to enter the high school stage.

(c) *The high school stage.*—This stage consists of three classes, IX to XI. Normally, pupils in these classes should be of the ages of 15 to 18. The courses of studies for this stage are prescribed by the High School Education Board. At the termination of the course, the High School Certificate Examination is held by the Board and success in this examination qualifies the pupils to enter the University stage.

(d) *The University stage.*—This stage includes the following :—

- (i) The Intermediate Courses of two years in Arts, Science or Agriculture, followed by
- (ii) The B.A. or B.Sc. or B.Ag. pass course of two years or B.A. and B.Sc. (Hons.) course of three years ; and
- (iii) The M.A. or M.Sc. course of two years for B.A. or B.Sc. (Pass) students, respectively. Students who have passed the honours examination in arts or science are entitled to the degrees of M.A. or M.Sc., respectively, without any further examination.

39. **The provision of diversions into institutions for vocational, technical and professional training.**—The above scheme indicates the main line of literary education. The educational system of the

province also includes vocational, technical and professional institutions of different kinds and grades. They are enumerated below :—

(i) *Handicrafts*.—Pupils who have passed the primary stage and reached the age of 15 may join any of the schools of handicrafts for vocational education in carpentry, smithy, manufacturing leather articles, or tailoring. The duration of the course is three years. Language and arithmetic are taught in addition to the vocational subjects.

(ii) *Training of police constables*.—Selected constables, who have passed the Primary Certificate Examination, are admitted to the two Police Constables' Training Schools at Nagpur and Jubbulpore, respectively. These schools hold two sessions per annum and 100 candidates are admitted each session for training.

(iii) *The training of teachers for vernacular schools*.—Students who have passed out of the vernacular middle schools are eligible for enrolment in normal schools which train teachers for primary and vernacular middle schools. Admission to Government Normal Schools is made after a competitive test examination. The courses of training for primary school teachers extend over two years and a third year course is intended for those who are selected to teach in vernacular middle schools.

(iv) *Engineering education*.—A limited number of students who pass the High School Certificate Examination are admitted to the Government Engineering School, Nagpur. This school provides instruction in three years' courses in civil, mechanical and automobile engineering and prepares students for the Diploma in Engineering conducted by Nagpur University. The school also holds two short courses annually for oil engine classes.

(v) *Medical education*.—Students possessing the High School Certificate are admitted to the Robertson Medical School at Nagpur after qualifying in the Admission Test Examination held by the school authorities. The school provides a four years' course which qualifies students to become assistant medical officers.

(vi) *The training of teachers for anglo-vernacular middle schools*.—Students, who have passed the High School Certificate Examination, served as teachers for some time and shown satisfactory work as teachers in schools are selected for this training which is mainly provided in the Spence Training College, Jubbulpore, while a few women candidates take a course in the Howbagh Training College for Women

Main current of general education.

Existing diversions to Vocational, Technical and Professional Institutions.

4. The University stage—

Intermediate stage (Arts, Science or Agriculture)—(2 years).

B. A., B. Sc., B. Ag. (Pass)—(2 years).

B. A., B. Sc. (Honours)—(3 years).

2. Diploma in teaching, for teachers in anglo-vernacular middle schools—

First year.

Second year.

3. Medical School, Nagpur, for four years.

4. One year course in normal schools for vernacular middle school teachers.

5. Police Training College for Sub-Inspectors of Police.

1. Law—LL.B. Examination—(2 years' course).

2. Bachelor of Teaching Examination—1 year's course for high school teachers).

M. A. and M. Sc.—(2 years course).

41. The system of education in this province compared with the Central Advisory Board's scheme of Educational Reconstruction.—A comparative study of the system of education in this province and the scheme suggested by the Central Advisory Board of Education indicates an unmistakable parallelism in general outline and structure. The resemblance between the two is especially marked in the following respects :—

(i) As suggested in paragraph 3 (2), the system of education in this province does not merely prepare pupils for professional and University courses, but also provides diversions into separate vocational institutions. Admission to separate vocational schools is voluntary and depends upon the decision of the student and his parent. It is outside the scope of a purely educational system to compel the diversion of pupils to occupations or to vocational institutions.

(ii) In accordance with the suggestions contained in paragraph 3 (3), the system of school education in this province consists of three separate stages, *viz.*, the primary, the lower secondary (or the middle school as it is known in this province) and the higher secondary or high school.

(iii) The aim of primary education in this province has been recently defined by the Provincial Government in the following terms. It will be seen that the definition includes the one suggested by the Central Advisory Board of Education in paragraph 3 (3) (a) :—

“ Primary Education should aim at ensuring literacy of a type such that it will not easily lapse after the pupil

has left school. It should lead to the formation of healthy and hygienic habits of body and mind and should also provide instruction in subjects which will give the pupil a living interest in his environment, and provide useful and attractive occupation for his leisure hours."

(iv) The aims of lower secondary education have not been explicitly defined, yet these schools have served definite purposes in the system of education which are not very different from those suggested in paragraph 3 (3) (b).

(v) The purposes assigned to the high school stage of education in paragraph 3 (3) (c) are almost identically those which are served by the high schools in this province.

(vi) Most of the high schools prepare students for admission to the University as suggested in paragraph 3 (3) (c) (i).

(vii) The existing normal schools for the training of teachers for primary and vernacular middle schools can be regarded as serving the objective suggested in paragraph 3 (3) (c) (ii).

(viii) Three or four high schools have recently introduced instruction in agriculture as an optional subject for the High School Certificate Examination. Though these high schools do not claim to be agricultural institutions, yet they serve the purpose suggested in paragraph 3 (3) (c) (iii). The High School Education Board has recently appointed a Committee to prepare a syllabus suited to rural high schools.

(ix) There are no high schools in this province which especially undertake to provide clerical training. There are a fair number of high schools, however, which teach the commerce groups of subjects, including shorthand, type-writing, book-keeping and précis writing. These subjects provide the necessary training for those who seek clerical posts and thus satisfy the need suggested in paragraph 3 (3) (c) (iv).

(x) There are no high schools in which instruction in selected technical subjects, as suggested in paragraph 3 (3) (c) (v), is provided. This is due to the general industrial backwardness of the province.

(xi) The Primary Certificate Examination in this province has been described, in paragraph 38 (a), as the first public examination which pupils have to face, while the Central Advisory Board of Education suggests in paragraph 3 (4) that the first public examination should

take place at the end of the lower secondary stage. This difference is more apparent than real. The Primary Certificate Examination is ordinarily held *in situ* by a Deputy Inspector of Schools who is a frequent visitor to the school and is familiar with the staff and the pupils. This manner of holding the Primary Certificate Examination strips it of all the awe which attaches to a public examination. For a long time to come, this practice will have to continue because, for a very large majority of pupils, the completion of the primary stage marks the termination of their educational career. Experiments, however, are being conducted in order to improve the method of conducting the primary certificate examination. In the strict sense of the term, the first real public examination encountered by the pupils is at the completion of the anglo-vernacular middle school stage, *viz.*, the High School Entrance and Scholarship Examination, and the intention of paragraph 3 (4) is thus fully satisfied.

(xii) There is no special examination instituted in this province for candidates who desire to join the clerical services of Government and local bodies. The Provincial Government, however, holds an examination in typewriting and shorthand and awards certificates to successful candidates. There is no age limit prescribed for this examination. This, along with the provision in the syllabus for the commerce groups of subjects referred to in sub-paragraph (ix) above, appears to have met the needs of the employers in this province and it has been wise, perhaps, not to go ahead of the public demand.

42. The above comparison indicates that in broad principle and general outline the system of education in this province is in accord with the scheme of educational reconstruction proposed by the Central Advisory Board of Education and that the differences between the two, where they exist, are due to the special local conditions and demands. We are, therefore, inclined to the view that the readjustment of the system of education in this province, in order to make it accord with the scheme of educational reconstruction suggested by the Central Advisory Board, will not necessitate radical changes and that any reforms, which are deemed to be necessary in the light of the altered conditions of life, will need to be confined to the framework of the existing system of education in this province. We are also aware of the importance of defining the specific aims of the various stages of education, as has already been done in the case of primary education.

PART II.

THE NATURE OF GENERAL EDUCATION TO BE IMPARTED IN THE LOWER SECONDARY STAGE WHICH WILL CONSTITUTE A SUITABLE FOUNDATION EITHER FOR HIGHER EDUCATION OR FOR SPECIALIZED PRACTICAL COURSES

CHAPTER IV.—A SURVEY OF LOWER SECONDARY EDUCATION IN THE PROVINCE

43. Increase in the demand for lower secondary education in the province—The Anglo-Vernacular Middle Schools.—

(a) *Increase in numbers.*—A marked growth in the demand for anglo-vernacular middle school education has been witnessed in this province and the following tables indicate the rise in the number of institutions under different managements and pupils in them :—

Year	Management				Total
	Government	Local bodies	Aided	Unaided	
1912	38	32	29	4	103
1917	42	50	51	10	153
1922	52	41	51	6	150
1927	51	38	55	12	156
1932	51	51	79	8	189
1936	47	54	79	25	205
Increase since 1912	24%	69%	172%	525%	99%

The number of pupils in these institutions are—

1912	6,029	3,460	2,567	183	12,239
1917	5,502	5,673	4,420	563	16,158
1922	5,757	4,042	3,371	317	13,487
1927	7,992	7,711	7,072	736	23,511
1932	6,775	9,910	9,795	742	27,222
1936	6,640	11,035	11,102	2,316	31,093
Increase since 1912	10%	219%	332%	1,165%	154%

(b) *Increase in the cost of education.*—The growth in the number of anglo-vernacular middle schools has led to an increase in expenditure on them which is indicated below:—

Sources from which expenditure is met

Year	Sources from which expenditure is met				Total
	Government funds	Local bodies	Private agencies	Fee income	
	Rs.	Rs.	Rs.	Rs.	Rs.
1912	1,43,310	78,894	41,111	65,385	3,28,700
1917	2,03,502	1,46,252	50,563	1,40,112	5,40,429
1922	4,57,920	1,11,965	79,330	1,88,305	8,37,520
1927	4,64,459	85,542	80,996	3,89,682	10,20,679
1932	4,96,386	77,293	1,07,298	4,97,991	11,78,968
1936	5,14,279	95,652	1,35,161	5,49,953	12,95,045
Increase since 1912.	259%	21%	229%	741%	291%

(c) The cost of educating each pupil in anglo-vernacular middle schools in 1934-35 was Rs. 40-12-10. The sources from which this was met are as follows :—

	Rs. a. p.	Percent- age to total
(1) Government funds ..	16 10 11	40.88
(2) Board funds ..	2 14 3	7.09
(3) Fees ..	17 8 4	42.95
(4) Other sources ..	3 11 4	9.08
Total ..	40 12 10	

(d) *The provision compared with that in some of the other provinces of India.*—The following table compares the position in regard to the provision of English Middle Schools in this province with that in some of the other provinces in India in the year 1934-35 :—

Province	Number of anglo- vernacular middle schools	Enrolment in anglo- vernacular middle schools	Average area in square miles per anglo- vernacular middle school	Percentage of number of pupils in anglo- vernacular middle schools to the total population
(1)	(2)	(3)	(4)	(5)
1. Madras ..	178	23,333	799	0.04
2. Bombay ..	393	24,459	314	0.11
3. Bengal ..	1,816	160,399	42	0.32
4. United Provinces ..	103	12,612	1,031	0.02
5. Punjab ..	215	44,569	464	0.18
6. Central Provinces and Berar.	197	29,102	507	0.18

Province	Number of primary schools for each anglo- vernacular middle school	Number of anglo- vernacular middle schools for each high school
(1)	(6)	(7)
1. Madras ..	246	0.46
2. Bombay ..	33	1.54
3. Bengal ..	25	1.55
4. United Provinces ..	182	0.47
5. Punjab ..	26	0.63
6. Central Provinces and Berar ..	21	2.56

44. **The vernacular middle schools—(a) Increase in the numbers.**—The following table indicates the increase in the number of vernacular middle schools in the province under various managements :—

Year	Management				Total
	Government	Local bodies	Aided	Unaided	
1912	.. 2	226	15	1	244
1917	.. 6	196	13	3	218
1922	.. 11	290	13	3	317
1927	.. 11	314	6	4	335
1932	.. 10	340	8	1	359
1936	.. 7	381	3	2	393
Increase since 1912	.. 250%	69%	80%	100%	61%

The figures in the annual reports showing the number of pupils in vernacular middle schools are misleading as they include the number of pupils in the primary department of vernacular middle schools. Actual figures of enrolment in the middle departments of vernacular middle schools are available for the years 1932 and 1936 only. In 1932 there were 18,829 pupils in the vernacular middle classes and in 1936 they were 20,214.

(b) *Increase in the cost of education.*—The figures in the annual reports showing the expenditure in the vernacular middle schools are also misleading, as they include the cost of education in the primary departments attached to vernacular middle schools. The cost of education in the vernacular middle school departments can be worked out approximately by deducting from the total cost, which is shown in the tables on vernacular middle schools, the cost of education of the pupils in the primary department of these schools calculated on the basis of the average cost per pupil in the primary schools of the province. The approximate cost thus arrived at is shown below :—

Year	Total cost	Average cost of each school	Cost of educating each pupil in the vernacular middle schools	
			Rs. a. p.	Rs. a. p.
1932	.. 4,32,831	1,205 10 6	23 13 6	
1936	.. 3,77,085	959 8 0	19 9 1	

(c) *The provision of vernacular middle schools as compared with some of the other provinces in India.*—The position of the vernacular middle schools in this province as compared with that in some of the other provinces in India in the year 1934-35 is shown in the following table :—

Province	Number of vernacular middle schools.	Enrolment in vernacular middle schools.	Average area in square miles per vernacular middle school.	Percentage of pupils in vernacular middle schools to total population.	Number of primary schools for each vernacular middle school.	Number of vernacular middle schools for each high school.
1. Bengal	46	3,218	1,685	0.006	991	0.03
2. United Provinces	753	87,640	141	0.18	24	3.5
3. Punjab	3,090	393,345	32	1.66	1.82	9.1
4. Central Provinces (1936 figures).	393	76,396	254	0.49	10.8	5.0

CHAPTER V.—THE CHARACTERISTIC FEATURES OF LOWER SECONDARY SCHOOLS IN THE PROVINCE

45. It has already been indicated that the scheme of educational reconstruction proposed by the Central Advisory Board of Education approximates in principle and structure very closely to that which has been in operation in this province for over twenty-five years and that any scheme of reform should be within the existing framework. The reorganization should, therefore, be based on an examination of the existing middle schools, on investigation into their defects and on the new demands manifested by the altered conditions of social and economic life.

46. *Function of the existing types of middle schools.*—A brief description of the functions of the existing anglo-vernacular and vernacular middle schools will not be out of place.

(A) *The anglo-vernacular middle schools.*—(1) The objectives of these schools have never been defined. They have served only one purpose, *i.e.*, to prepare pupils for the higher secondary course. The courses of instruction in them have, therefore, been inevitably literary in character. Drawing, no doubt, has formed a part of these courses from the earliest days and, since 1918, attempts have been made to include certain elements of practical training

through the introduction of manual training in a few middle departments attached to high schools for boys and of domestic science for girls. The full value of the provision for practical instruction has not been realized, however, for the following reasons—

- (a) the provision of manual training is limited to a comparatively small number of schools ;
- (b) there is no examination prescribed for drawing and manual training. There has been an obvious disinclination to acquiring proficiency in subjects which have no immediate value in a public examination ; and
- (c) the instruction in the practical subjects, which are treated as if they are unrelated to other subjects of the curriculum, is given from a narrow point of view.

There is, however, one notable exception which should be mentioned. At Powarkheda, there has been for some years a well established agricultural anglo-vernacular middle school which has provided practical training in agriculture, in addition to the regular anglo-vernacular middle school course, to the sons of malguzars and tenants. This school was originally a primary school and it was raised to the vernacular middle status in order to include the teaching of agriculture. The agricultural vernacular middle school failed in its turn but was given new life when converted into an anglo-vernacular middle school. The practical training imparted in agriculture in this school is reputed to be of a high standard and a suitable amount of manual work by the pupils is made possible by the fact that the school is a residential one. It is claimed that the training of the sons of malguzars along with those of tenants has cultivated in both the correct attitude towards each other and it is hoped that a proper understanding between these two litigant classes will result in consequence. Another school of the Powarkheda type has been started recently at Betul Bazar and its progress is being carefully watched. One difficulty has been experienced, however, in connexion with the Powarkheda type of school and that is the absence of an agricultural high school to bridge the gulf between an agricultural middle school and the College of Agriculture. Some high schools have, no doubt, been recognized for the teaching of agriculture as an optional subject in the high school classes. The fact remains, however, that there is a vast difference in the principles

on which the teaching of agriculture is based in these high schools and in the schools of the Powarkheda type. In the former, agricultural classes are added to the high school for those who offer agriculture as an optional subject for the High School Certificate Examination. The latter is predominately an agricultural school in which agricultural traditions have been laid down by the Agricultural Department amidst the surroundings of a Government agricultural farm. The Principal of the Government Agricultural College, Nagpur, has expressed certain fears regarding the addition of agricultural classes to high schools which are, he says, "far too closely associated with towns to produce the desirable results envisaged". While he is prepared to watch the results of this experiment, he suggests that "the opposite side of the experiment should be given a trial by introducing two high school classes into the middle schools at Powarkheda and Betul Bazar". Powarkheda is mentioned as an existing type of the lower secondary school which provides a foundation both for the higher secondary course and for the specialized training in agriculture. In some quarters, the opinion is held that the popularity of the Powarkheda school is mainly due to the fact that it provides instruction in English.

(B) *The vernacular middle schools.*—(1) The objectives of the vernacular middle schools have also never been defined. They have, however, served one very important and, probably, the only purpose, *viz.*, to provide recruits for normal schools who will ultimately become teachers in primary and vernacular middle schools. During recent years recruitment to the normal schools has been greatly curtailed for various reasons and the number of these schools in the province has been consequently reduced. Owing to this restriction in the only outlet, the vernacular middle schools have been seriously affected and they have tended to become blind alleys. Attempts have been made to safeguard their existence by ascribing to them new purposes and by making minor adjustments in the curriculum. Instruction in English has been introduced in some of them in order to enable the pupils to join the VIII class of the anglo-vernacular middle schools after completing the vernacular middle school course and ultimately, to qualify for admission to the high schools. Advantage of this has been taken by a large number of vernacular middle schools, specially in Berar. The experience of the last few years, however, has shown that no outlet of real value has been provided by this method.

Another alternative has been provided by the introduction of instruction in agriculture in some of the vernacular middle schools. Pupils who qualified from such schools were expected to take to farming. Speaking generally, the teaching of agriculture in vernacular middle schools has not proved to be very successful because the experiment has been confined to a limited number of schools. The question is being re-examined by Government and a scheme for the training of a large number of vernacular middle school teachers in agriculture is under consideration. In this way, it is hoped that many more middle schools will take up this subject and thus help to turn out a larger number of pupils prepared to take to agriculture as a vocation.

(2) The method adopted in the Chhattisgarh circle to deal with the products of the vernacular middle school is worthy of special mention. An attempt has been made to modify the curriculum of these schools so that the pupils, on leaving, can be absorbed and adjusted in the economic life of the rural areas. The underlying idea of the rural vernacular middle school syllabus is to bring the vernacular middle school into harmony with its rural setting and to provide instruction in such subjects as will enable the pupils to become useful and productive members of the village community. A definite aim is thus given to the instruction imparted. The syllabus contains an irreducible minimum of instruction in literary subjects together with such knowledge in science and mathematics as is necessary for a practical and useful citizen. In addition to these subjects, the new curriculum includes vocational subjects such as agriculture (practical and theoretical), blacksmith's work, masonry, tailoring, weaving, turning, tinsmith's work and book-binding. These subjects are intimately connected with the economic life of the villager and it is reported that their introduction has aroused much interest in rural areas.

(3) The High School Education Board has taken a further step and has constituted a committee to prepare a syllabus which will prepare students for various occupations at the completion of the middle school course. This committee has not yet concluded its labours.

47. Some characteristic defects of middle school education.—The following are some of the considerations relating to the retardation of progress in lower secondary schools :—

(1) The table given in paragraph 33 of Chapter II of this report indicates the presence of a very large number

of over age pupils in the middle schools. It has already been suggested that this condition indicates that the courses of instruction prescribed for the middle school stage are not suited to the ages of the students of that stage and to their environments.

(2) It has been already mentioned that the courses of studies for anglo-vernacular and vernacular middle schools have not been framed to serve any clearly defined objective. Aimless education has diffused educational effort and rendered educational planning difficult.

(3) The syllabus of studies for this stage of education involves the study of orthodox academic subjects and is now recognized as being far too wooden and literary in character. The courses of studies are held to be arbitrary in nature and represent the traditional ideas of what the pupils ought to know rather than what suits their capacities and aptitudes and what is of value to them. To a large extent the courses are subservient to the requirements of high school education.

(4) The courses of studies are too formal and bear no relation to the environment of the pupils. It is small wonder, therefore, that the schools lack life, that love for learning is rarely inspired and that cramming attains such huge dimensions.

(5) The nature of preparation demanded by the existing type of examinations, particularly the High School Entrance and Scholarship Examination, also leads to indiscriminate cramming and an almost complete absence of any manifestation of intelligence or initiative by the pupils.

(6) The subjects of practical training such as drawing, manual training and domestic science, which form part of the courses of studies, have not received the importance which is due to them.

(7) There is some evidence in favour of the contention that the present courses of studies do not contain sufficient material to constitute intensive study for a period of four years for the anglo-vernacular and three years for the vernacular middle school course. It is significant that several coaching classes claim to prepare pupils for the whole of the anglo-vernacular middle school course in a much shorter period than that laid down. It may be, perhaps, that the promoters of the coaching classes give to the general public an erroneous interpretation of the nature of the secondary school course. It may yet be worthwhile to revise the courses of studies with a view to making

them fuller and richer and to provide sufficient material of interest and utility so as to engage the pupils intensively during the period of the middle school course.

(8) The teaching in classes is, generally speaking, lifeless and uninspiring and aims merely at preparing pupils for the formal type of examination which terminates the course. Any material, however interesting and useful, which has no strict relevance to the requirements of examination is tabooed. Most of the teachers know that their work will be judged by the percentage of passes at the end of the course and so direct their best energies to that end.

(9) Areas in which compulsory primary education has been introduced and, in particular, large urban areas present another problem. A large number of pupils who pass the primary certificate examination are too young to work as wage-earners and have, through compulsion, acquired the school-going habit. They swell the numbers in the lower secondary schools where they mark time until they are of proper age to get some occupation. These pupils represent peculiar needs which the existing syllabus did not anticipate.

(10) The vernacular middle school course in particular does not provide the necessary general grounding to the pupils to enable them to appreciate and derive the fullest benefit from the professional course of training for teachers imparted in the normal schools. This consideration is of importance as most of the pupils at this stage seek employment as teachers in vernacular middle and primary schools.

CHAPTER VI.—THE AIM OF LOWER SECONDARY EDUCATION

48. Educational reconstruction must be conducted with a view to serving some specific purpose and it is necessary, therefore, to indicate at the very outset the considerations which are essential to the formulation of the specific aims for secondary education in this province. The following issues appear to be of value in defining the goal of lower secondary education :—

(1) The aim of the primary stage of education has been very recently defined by the Provincial Government. We have already mentioned that the aim of this stage of education is consistent with the suggestions made in this connection by the Central Advisory Board of Education. It is necessary, therefore, that the aim of lower secondary

stage education in this province should be consistent with and a systematic development of the aims which have been accepted for the primary stage of education.

(2) It is necessary that the course of instruction at this stage should be framed with due regard to the period of adolescence of most of the pupils at this stage. The children at this stage are normally of the ages of 10 or 11+ to 13 or 14+ which is identical with the period of adolescence. In this connection the Hadow Committee Report observes :—

“ With the transition from childhood to adolescence, a boy or girl is often conscious of new powers and interests. If education is to act as a stimulus, if it is to be felt to be not merely the continuance of routine, but a thing significant and inspiring—it must appeal to those interests and appeal to those powers. It must, in short, grow and expand with the growth of those for whom it is designed. And it would do this most successfully, if its successive stages are related to each other in such a manner that the beginning of a new stage in education may coincide with the beginning of a new phase in the life of the children themselves.”

(3) It is necessary that the courses of instruction at this stage should be designed strictly from the point of view of a liberal education. This does not mean that the element of practical training should not constitute a part of the course. On the contrary, it is necessary that the treatment of the subject should be related to matters of everyday experience and the provision of a large amount of practical work done under realistic conditions should be considered to be essential.

The view of the Hadow Committee Report on this subject is significant :—

“ The courses of instruction in the last two years of the post-primary schools, retaining a considerable proportion of pupils up to 15+, should not be vocational. At the same time the treatment of subjects such as history, geography, elementary mathematics and modern language should be practical in the broadest sense and directly and obviously brought into relation with the facts of every day experience. The practical application of subjects such as elementary mathematics and drawing as adjuncts and instruments of thought in the study of other subjects, *e.g.*, handicraft, geography, elementary physics and biology, might, with advantage, be emphasized. Thus the courses of instruction,

though not merely vocational or utilitarian, would aim at linking up the school work with interest arising from the social and industrial environments of the pupils."

(4) It has often been contended that education at this stage should be predominatingly practical and utilitarian with a view to enabling the pupils to enter occupations available in life outside the school. This view, however, has not much justification and the necessity of designing the courses of education for this stage strictly from the point of view of a liberal education is indicated by the following considerations :—

(a) Pupils in the lower secondary school stage are too young to be introduced to purely vocational or prevocational institutions. The opinion, held by leading educationists is that vocational or pre-vocational training should not begin before the pupil has attained the age of $13\frac{1}{2}$ + and should be postponed as long after this age as possible.

(b) A booklet on Junior Technical Schools published by the Board of Education in England suggests that the age of entry into the vocational schools should be regulated by two considerations. "First, it must be low enough to enable the schools to give a course of adequate length before the pupils are required to enter occupations. Secondly, it must be high enough for the pupils to have formed sufficiently stable tastes and exhibited the necessary capacities to justify so momentous a decision as the choice of a vocation. In some cases, three years is considered to be the suitable length of the course ; two years is found sufficient in others. From this it follows that at present the age of entry is, normally, 13 or 14. In those occupations in which entrants are accepted at a later age than 16, entry to the Junior Technical School is quite properly permitted as late as 15. This is a distinct advantage, since it enables the pupils to carry their general education to a later stage, and to postpone to a more mature age the choice of a career."

(c) The liberal education imparted at this stage would be more useful to the pupils in the economic struggle outside the school than a narrow vocational education. The specialized practical training may give the student immediate advantage in the matter of securing occupations over those who have received general education, yet the latter will acquire a greater adaptability which is essential to adjustment in a quickly changing social and economic environment. This point of view was emphasized by a recent paper read

by Mr. K. Chattopadhyaya, Educational Officer of the Calcutta Corporation, before the All India Education Conference. He observed :—

“ You are all aware how in Denmark, when competition with the Argentine and Mississippi wheat caused a slump in corn in the middle of last century, the farmers changed over to dry work and pig-farming. The re-organization was taken up and completed smoothly by men of the farmer class. But those who took the lead in this work and averted a national catastrophe were people who had been not to specialized vocational schools but to schools where they had learnt to see life. They were young men who had been to the famous Folk High Schools, formed under the inspiration of Bishop Grundtviz—schools, where young men and women from the country-side learnt not agriculture—but a new interest in life and where they received, not any vocational training but a new stimulus to their thought. It is only fair to add that they had learnt their job as agriculturists previously quite well, along with other training. The need for lifting up from a rut an entire nation is our problem in secondary education to-day. While primary education lays the basis of future training, it is the secondary school where the boy or girl can get that training of body and mind which makes for adaptability, initiative and wide outlook. We cannot, therefore, neglect the cultural aspect in this stage of education in our country. A narrow specialised training may prove of benefit temporarily in special areas. But such an education will not help to save a nation from the stress and changes of the modern world.”

(5) Education provided at this stage should provide full scope for the development of each pupil according to his peculiar interests and aptitudes. He should also be afforded ample opportunities for the formation of sound character, the development of healthy physique and the acquisition of a love for creative work and general manual dexterity.

(6) While providing scope for the fullest development of the individual pupil the claims of society and environment should not be lost sight of. As pointed out by the Hadow Committee, “a well-balanced educational system must combine these two ideals in the single conception of social individuality”. The importance of the social factor in education cannot be over emphasised and it should

be kept in view that "not only the stimulus for learning and the learning process itself are essentially social, but also that learning, to be effective, must draw its content largely from the social order in which it takes place". In this connection the Hadow Report observes, "Sound teaching, it is recognised, must be based on the pupil's interests; and these, though they may in time reach out to the end of the world, begin at home in the challenge of things around him. Where this truth is neglected, a child's study of science, mathematics, of geography and history, and even of literature, may often be little better than a sterile commerce with abstractions; but, where it is intelligently and skilfully applied, it may affect deeply and permanently the growth of his mind and character".

(7) Instruction at this stage should provide wide opportunities for practical work related to the living interest provided by the pupils' environment. The practical work at this stage should be realistic and yet treated as an essential part of a truly liberal education and correlated with other subjects of the curriculum.

49. In conclusion, we are of opinion that all the considerations urged above should be embraced by the definition of the goal of secondary education in this province. We cannot sum up our position better than by endorsing the following passage from the Hadow Committee Report on the Education of the adolescent:—

"There are three great ends of human life and activity which we trust that our scheme will help to promote. One is the forming and strengthening of character—individual and national character—through the placing of youth, in the hour of its growth, 'as it were in the fair meadow' of a congenial and inspiring environment. Another is the training of boys and girls to delight in pursuits and rejoice in accomplishments—work in music and art; work in wood and in metals; work in literature and the record of human history which may become the recreations and the ornaments of hours of leisure in maturer years. And still another is the awakening and guiding of the practical intelligence, for the better and more skilled service of the community in all its multiple business and complex affairs—an end which cannot be dismissed as 'utilitarian' in any country and least of all in a country like ours, so highly industrialized, and so dependent

on the success of its industries, that it needs for its success, and even for its safety, the best and most highly trained and skilled of its citizens.

The forming and strengthening of character, the training of the tastes which will fill and dignify leisure; the awakening and guiding of the intelligence especially on its practical side—these are the ends which we have had in view”.

CHAPTER VII.—PRINCIPLES OF CURRICULUM CONSTRUCTION FOR THE LOWER SECONDARY STAGE

50. The principles of curriculum construction follow directly from the goal defined in the previous section. The following conclusions are, we consider, essential to curriculum construction for the secondary stage of education :—

(i) The nature and the extent of the detailed courses of instruction should be determined after a careful investigation of the mental and physical capacities of the pupils of the age of 10+ or 11+ to 13+ or 14+, particularly in view of the period of adolescence.

(ii) The subjects to be taught in the lower secondary schools should provide a fairly wide field in order to enable the pupil to discover his distinctive bent of mind and special aptitude.

(iii) Broadly speaking, two general types of aptitudes will be manifested at this stage. Some pupils will show a leaning towards subjects of a literary character, while others will favour subjects of practical interest. Provision will be necessary, therefore, for both types of subjects. Yet it should be borne in mind that while the general tendency towards the literary or practical side is to be watched with care, no attempt should be made to emphasise it, for the tendencies displayed at this age may not be those that are finally decisive in life.

(iv) The objective at this stage should be essentially and predominately cultural and should be realized by a balanced curriculum including both literary and practical subjects. The practical subjects will act as the correlating agents between education and life and will give pupils practice in the elementary tools of important branches of production. This manual work must be closely related however to academic instruction. For example, the pupils should understand the nature of the material they use for production, the sources from which it is obtained, its value

in industry and the general scientific processes involved in the process of production. In a similar way, life should be introduced into the otherwise dry literary subjects by correlating them with work involving manual activity.

(v) The selection of material for practical work should largely depend upon the local conditions of the school centres. The environment will thus provide the source of interest and inspiration.

(vi) Wherever necessary, continuation classes may be added to the middle schools not only to ease the transition from the school to some occupation or profession but also to equip the pupil better for them.

51. In the light of the above principles, the following suggestions are made regarding the subjects of instruction assuming that there are thirty-nine working periods per week :—

Subjects	Number of periods per week.	
	Classes V and VI Periods	Classes VII and VIII Periods
I.—Indian language (mother-tongue)—		
Grammar ..	1	1
Composition and essay writing ..	2	2
Literature ..	5	5
Total ..	8	8
II.—English—		
Reading and conversation ..	3	3
Grammar and composition ..	2	2
Total ..	5	5
III.—Mathematics—		
Arithmetic ..	2	2
Algebra ..	2	1
Geometry ..	1	1
Total ..	5	4

Subjects	Number of periods per week	
	Classes V and VI Periods	Classes VII and VIII Periods
IV.—History ..	3	2
Geography ..	3	2
Farm economics or economics of industrial production. ..	..	2
Total ..	6	6
V.—Science ..	2	2
Nature study ..	3	3
Total ..	5	5
VI.—Drawing ..	2	2
Manual training or other practical work. ..	4	5
Total ..	6	7
VII.—Music (vocal and instrumental)	1	1
VIII.—Physical education ..	3	3
Grand Total ..	39	39

In the actual planning of the curriculum the following considerations will be of value :—

(i) The details of the content of the syllabus in each subject should be correlated with those of the other subjects of study prescribed.

(ii) Practical training in subjects of local importance should replace manual training wherever it is found beneficial to do so. The subjects for practical instruction must emphasise three aspects of the training, *viz.*, skill and precision in manual work, understanding of the material used and appreciation of the scientific theories involved in

the process of production and the aesthetic aspect of the finished product. The following are some of the alternatives for manual training suggested for suitable areas which may be encouraged provided adequately qualified teachers are secured :—

- (1) Agricultural farming.
- (2) Gardening, vegetable, flower and fruit.
- (3) Poultry farming.
- (4) Dairy work.
- (5) Farming of honey bees.
- (6) Cooking.
- (7) Dress designing and cutting.
- (8) Homecraft.
- (9) Fruit preserving and preservation of dried food stuffs.
- (10) Weaving of various kinds.
- (11) Clock, watch and gramophone repairing.
- (12) Laundry, dry cleaning and bleaching.
- (13) Care and repairs of automobiles.
- (14) Oil pigments, varnishes and paints.
- (15) Pottery.
- (16) Leather and preparation of leather articles.
- (17) Book-binding and care of books.
- (18) Block cutting and print making.
- (19) Electric wiring, care of the dynamo and radio.
- (20) Care of animals.
- (21) Simple paper making.

(iii) It is very necessary that in every school suitably equipped workshops or farms or both should be provided to render the instruction realistic and to afford extensive scope for practical work. In regard to instruction in agriculture the Principal, Government Agricultural College, Nagpur, lays special emphasis on this point. He says, "I cannot too strongly emphasise that it is useless to teach agriculture in any way at all, unless there is ample land to give the maximum amount of practical work." Unless this is provided, he thinks, "it is better to leave agriculture severely alone." The same truth applies to all subjects of practical instruction.

(iv) Farm Economics or the Economics of Industrial Production is included among the subjects with a view to giving the pupil a general idea of the organization and distribution of the material he learns to handle and of the principles of co-operative societies. These subjects will also provide him with knowledge of the chief producing agencies in the world in respect of the material with which he is engaged.

(v) The medium of instruction will be, as it is now the mother-tongue of the people among whom the school is situated. In backward areas *the teaching of English should be made optional and the time allowed for it in the scheme proposed may be devoted to more intensive work in language, nature study and practical subjects.*

CHAPTER VIII.—THE REORGANIZATION OF THE LOWER SECONDARY SCHOOLS

52. Reorganization.—The existing types of vernacular middle schools will need radical alterations in the light of the aims of secondary education defined in Chapter VI and the principles of curriculum construction which have been enunciated.

53. Three types of lower secondary schools for this province.—According to the aims and the principles of curriculum construction for lower secondary education, there will be three types of lower secondary schools in this Province :—

- (1) Middle schools with suitably equipped work-shops or farms or both attached to them.
- (2) Middle schools in rural areas which will resemble schools mentioned under (1) above in all respects except that the teaching of English in them will not be compulsory.
- (3) Middle schools of the type mentioned under (1) with continuation classes attached to them with a view to providing special training to pupils for occupations locally available.

54. All existing vernacular middle schools will need to be altered so as to conform to one or other of the types of the schools mentioned in paragraph 53.

55. Future of the existing types of the middle schools in the Province.—*Vernacular Middle Schools.*—We are forced to the conclusion that the ordinary type of vernacular middle school has outlived its utility. It has already been pointed out that the restriction in the number of recruits for Normal Schools has deprived these schools of their only purpose. The training imparted in them is of inferior quality and does not provide that necessary grounding which is essential before the student can grasp fully the teaching imparted. Moreover, the courses are rigidly formal and bookish with the result that the student does not acquire any adaptability for occupations

which may be available for him in rural areas. These schools will require radical alteration if they are to conform to one of the types of schools mentioned above.

56. The following changes in the vernacular middle schools will be essential :—

- (1) The duration of the course in these schools will need to be extended by one year and brought into line with the 4 years' course in the anglo-vernacular middle schools.
- (2) It will be necessary to introduce radical changes in the staffing and equipment of the schools so as to bring the standard of instruction and achievements up to the standard suggested for other middle schools in this Province. If this is done, the distinction which is made at present between anglo-vernacular and vernacular middle schools will vanish.

57. **Vernacular middle schools teaching English and agriculture.**—The vernacular middle schools teaching English and agriculture have not succeeded in serving the purpose which they were intended to serve. The courses of instruction in Agriculture and English, wherever they have been introduced, have been treated as something extra, and do not constitute a part of the regular course of studies prescribed for the schools. In the absence of a living correlation with other subjects in the curriculum, the instruction in Agriculture and English has been deprived of the value which rightly belongs to it. We are of opinion therefore that these schools should be altered with a view to conforming to one of the types of schools which we have already suggested.

58. **Vernacular middle schools in which the new alternative syllabus is introduced.**—The Alternative Syllabus for rural vernacular middle schools introduced in these schools is intended to create a bias towards rural occupations. An examination, however, of the courses of the studies embodied in the syllabus shows two deficiencies:—

- (1) these schools do not lead to higher secondary education,
- (2) they do not prepare students for admission to any of the institutions for specialized practical training.

59. We consider that these courses of instruction, included in the alternative syllabus, should be remodelled

on the principles suggested in this report and the schools, in which it is introduced, should be altered so as to conform to one of the types of schools suggested by us.

60. Anglo-Vernacular Middle School at Powarkheda.—We have been impressed by the success of the instruction imparted at Powarkheda and we feel that with minor adjustments of a detailed character, it will conform to one of the broad types of schools which we have proposed.

61. Continuation classes.—It will be desirable to experiment by attaching continuation classes to some of the reorganized middle schools so as to prepare pupils for occupations which may be locally available. The nature and duration of these courses should be determined after a careful examination of local demands.

CHAPTER IX.—SOME ESSENTIAL CONDITIONS FOR THE SUCCESS OF THE SCHEME

62. We are emphatically of opinion that no scheme of reform will succeed unless the following conditions are satisfactorily fulfilled :—

(a) The teachers, to whom the operation of this scheme will be entrusted, should have a real calling for the profession. They should have a very fair standard of general education and adaptability to practical pursuits. They should receive a high standard of professional education and should be guaranteed security of tenure of their service and a fair standard of living. No scheme of educational reform will ever succeed in the hands of an incompetent or dissatisfied teacher. Moreover, a special class of teachers to undertake different types of practical work will have to be trained.

(b) The school should be well equipped particularly in respect of the following :—

- (i) An adequate library, containing up to date books suitable for teachers and for students.
- (ii) A suitable farm or workshop or both.
- (iii) A good garden and appropriate collections necessary for instruction in nature study.
- (iv) A laboratory for the teaching of science.

(c) In respect of the new spirit behind the proposed scheme it will be necessary for some years, at any rate, to have intensive inspections. Apart from normal inspections by the inspecting officers, the nature of the practical work suggested will necessitate inspection and guidance by experts in the practical subjects.

(*d*) It will be necessary to revise the system of examination in order to make it less formal and more liberal and humane than it is at present. This requirement should be treated as the key to the whole success of the scheme. For a long time to come instruction imparted in schools will continue to be subordinated to the needs of the examinations. This is doubtless very undesirable, yet the evil will live so long as public opinion is not sufficiently educated and the outlook of the teacher is not completely altered. Whether we like it or not, the requirements of the examination will continue to loom large and will determine the nature of instruction in the school. It follows that any scheme of educational reconstruction must, in order to be effective, realize its characteristic ambitions through adequate revision of the nature and method of examinations.

(*e*) Each school should introduce a variety of healthy activities in order to develop corporate life among the pupils. The cultivation of liberal sympathies, sensitiveness to the vital needs of those who are less happily placed in life and readiness to co-operate willingly with any organized effort to lessen the suffering of humanity are necessary aspects of a truly liberal education which can be but ineffectively attended to during the class hours. School life must extend far beyond the walls of the class rooms and through manifold organized activities, charge the school atmosphere with a spirit which is essentially moral.

(*f*) It will also be necessary to create a certain amount of propaganda in order to educate the public to appreciate the spirit behind the scheme of educational reconstruction. Public sympathy may be a key to the public purse.

PART III

THE ATTUNING OF THE COURSES OF INSTRUCTION IN RURAL MIDDLE SCHOOLS TO RURAL REQUIREMENTS

CHAPTER X.—RURAL MIDDLE SCHOOLS AND RURAL REQUIREMENTS

63. Two possible points of view.—The problem of attuning the courses of instruction in rural schools to rural requirements may be treated from two points of view, *viz* :—

- (a) the preparation of pupils for rural occupations, and
- (b) the imparting of a general education which will derive its content and inspiration from the rural environment.

64. Our point of view.—According to the view which has been adopted by us in the proposed scheme of the reorganization of rural middle schools, the prime purpose of lower secondary education is not to provide specific training for occupations rural or urban. We have thus recommended that a general education should be given in schools situated in a rural environment. The attuning of the course to rural requirements means, therefore, giving the environment a large part in determining the curriculum and in evolving methods of instruction.

65. While suggesting general principles for preparing courses of instruction in accord with rural needs, we have been anxious to found the courses of instruction on those fundamental experiences and interests which are common to all forms of society, rural or urban and which constitute the basic element of culture. Rural life should undoubtedly provide the source of interest as well as educational material of value to the teacher and the taught, but it would be unwise to limit the whole process of education to matters of mere local rural interest. The advancement of civilization tends to lessen the distinction between rural and urban and it follows that pupils trained from a limited rural point of view will find adjustment to life in a changing society difficult. We have, therefore, considered it necessary to

observe the following principles in attuning the courses of instruction in rural schools to rural requirements :—

(1) The course should provide such practical and vocational subjects as will help the pupils to adapt themselves more readily to the life they will have to lead, if they remain in their village, and to enable them to make the most of the possibilities offered by their environment. The rural surrounding should not provide subjects for any form of specialization or utilitarian training ; it should only provide that source of interest which will correlate the courses of instruction to the life of the community.

(2) The curriculum should include such cultural subjects as will enable pupils to understand and take an interest in life beyond their areas and put them in possession of such arts or cultural pursuits as will serve to enrich their own life and that of their community. At the same time, it will be possible for them to adapt themselves to any change.

(3) The course must be so planned as to make it possible for any pupil to continue his studies in any recognized high school whether rural or urban. This is imperative as the distinction between rural and urban societies must increasingly tend to disappear as civilization advances and existing barriers are removed. This implies that the courses of instruction in lower secondary schools must represent a unified whole attuned, on its practical side and in the method of instruction, to the particular needs of the environment in which the school is placed.

66. In Chapter VI we have discussed at length various considerations which have prevented us from recommending vocational education at the middle school stage. The same considerations apply to the problem of training in rural schools for the purpose of preparing pupils for rural occupations.

67. We have deliberately refrained from offering any detailed curriculum for the middle school stage in general and for rural middle schools in particular and have been content to lay down the broad general principles which should apply to different types of lower secondary schools. We would suggest, however, that a detailed enquiry should be conducted in characteristic rural areas of this Province so as to frame a detailed curriculum on the knowledge thus gained and on the broad principles suggested in different portions of this report.

PART IV

THE EXISTING PROVISION FOR VOCATIONAL EDUCATION AND THE ECONOMIC CONDI- TION OF THE PROVINCE

CHAPTER XI.—THE EXISTING PROVISION FOR VOCATIONAL EDUCATION

68. Vocational institutions.—The following table gives a list of the Schools for Handicrafts in this Province which impart instruction necessary for occupations requiring the skilled handling of tools. The date of the opening of the school is shown in brackets :—

Name of institution (1)	Subjects taught (2)	Remarks (3)
School of Handicrafts, Nagpur (1913) under Government management.	Carpentry, blacksmith's work, fitting, turning and drawing.	Mochi (boot and shoe making) class attached in 1912; closed in 1924 and restarted in 1932.
Robertson Industrial School, Jubbulpore (1918) under Government management.	Carpentry, blacksmith's work, fitting, turning and drawing.	Tailoring classes added in 1930. Mochi class attached in 1918 and removed to Amraoti in 1928.
Victoria Technical Institute, Amraoti (1918) under the management of the Berar Victoria Technical and Industrial Institute, Amraoti; aided by Government.	Carpentry, blacksmith's work, fitting, turning, foundry and drawing.	
Carpentry School, Dhamtari (1918) under the management of the Christian Mission Societies; aided by Government.	Carpentry and drawing.	
Carpentry School, Saugor (1918) under the management of the Municipal Committee; aided by Government.	Do.	
Industrial School, Chandameta (1920) under the management of Messrs. Shaw Wallace & Co.; aided by Government.	Blacksmith's work, fitting, turning and drawing.	
School of Handicrafts, Akola (1922) under Government management.	Carpentry, blacksmith's work, fitting, turning and drawing.	Tailoring class added in 1930.
Carpentry School, Chanda (1928) under the management of the Christian Mission Societies; aided by Government.	Carpentry and drawing.	
Municipal Industrial School, Khamgaon (1928) under the management of the Municipal Committee; aided by Government.	Carpentry, blacksmith's work, fitting, turning and drawing.	
Carpentry School, Raipur (1930) under the management of the Christian Mission Societies; aided by Government.	Carpentry and drawing.	

69. In addition to the above schools, Government started a Leather Tanning School at Nagpur in 1925 in order to give instruction to the sons of Chamars and others in modern methods of tanning half-tans, the flaying and curing of hides and the production of finished leather. A finishing tannery was added to the school in 1929. Owing to the continued slump in the leather trade, the post of the leather expert was abolished in 1932 and the management of the school was handed over to a private individual on condition that he undertook to train ten apprentices per annum. Government grants scholarships to these apprentices at the rates of Rs. 8 and Rs. 9 per mensem and the course of training extends over two years. The total number of pupils who have completed this course is 21. The present lessee, however, terminated the lease on the 30th June 1936, and tenders have been invited for a fresh lease.

70. All students in the Schools of Handicrafts are stipend-holders. The total number of stipends awarded by Government every year is 504 of which 302 are for training in carpentry, 177 for smithy, 15 for boot and shoe making and 10 for leather tanning. Originally, no provision for stipends was made for the "mochi" classes at Nagpur and the students were remunerated by sharing the income from the work executed by the class. This, however, did not attract a sufficient number of students and Government had to award stipends to attract students to the classes. The scheme of remuneration on the basis of profit-sharing in the tailoring classes at Jubbulpore and Akola is reported to have been successful. The rate of stipend paid by Government is Rs. 7 per mensem in the first year, Rs. 8 in the second and Rs. 9 in the third year. The "mochi" class has a two-year course and the rate of stipend is Rs. 8 for the first year and Rs. 9 for the second year.

71. The total number of artisans produced by the various schools is given below :—

Carpenters—	1,312,	Smiths—	733,	Boot and shoe makers—	62,	Tailors—	32,	Leather tanning—	21.	Total—	2,160.
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72. Recently, continuation classes have been attached to Schools of Handicrafts with a view to providing occupation for those students from the schools who could not be absorbed in vocations. The continuation classes work on commercial lines and the students share the profits. These classes are reported to be successful.

73. The minimum qualification for entrance into a school for handicrafts is the primary certificate and the minimum age for admission is 15. The normal duration of the courses is three years, except for the "mochi" class which lasts for two years. The courses of instruction in these schools consist of a certain minimum amount of general education (reading, writing and arithmetic) and a knowledge of skill in the handling of tools.

74. The course of training imparted in these schools of handicrafts is only the beginning of a craftsman's career or the foundation of a prospective artisan. It aims at developing ability and skill in the handling of tools and materials, which is a specialized training, through a series of graduated practical exercises correlated with certain theoretical principles, with the express object of producing intelligent and skilled craftsmen under the broad headings of wood or iron workers, carpenters or blacksmiths, fitters or turners. The duration of the course of training, which is three years, is too short and barely provides an introduction to the vast field of industrial pursuits which require the workmen in wood or iron to follow a more definite or specialized branch. The need for specialized training thus becomes very evident. The same applies to industrial education, the products of which, to all intents and purposes, are launched out as improvers. The obvious needs in regard to the organization of specialized courses are—

- (1) a longer course of vocational training, and
- (2) specialized training through compulsory continuation classes or part-time apprentices.

75. **Technical institutions.**—Technical training involves knowledge and skill in the handling of modern tools and machines and the application of scientific knowledge to the process of production. We give below a brief account of the institutions in which technical education is imparted at present.

76. **Government Engineering School.**—Government maintains an Engineering School at Nagpur which is the only institution of its kind in the Province. The following courses of instruction are imparted in the school :—

- (1) Civil Engineering up to the Overseer standard.
- (2) Mechanical Engineering up to the standard necessary for shift engineers and workshop foremen.
- (3) Automobile Engineering up to the standard required for automobile foremen.
- (4) Oil Engine classes for oil engine drivers.

77. The students under (1), (2) and (3) above, undergo a three years' course for the Diploma Examination in Engineering held by the Nagpur University. The courses for the oil engine class last for four months and two batches of students are trained every year.

78. Thirty students are admitted annually to the civil engineering class, 15 to the mechanical engineering class, 10 to the automobile engineering class and eight to the oil engine class. Government awards three scholarships annually for civil engineering and two each for mechanical and automobile engineering.

79. **Aided technical schools.**—Besides maintaining the Engineering School, Nagpur, Government aids the mining classes run by Messrs. Shaw Wallace & Co. at Pench Valley in the Chhindwara district. The classes were started in 1923 but were abandoned in 1928. because of the economic depression. They were revived again in 1933. These classes are handsomely aided by Government. The courses of instruction include such subjects as mining, geology, surveying, physics, chemistry and mechanics. There is no definite minimum standard of education fixed for these classes, but usually the senior assistants, who take the advanced course in mining, are educated up to the matriculation standard.

80. **Private technical schools.**—There are very few private institutions in the Province which provide technical or industrial training. The most prominent are the Berar Victoria Memorial Technical Institute, Amraoti, and the Roman Catholic Technical Workshop and School, Nagpur. The former has a metal section, comprising turning, fitting, smithy and moulding and the course extends over two years. The latter provides training in fitting, turning, printing, tin and blacksmithy, motor mechanics, electric work, moulding, carpentry and welding.

81. **Government scholarships.**—The following scholarships for technical education are awarded annually by the Industries Department to *bona fide* residents of the Province :—

Where tenable	No.	Subject of study	Value	Period of training
United Kingdom	..	1* Technical subject special-ly selected.	£200+£40 bonus per annum and other charges.	Two to five years.

*Not awarded since 1930 as a measure of economy.

Where tenable	No.	Subject of study	Value	Period of training
Indian Institute of Science, Bangalore.	2	General chemistry, organic chemistry or electrical technology.	Rs. 80 per mensem.	Ordinarily for two years.
Indian School of Mines, Dhanbad.	1	Coal mining, metalliferous mining or geology.	Rs. 60 per mensem.	Ordinarily for three years
Victoria Jubilee Technical Institute, Bombay.	4	Electrical engineering or textile industry.	Rs. 35 per mensem.	Four years.

82. Government makes an annual grant-in-aid of Rs. 1,500 to the Indian Institute of Science, Bangalore, in view of the training afforded to students of this Province. A contribution of Rs. 200 per student per annum is also made to the Victoria Jubilee Technical Institute, Bombay, in order to secure admission to students from this Province.

83. The Education Department awards the following scholarships to provincial candidates for technical education in institutions outside the Province :—

Where tenable	No.	Subject of study	Value of scholarship	Period of training
Sir J. J. School of Art, Bombay.	1*	Drawing and painting, Design, Modelling or Architecture.	Rs. 30 per mensem.	Two years
Thomson Engineering College, Roorkee.	1†	Engineering	Rs. 50 per mensem.	
Hindu University, Benares.	1	Engineering	Rs. 30 per mensem.	Four years.

A contribution of Rs. 2,500 to Rs. 3,000 is also made by Government towards the cost of training of one student per annum at the Thomson Engineering College, Roorkee.

84. **Instruction in agriculture.**—Agriculture has not so far been introduced in the primary stage and the policy of Government has been justified by the Royal Commission on Agriculture which contended that children of the primary school stage were of too tender an age to profit by instruction in this subject. Provision, of course, has been made in the revised syllabus for primary schools for gardening activities. Owing to various difficulties, it has hitherto not been possible to introduce gardening in the majority of primary schools. It is hoped, however, that the impetus given by the introduction of the new revised syllabus will stimulate interest in gardening activities.

*Renewable for a further period of one year at Rs. 35 per month if the school passes the Government Elementary Examination at the end of the course.

†Student sent according to actual requirements

85. Agricultural classes attached to vernacular middle schools have already been referred to in various parts of this report. These classes are intended to assist the pupils to accommodate themselves to rural life after completing the vernacular middle school course. Government is making fresh attempts to popularize these classes and, to this end, arrangements have been made for training a batch of teachers in agriculture in the Agricultural College, Nagpur.

86. The only anglo-vernacular middle school which teaches agriculture is the one situated at Powarkheda and a reference has been made to this school in Chapter VIII. In the high school stage, agriculture constitutes an optional subject for students preparing for the High School Certificate Examination. There are four high schools in the Province in which provision is made for instruction in agriculture. These high schools are at Wardha, Betul, Basim and Dhamtari.

87. **Agriculture College.**—Higher instruction in agriculture is imparted in the College of Agriculture at Nagpur. The courses extend over four years. The first two years are spent in preparing for the Intermediate Examination in Agriculture held by the Nagpur University, and the following two years for the degree of Bachelor of Agriculture. The College provides ample facilities for practical work in agriculture.

CHAPTER XII.—SOME FEATURES OF THE ECONOMIC CONDITION OF THE PROVINCE

88. **General condition—Area and population.**—The British Districts of the Central Provinces and Berar cover an area of 99,920 square miles and contain a population of 15,507,723 persons. The average density of population in the Province is 155 persons to a square mile. Most of the population reside in villages, of which there are 39,762. In the whole of the Province, there are only 112 towns with a population of more than 5,000 persons and two cities with more than 100,000 inhabitants.

89. **Province chiefly rural.**—As many as 6,901,523 persons, *i.e.*, 44.5 per cent of the population, are employed in pasture and agriculture. The number of persons employed as cultivators is 6,623,762, *i.e.*, 42.7 per cent of the population, and those employed as agricultural labourers number 3,588,266, *i.e.*, 23.1 per cent of the population.

During the period 1921-31 the percentage of the population employed in pasture and agriculture declined from 75.7 to 44.5, those employed as cultivators decreased from 72.9 per cent to 42.1 per cent and those employed in agriculture as labourers from 28.5 per cent to 23 per cent. The decline is considerable and is reported to be due partly to difference in the methods of classification in the Census Reports of 1921 and 1931. The Banking Inquiry Committee of 1930 reported that "though 91 per cent of the total population resides in rural areas, 47 per cent only belong to the class of cultivating landlords and rent payers and the whole of the cultivated area is divided up among them."

90. General decline in occupations.—Between 1921 and 1931 the population of the Province engaged in the various industries declined from 1,325,151 to 746,232, *i.e.*, from 9.5 per cent of the total population to 4.8 per cent. The population engaged in commerce decreased from 648,638 to 416,350, *i.e.*, from 4.6 per cent to 2.6 per cent. The persons engaged in professions also decreased from 175,650 to 92,317, *i.e.*, from 1.2 per cent to 0.5 per cent. The population occupied in other occupations besides those mentioned above declined from 360,807 to 182,718, *i.e.*, from 2.5 per cent to 1.2 per cent.

91. Illiteracy.—The percentage of literacy in the Province is 5.8 per cent. The total number of literates, according to the 1931 Census, is 913,428 compared with 661,533 recorded in 1921. The total population in the schools in the year 1935-36 was 434,377, *i.e.*, 2.8 per cent of the total population. The number of boys in primary schools is 314,140, in secondary schools 116,962 and in the University 3,275, *i.e.*, 2.02 per cent, 0.7 per cent and 0.02 per cent of the total population, respectively.

92. Facilities for elementary education in this Province are far from satisfactory. It has already been pointed out that about 89 per cent of the total population reside in villages. Of the 39,762 villages in the Province only 3,970 or 10 per cent of the villages possess schools. Each village school serves three or four surrounding villages, and it may be said that not more than 40 per cent of the villages, approximately are served with schools while as many as 60 per cent of the villages lie beyond the reach of the very elements of education.

93. Poverty in rural areas.—The Banking Inquiry Committee of 1930 estimated the financial position of an average cultivator in the Province as follows :—

Size of holding—21 acres.

	In a normal year	When the crop is 25 per cent below normal
(1)	(2)	(3)
	Rs.	Rs.
Value of gross crop outturn after deducting marketing expenses.	491	369
Income from subsidiary sources ..	50	50
Total income ..	541	419
Cost of maintenance and clothing.	214	214
Cultivating expenses ..	157	158
Rent ..	21	21
Total necessary expenses ..	392	392
Balance ..	149	27

This balance does not include several items of other expenditure such as sums on marriages and funerals, repairs to the house, journeys, interest on debts, etc. The average expenditure on marriages and funerals alone works out to no less than Rs. 40 per year and possibly far more. The remaining balance is shared by the family of the cultivator and includes, on the average, two or three surviving children. The report concludes that while it is contended that these persons do not get enough to eat, "it appears that in normal years, they obtain enough for their maintenance according to their simple standard of living".

94. Large industrial enterprises.—In a memorandum prepared by Dr. O. Jeidels for the consideration of the Central Banking Inquiry Committee in 1931, he gave the following table to indicate, among other features, the

comparative industrial activity in various provinces of India :—

(1)	Banking and Insurance		Industry	
	Number of Companies	Capital (Crores)	Number of Companies	Capital (Crores)
	(2)	(3)	(4)	(5)
Bengal	710	8.3	1,608	84.5
Madras	336	3.1	263	8.0
Bombay	74	8.6	681	82.3
United Provinces and Delhi	34	0.5	199	12.2
Bihar and Orissa	16	0.1	64	1.4
Punjab	29	0.9	150	1.5
Burma	17	0.6	227	23.9
Central Provinces	10	0.1	43	1.0
Assam	34	0.1	37	0.1
Indian States	183	3.0	203	0.3
Others	6	0.1	29	0.4
Total	1,449	25.4	3,504	221.6

(1)	Tea		Miscellaneous		Total	
	Number of Companies	Capital (Crores)	Number of Companies	Capital (Crores)	Number of Companies	Capital (Crores)
	(6)	(7)	(8)	(9)	(10)	(11)
Bengal	420	10.1	130	4.8	2,868	107.7
Madras	27	1.1	32	0.4	658	12.6
Bombay	4	0.2	48	8.9	807	100.0
United Provinces and Delhi	2	0.1	36	1.0	271	13.8
Bihar and Orissa	3	..	1	..	84	1.5
Punjab	..	..	8	0.9	187	3.3
Burma	18	0.3	24	0.6	286	25.4
Central Provinces	..	..	2	..	55	1.1
Assam	55	0.6	7	..	133	0.8
Indian States	43	0.6	14	..	443	9.9
Others	3	..	1	..	39	0.5
Total	575	13.0	303	16.6	5,831	276.6

This table indicates the paucity of large industrial enterprises in this Province.

95. Organised and cottage industries.—In order to make a survey of the industrial situation of the Province, it is convenient to differentiate between organized

industries, which employ ten persons or more and use mechanical power and the remainder, which may be described as cottage industries.

96. Organized industries.—The total number of factories registered under the Act, is 1,017, which employ 59,836 labourers. The following table compares the organized industries in this Province in 1936 with those in 1921 :—

NOTE.—In the 1921 report by organized industries were meant establishments which employ more than 20 men and use mechanical power. In 1931 report they included establishments employing ten or more persons. Figures given under 1936 are those of the 1931 Census Report brought up to date.

Details (1)	Year		Increase or decrease (4)
	1921 (2)	1936 (3)	
1. Factories registered under the Act ..	545	1,017	+472
2. Number of persons employed ..	58,586	59,896	+1,310
3. Number of persons employed in all industrial establishments with 20 or more employees.	73,798	59,896	—13,902
4. Cotton mills ..	14	11	—3
5. Number of persons employed ..	19,000	19,612	+612
6. Manganese mines ..	40	13	—27
7. Number of persons employed ..	14,000	5,005	—8,995
8. Coal mines ..	16	27	+11
9. Number of persons employed ..	9,000	12,408	+3,408
10. Gun Carriage Factory, Jubbulpore ..	1	1	..
11. Number of persons employed ..	2,000	1,690	—310
12. Railway workshops ..	16	6	—10
13. Number of persons employed ..	3,000	243	—2,057
14. Cotton and ginning mills ..	500	762	+262
15. Number of persons employed ..	..	26,854	..
16. Cement works ..	3	3	..
17. Number of persons employed ..	2,000	2,360	+360
18. Number of saw mills ..	4	7	+3
19. Number of persons employed ..	200	195	—5
20. Dyeing and bleaching works ..	2	4	+2
21. Number of persons employed ..	400	558	+158
22. Match factories ..	1	2	+1
23. Number of persons employed ..	126	203	+77
24. Paint works ..	2	1	—1
25. Number of persons employed ..	50	66	+16
26. Important and unregulated works ..	..	1,120	..
27. Number of persons employed ..	..	52,300	..
28. Lime and stone quarries ..	..	20	..
29. Number of persons employed ..	..	4,005	..
30. Asbestos factories ..	..	1	..
31. Number of persons employed ..	..	340	..
32. Rice and flour mills ..	..	89	..
33. Number of persons employed ..	..	2,143	..
34. Engineering works ..	..	9	..
35. Number of persons employed ..	..	418	..
36. Printing Presses ..	..	15	..
37. Number of persons employed ..	..	795	..
38. Potteries and hume pipes ..	..	4	..
39. Number of persons employed ..	..	1,640	..
40. Glass factories ..	..	3	..
41. Number of persons employed ..	..	260	..
42. Number of Electrical Power Stations ..	2	16	+14
43. Number of persons employed ..	54	850	+796
44. Number of oil mills ..	7	39	+32
45. Number of persons employed ..	200	1,389	+1,189

97. Cottage Industries.—There has been no responsible survey of the cottage industries in this Province in recent years. The last survey was made in 1908-09 by Sir C. E. Low, then Director of Agriculture. According to him the following were the more important cottage industries which appeared to have some vitality left and were, therefore, deserving of special attention :—

Weaving, pottery, brick and tile making, tanning and leather working, oil pressing, woollen industries, dyeing and calico printing, brass and bell metal industry, mat and basket making, cotton rope and tape-making and toy-making.

98. The selection of the above industries was made by Sir C. E. Low on the following principles :—

- (1) The industry should be an important one, practised by a considerable number of persons; one of which the disappearance would be a loss to the Province generally and to an important section of its industrial population in particular.
- (2) It should be one for which special reasons exist for carrying on as a domestic industry.
- (3) There should be items in the process of the industry that seem at first sight to admit of improvement, while maintaining its character as a domestic industry.

99. The number of persons employed in the industries mentioned above is given in the following table :—

Name of the industry	Number employed
(1)	(2)
1. Pottery ..	35,050
2. Brick and tile making ..	9,546
3. Tanning and leather working.	19,691
4. Manufacture and refining of vegetable oil.	14,561
5. Woollen industry ..	4,888
6. Dyeing, bleaching, printing and sponging.	4,180

Name of the industry (1)	Number employed (2)
7. Brass and bell industry . . .	4,382
8. Mat and basket making	48,620
9. Rope, twine, string and other fibres.	3,182
10. Weaving ..	163,515

100. **Industries suited to the rural areas.**—In 1930, the Banking Inquiry Committee drew attention to the following industries which are especially adapted to rural areas :—

Cattle-breeding, poultry farming, manufacture of bone manure and manufacture of fertilizers.

101. **A survey of employments in the Province.**—According to the 1931 Census figures, the distribution of the population in the various employments available in the Province is as follows :—

A.—Production of raw materials—

(i) Exploitation of animals and vegetation.	6,963,273
(ii) Exploitation of minerals ..	24,193

*B.—Preparation and supply of material
substances—*

(iii) Industry ..	746,232
(iv) Transport ..	111,145
(v) Trade ..	416,350

*C.—Public Administration and liberal
arts.* 185,109

D.—Miscellaneous .. 360,284

Total ..	<u>8,806,586</u>
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“Pasture and Agriculture” and “Fishing and Hunting” constitute (i) above, the former contributing over 6,901,000.

102. “Pasture and Agriculture” support 44.5 per cent of the total population ; industry, including exploitation of minerals, 4.9 per cent ; trade 2.6 per cent ; public administration and liberal arts 1.1 per cent ; and miscellaneous 2.3 per cent, approximately.

103. The following table shows the occupational distribution for the natural divisions and the cities of the

Province. The proportion of workers in each occupation is given per 1,000 of actual workers :—

Sub-class	Central Provinces and Berar	Nerbudda valley division	Maratha plain division	Plateau division
(1)	(2)	(3)	(4)	(5)
Exploitation of animals and vegetation	815	724	786	852
Exploitation of minerals ..	2	1	4	4
Industry ..	77	108	92	53
Transport ..	11	20	10	12
Trade ..	38	65	39	42
Public force ..	5	8	4	8
Public administration ..	5	7	6	4
Professions and liberal arts ..	9	12	11	7
Persons living on their own income ..	1	1	1	1
Domestic service ..	11	21	10	8
Insufficiently described occupations ..	19	23	29	4
Miscellaneous ..	7	10	8	5

Sub-class	Chhattisgarh plain division	Chota Nagpur	Nagpur City	Jubbulpore City
(1)	(6)	(7)	(8)	(9)
Exploitation of animals and vegetation	878	874	46	65
Exploitation of minerals ..	..	..	1	..
Industry ..	52	69	400	309
Transport ..	8	2	85	78
Trade ..	24	22	109	150
Public force ..	3	2	9	60
Public administration ..	2	4	46	31
Professions and liberal arts ..	5	4	36	42
Persons living on their own income ..	..	..	9	10
Domestic service ..	11	7	65	90
Insufficiently described occupations ..	10	11	182	151
Miscellaneous ..	7	5	12	14

104. The population is most predominantly agricultural in the Plateau, Chhattisgarh plain and Chhota Nagpur* divisions. The proportion of agriculturists is slightly less in the Nerbudda valley and the Maratha plain, where the urban population is the greatest and the number of people engaged in industry is larger than elsewhere. The proportion of industrialists in the Nerbudda valley is considerably higher than in the Maratha plain, which is due to the fact that although there are more industrial centres in the Maratha plain, the total population there is much greater and generally more dense than elsewhere in the province and that cotton cultivation there employs a much larger proportion of the agricultural population that wheat cultivation can do in the northern districts.

105. "Exploitation of minerals" is a source of livelihood to 24,193 persons. Among the metallic minerals, manganese mines which provide whole-time employment to 5,532 males and 4,411 females are the most important group. As many as 304 males and 669 females find subsidiary occupations at these mines. The resident population supported by manganese mines is confined to the Balaghat, Bhandara and Nagpur districts. According to the 1931 Census Report, 35 mines were working in this province and these were responsible for nearly 87 per cent of the manganese produced in India.

106. Coal and building materials, which include stone and materials for the manufacture of cement and clays support a fair number of persons. According to the Census Report of 1931, there are approximately 24 mines working in the province producing about 700,000 tons each year or $3\frac{1}{4}$ per cent of the total annual output of Indian coal. The actual distribution of those employed in the mines at the time of the Census was earners, 4,728 males and 2,050 females and working dependents, 32 males and 50 females. Those who followed subsidiary occupation numbered 565 males and 58 females. Most important among the mines are those in the Chhindwara and Chanda districts.

107. The number of persons employed in the building industry or in cement works has grown by more than 50 per cent since 1921 reflecting an increase in building and prosperity in the cement business. The future of the

*This division represents five states in the Chhattisgarh division. These states are no longer attached to this province, but a proper understanding of the economic condition of the province requires a consideration of the Chhota-Nagpur division also. This has been adopted in recent Census Reports.

cement industry in this province is uncertain, as it will be largely determined by big combines and rival concerns which are being constituted outside the province.

108. The following table shows the number of persons employed in different industries according to the Census Report of 1931 :—

Occupation	Working population in 1931	
	Principal earners and working depen- dents	Total following subsidiary occupa- tion
Textile ..	180,923	17,407
Hides, skins and hard material from the animal kingdom.	18,213	1,705
Wood ..	78,294	14,540
Metals ..	42,953	5,492
Ceramics ..	41,109	4,811
Chemical products properly so called and analogous.	14,797	3,587
Food industries ..	66,647	10,170
Industries of dress and the toilet ..	134,102	22,423
Furniture industries ..	2,900	1,578
Building industries ..	28,780	3,403

From this table, it is apparent that the most important industry in the province is the textile industry which spreads over the four Berar districts, the Central Provinces districts of Nimar, Wardha, Nagpur and portions of the Chanda, Hoshangabad and Chhindwara districts. All the ginning and pressing factories are situated in these areas and also fourteen out of the fifteen cotton mills. The fifteenth mill is at Jubbulpore. The cement and pottery works are in the Jubbulpore district and the seasonal rice mills mostly in Bhandara, Raipur, Balaghat and Bilaspur districts. The most important unorganized industries [paragraph 96, item (26)] are *bidi* and shellac factories, of which a number are found in the Gondia tahsil, and myrobalam factories. The others are scattered over the province.

CHAPTER XIII.—GENERAL CONCLUSIONS FROM THE ECONOMIC CONDITION OF THE PROVINCE

109. The following conclusions may be drawn from the economic condition of the province described in the previous chapter :—

(1) The province is essentially an agricultural one in which the vast majority of the inhabitants, *i.e.*, 89 per cent of the total population, reside in villages.

(2) The cultivators are poor. Their standard of living is low and they are unable to make any saving from their meagre income. A large majority of them are in debt. Various economic and other factors have combined to render agriculture inadequately remunerative.

(3) The population is illiterate, and a large proportion of the population is beyond the reach even of the elements of education. The progress of literacy is deplorably slow.

(4) Large scale industries and the capital invested in them are very small as compared with most of the other provinces in India.

(5) There has been no appreciable development of organized industries since the position was last considered by the Vocational Education Committee of 1922. The Census Report of 1931, states that “the total number of persons following industrial pursuits in this province has not risen since 1921”. Indeed, there are reasons to fear that during this period there has been a definite retardation in the progress of organized industries. The number of cotton mills, manganese mines, and railway workshops has decreased and has restricted to a certain extent the scope for employment. There has, however, been a certain increase in the number of coal mines and a comparatively rapid growth in the number of oil mills and electric power stations. Yet this growth has not greatly increased the opportunities for employment of skilled labour. It may be concluded that the development of organized industries in this province does not justify any radical change in the attitude which was adopted in respect of vocational and technical education by the 1922 committee.

(6) The cottage industries have fared no better, in respect of progress, than the organized industries. The

Census Report of 1931 states : “ It may be assumed that the figures are on the whole tolerably well classified and from them the one obvious lesson is that with the introduction of more machinery into India and consequent appearance of more factory-made articles in most parts of the province the number of those employed in cottage industries has continued to decrease”. This statement is supported by the Banking Inquiry Committee Report, which observes, for example, that the innovation which the Director of Industries introduced in the direction of improved sleys and other apparatus for weaving has not produced very desirable results. The report states—

“ The result was that the over-production caused by the sleys operated to reduce the local prices of the fabrics woven and produced a reaction against improved machinery. For example, at Chanda as many as 600 fly-shuttle sleys were introduced and worked successfully. The resulting over-production, however, brought about a depression in the trade ; and instead of exploring suitable marketing facilities for this increased output or of making some other profitable use of the increased leisure which these fly-shuttles might have brought to them the weavers decided that the fly-shuttle sleys were the root cause of their trouble and in accordance with a caste resolution made a bonfire of all the fly-shuttle sleys.”

(7) The cottage industries of the province are mostly of a crude nature and those which can withstand competition with large scale machine production are insignificant and rare. This is not surprising when we learn from the evidence given by Professor Godbole of Benares and others, before the Sapru Committee, that the first prerequisite of a really efficient system of cottage industries—as the term is understood in Switzerland, Japan and other modern civilized countries—are mass literacy, an average knowledge of science such as physics and chemistry and cheap motive power, *viz.*, electricity and gas. In the absence of all these three essential conditions, the cottage industries of this province are bound to remain crudely inefficient and inadequately remunerative. Yet, this need not be taken as a ground for abandoning hope. Training in carefully selected cottage industries will help the pupil to learn his trade better and, perchance, to make better profits.

110. Our attention has been drawn to the following additional trades in which instruction may be imparted in suitable areas with profit :—

- (i) Brassware industry.
- (ii) Handicrafts connected with lac manufacture.
- (iii) Boot and shoe making industry.
- (iv) Manufacture of glass bangles and other ware.
- (v) Weaving and, in particular, weaving artistic patterns of bed spreads, curtains, purdhas and table-cloths.
- (vi) Manufacture of cement tiles and other articles of cement including toys, the raw materials for which are abundantly produced in the province.
- (vii) Umbrella-making, where bamboos are available locally.
- (viii) Pottery works, for which suitable clay is available in the northern districts of the province.

PART V

RECOMMENDATIONS REGARDING THE ORGANIZATION OF VOCATIONAL EDUCATION AND THE INSTITUTIONS IN WHICH IT SHOULD BE IMPARTED

CHAPTER XIV.—GENERAL PRINCIPLES

111. After a careful examination of the facilities provided in the existing vocational schools and the present agricultural, industrial and general economic condition of the province we make the following observations :—

(1) We reiterate the view of the Vocational Education Committee of 1922, that the expansion of mass education is the essential foundation of industrial and economic progress. It is not proposed that vocational education of any type should constitute an essential part of the education imparted at the primary school stage. On the contrary, we entirely approve of the nature of general education which has been suggested for the primary school stage in the recent revised syllabus of studies. We feel that general increase in literacy is the necessary pre-condition of the economic growth of the province.

(2) We are also in agreement with the views expressed by the Central Provinces Vocational Education Committee of 1922, the Universities' Conference of 1934, the Central Advisory Board of Education, and the Government of India that Vocational Training should ordinarily be provided in separate institutions and not in ordinary institutions for general education.

CHAPTER XV.—AGRICULTURE

112. We are in agreement with the view expressed by the Royal Commission on Agriculture that instruction in agriculture should not be imparted in the primary school stage. We are also in accord with the following suggestion made by the Principal, Agriculture College, Nagpur :—

“Agriculture should not be taught in the primary school stage. Boys are too small to do any serious practical work. Agriculture is an applied science and cannot, therefore, be successfully taught without the maximum of practical work. Nature Study should be taught in primary schools as an introduction to Agriculture.”

113. We have already expressed the view that while instruction in agriculture is necessary in a large number of middle schools, particularly in those situated in rural areas, we do not maintain that instruction at this stage should be imparted from a utilitarian or a vocational point of view. We are of opinion that the instruction in this subject should be imparted from the point of view of a liberal education and should aim at creating in the mind of the students a living interest in the rural environment. The experience gained from the successful working of the agricultural anglo-vernacular middle school at Powarkheda encourages us to maintain this view.

114. We note with approval that instruction in agriculture has been introduced in some high school classes of this province as an optional subject for the High School Certificate Examination. We note also that there is a vast difference in the principles on which the teaching of agriculture is based in these high schools and in the middle schools of the Powarkheda type. In the former, agriculture classes are added to the high schools for those who offer agriculture as an optional subject for the High School Certificate Examination. The latter is predominately an agricultural school in which agriculture provides the main content and inspiration of instruction and the entire atmosphere is essentially agricultural. We are aware of the fears which have been raised by the Principal of the Agricultural College in respect of the teaching of agriculture as an optional subject in high schools when he states that "these schools are far too closely associated with towns to produce the desirable results envisaged", and agree with him that the result of this experiment should be watched with care. We also agree with his suggestion that an experiment should be made in the direction of raising the status of the Powarkheda School to that of an Agricultural High School. We hope that a proper readjustment of the curriculum and the correlation of the instruction in agriculture with other subjects of instruction imparted in the schools will lead to the foundation of genuinely rural secondary schools in this province.

115. The instruction in agriculture provided in the Agriculture College, Nagpur, includes a systematic study of the theoretical aspect of the subject as well as practical work on farms. We are convinced that the college is meeting a very useful need in this province and that it should continue to fulfil this need in the future.

CHAPTER XVI.—POPULAR INDUSTRIES OF THE PROVINCE

116. Separate vocational schools for specialized practical training are expensive institutions and much care should be devoted to correlating such schools with the general scheme of education on the one hand and with the economic and industrial life of the Province on the other. We are convinced of the correctness of the principles suggested in connexion with the opening of vocational schools by the Central Provinces Vocational Education Committee of 1922, which will bear repetition :—

“ We recognize, on the one hand, that it would be useless and even harmful to train men in excess of the opportunities for employment. On the other hand, we feel that a well-organized system of industrial and technical education is an essential auxiliary to industrial development and encourages it and that for this reason technical education should not only keep abreast of existing requirements but should anticipate the demands which it seems probable that industrial developments in the immediate future will create. We are impressed with the necessity of adjusting the educational system to industrial and economic requirements but consider that no scheme of vocational training is likely to be successful which is out of relation with existing industrial development.”

117. We are much impressed by the fact that even in a highly industrialized country like England the institution of separate full-time vocational institutions is viewed with a certain amount of fear. The Report of the Vocational Education Committee appointed in 1936 in England by the British Association for Commercial and Industrial Education states :—

“ As regards full-time education, the committee do not anticipate that, apart from the training of girls for Secretariat work, there is likely to be any great increase in the volume of instruction demanded for pupils of about 16. There are several reasons for this. In the first place, as one of the replies states, ‘the two years of full-time vocational instruction is considered risky unless the future career is clearly indicated’, and a prudent parent would be usually unwilling to let slip any opportunity of placing his son in a promising post as soon as his general education was finished. In the second place, many firms,

even when greatly interested in the question of recruitment and training, find it very difficult to specify exactly at any particular time what their need for recruits of about 18 will be two years later. These factors certainly tend to diminish the demand from both parents and employers for full-time vocational courses of instruction for boys of about 16”.

118. In view of the above considerations and of the existing industrial condition of the Province, we do not feel justified in recommending the institution of vocational schools for imparting instruction in subjects connected with the organized industries in this Province. No demand has been manifested in this direction by any of the living industries and industrial employers normally prefer to make their own arrangements for training such specialized men as they require and in a manner which suits them best. It is also only right that the industrialists, who profit by the employment of skilled craftsmen, should also pay for educating them in the necessary crafts.

119. We understand that the Nagpur University has prepared a scheme for specialized courses of training in Oil Technology. The practical operation of that scheme and its consequences will be watched with interest.

120. The schools of handicrafts, Government and aided, impart instruction in certain cottage industries such as blacksmith's work, carpentry, leather-tanning, boot-making and tailoring. The replies to the committee's questionnaire suggest that there is a great demand for vocational education and the records of the schools of handicrafts in this Province show that a large number of candidates are refused admission owing to lack of vacancies.

121. We are of opinion that the courses of training imparted in the existing schools of handicrafts are not sufficiently comprehensive to produce workers suitable for specialized vocations and that the duration of training is too short for anything more than an introduction to the vast field of industrial pursuits. The practical courses given at present do not seem to be sufficiently varied to meet the public demand and the training imparted in these schools does not aim at producing specialized workmen in the strict sense of the term except under the broad headings of wood or iron workers, fitters or turners. For these reasons, we recommend a change in the policy of the schools of handicrafts and the institution of conti-

uation classes or part-time apprenticeships with a view to providing specialized training in the strict sense of the term. In this connection, we recall the suggestions made by the 1922 committee in paragraph 31 of its report relating to a new type of Industrial Middle School "with a four-year course in carpentry and blacksmith's work (and possibly also in boot-making) and facilities for more advanced general education".

122. Considering all the material before us and the suggestion of the Central Advisory Board that the completion of the lower secondary school stage of education should mark the main point of diversion into institutions for specialized training and also the views of experts, who consider that the age of entry to schools for specialized training should not be less than $13\frac{1}{2}$ or 14, we make the following recommendations :—

(1) Entrance to the schools of handicrafts should be restricted to pupils who have completed the lower secondary stage of education.

(2) In view of our proposals that training in workshops should be a compulsory part of the middle school course, particularly in urban areas, the students who will complete this course of education will have already acquired a sufficient amount of skill in the handling of tools and practical proficiency of a broad and general nature which is aimed at at present by the existing schools of handicrafts. The training imparted in the schools of handicrafts should in future constitute a one year's advanced training leading to specialized courses of one or two years' duration according to the needs of the various subjects of specialization. We feel that this reorganization of the schools of handicrafts will not require much additional expenditure and will achieve better results than the existing types because, in the latter, the duration of the courses is limited and the entrants to the school do not possess the necessary elementary skill in the handling of tools nor an adequate amount of general education.

(3) We recommend that instruction in the schools of handicrafts should be limited to such subjects as require considerable practical skill, the theoretical and scientific knowledge related to it and the improvement of methods of production in vogue in this Province.

(4) We also recommend the introduction of a larger variety of subjects for specialized training depending upon local needs and requirements. We suggest, therefore,

that training should be extended to subjects related to the brassware industries of this Province, handicrafts connected with lac manufacture, boot-making, the manufacture of glass bangles and other glassware, the manufacture of tiles and other articles of cement and a superior type of pottery work. The list may be altered or enlarged according to the needs of different localities.

(5) In view of the fact that instruction in the altered type of schools for handicrafts will be highly specialized and strictly vocational and that the nature of general education imparted in them will be determined by the requirements of the vocations taught, we are of opinion that the administration and control of the vocational schools of the type suggested by us should be vested with the Director of Industries assisted by the Inspector of Industrial Schools and such other staff as may be considered necessary.

(6) It has already been suggested that instruction in some form of manual work should be compulsory in all lower secondary schools and that it should be imparted strictly from the point of view of liberal education. This will necessitate an adequately qualified staff of teachers and supervisors for instruction and organization of various practical subjects selected for introduction in the lower secondary schools of this Province, to assist and advise the Director of Public Instruction under whose control the lower secondary schools fall.

CHAPTER XVII.—TECHNICAL EDUCATION

123. We are aware of the growing volume of public demand for the enlargement of the scope of technical education provided in the Government Engineering School at Nagpur, by the institution of courses of studies leading to a University degree in various branches of engineering, such as civil, mechanical and electrical engineering and mining and metallurgy. This demand is made because of the increasing difficulty experienced every year by the students of this Province in securing admission to Engineering Colleges outside the Province. There is also a feeling that the absence of a full-fledged Engineering College in this Province has resulted in the absorption of a large number of candidates from outside the Province in the higher engineering posts under Government. Moreover, it has become customary in certain quarters to attribute the absence of industrial enterprise in this Province to the lack of a suitable number of adequately qualified engineers and it

is contended that the number of such engineers should be increased even at the risk of their finding no employment, for it is hoped that under the stress of unemployment they will be forced to exercise their initiative to the utmost and to create new fields requiring special skill and ability.

124. The economic condition of the Province is depressing and offers little ground for raising the status of the existing Engineering School to that of a College. There are certain instances of students in this Province, who after training in the Thomason Engineering College, Roorkee, at considerable expense to Government, have not been able to secure suitable employment for a number of years, in one case for as many as six years. Even the products of the Nagpur Engineering School are not certain of securing stable employment and the Principal of the School states that most of them are engaged temporarily. The opening of an Engineering College in this Province will not only be an expensive business but it will be fraught with the danger of preparing qualified engineers in excess of the existing demand and exposing them to a severe type of unemployment. The demand for a superior type of engineer is so meagre as to be adequately met by extending, if necessary, the facilities provided at present by Government for the training of engineers in colleges outside the Province.

125. One feature of note in this Province is the considerable rise in the number of electric power stations. It is likely that their number will increase still more in future. It may be worth while, therefore, to introduce courses of instruction in the Engineering School, for electricians of the standard necessary for electrical foremen and mechanics.

CHAPTER XVIII.—COMMERCIAL EDUCATION

126. The demand for commercial education in this Province has been largely met by the provision of two different types of commercial courses in the syllabus for the High School Certificate Examination. This provision is in accordance with the spirit of the recommendation made by the Vocational Education Committee appointed in England in 1936 by the British Association for Commercial and Industrial Education. This Committee observed—

“They believe that a secondary school should remain, at all costs, a place of liberal education. At the same time they are of opinion that this ideal can be

fully maintained if, after the age of 16, means are employed for making more easy the transition from school to work. Thus, boys who propose to enter the manufacturing side of industry would benefit by the study of mathematics, physics, chemistry and solid Geometry, all of which, except the last named, form part of the ordinary study of the secondary school. On the other hand, boys and girls proposing to enter the commercial side of business may well devote their attention to recent history, geography, the method of recording statistics and the elements of accounts. The committee are aware of the instances where instruction of this kind is being given with advantage to Sixth Form pupils in secondary and public schools who intend to enter business on its commercial side."

127. We are, therefore, of the view that the courses in commerce prescribed by the High School Education Board for the High School Certificate Examination may be re-examined and, if necessary, revised in the light of business or secretarial requirements, and its introduction in more high schools may be encouraged to the extent which will be justified by the existing demand for such candidates. We also consider it necessary that instruction in commerce should be placed in charge of teachers who possess the B. Com. and B. T. degrees of recognized Universities.

128. The Department of Education in this Province arranges for the conduct of the following examinations of the London Chamber of Commerce twice a year :—

- (1) Certificate Examination in single subjects.
- (2) School Certificate Examination of Commercial Education.
- (3) Group Diploma in groups of three subjects.
- (4) Higher Certificate Examination in separate single subjects.
- (5) Higher Group Diploma in groups of three subjects.

These examinations are popular with candidates who wish to obtain commercial or secretarial posts.

129. We are aware of a demand which is voiced in certain quarters for the opening of a College of Commerce in this Province. It is contended that graduates in commerce will be preferred for employment in various departments such as the Income-tax Department and certain

branches of the Administrative, Agriculture, Railways, Co-operative, and Audit Departments of Government. It is also hoped that the growing number of insurance companies and co-operative and other banks and other business enterprises in the Province may open up new fields for careers for such graduates. The Banking Enquiry Committee of 1930 also stressed the need for including "instruction in Commerce and Banking and Co-operation in the School and University Curricula". The demand for commercial education in the University stage appears emphatic.

130. The Committee has no precise information regarding the extent to which graduates in commerce can be suitably absorbed under the existing economic conditions of the Province. It will be relevant, therefore, to consider the position in this respect in a province like the United Provinces which provides a comparatively large scope for employment for commerce graduates. While giving evidence before the Sapru Committee the Director of Public Instruction, United Provinces, did not express himself as being very hopeful that any concrete results would come from establishing more institutions designed to teach commerce. Several witnesses before the Sapru Committee humourously described the B. Com as only *be kam* (workless), and the Director of Public Instruction, United Provinces, explained—"That is so. That is unfortunately the position. It seems that B. Coms. who think that they may get jobs in commercial concerns, cannot get any; not that there are not jobs but there is nobody to back them and there is a strong prejudice among Indian merchants and Indian businessmen against these young men, partly, because the former feel that they have not got the necessary practical knowledge, and partly because they think that they can get their work done much more cheaply by engaging semi-educated men."

131. Leading business men in the United Provinces explained that B. Coms. were not employed as they did not possess the practical knowledge necessary in business. The Dean of the Faculty of Commerce of the Agra University pointed out the difficulty involved in making provision for practical training in business. He observed: "Practical knowledge can only be given in business firms. For instance, take the case of banks. I do not think any bank would allow our students to touch their ledgers and find out about the accounts of different persons. They do not think that the students can be entrusted with that kind of confidential information. So far as the theory of banking

is concerned, we teach them all right. Six months' training would enable our students to work in any bank very well." It may well be concluded that there is certain prejudice amongst leading businessmen against commerce graduates. Businessmen will not employ them because of their lack of practical training and at the same time they are reluctant to provide facilities for practical training which they alone can provide. They are content to have low paid munims and clerks rather than employ commerce graduates. The Sapru Report pointed out that the B. Coms. of the Allahabad and the Lucknow Universities were particularly fortunate but "this good luck did not attend the careers of those who had taken degrees in Commerce from the other Provincial Universities".

13. This observation bids us to be cautious in recommending any scheme for the provision of a degree course in commerce in the Nagpur University. It will certainly be necessary to investigate fully into the possible extent of employment of commerce graduates before the introduction of a degree course in commerce is contemplated.

CHAPTER XIX.—MEDICAL EDUCATION

133. Our attention has been drawn to the need of extending the scope of medical education imparted in the Government Medical School, Nagpur, and of raising its status to that of a medical college. The demand has, of late, become acute in view of the fact that certain medical colleges outside the Province refuse to allow normal facilities for admission to candidates from this Province on the ground of their being "outsiders". People of this Province naturally desire that our young men should receive medical education up to the graduate and post-graduate stage in order to qualify themselves for the Provincial Medical Services, which have so far provided employment to a large number of "outsiders", and should also share with others whatever available field for private medical practice there is. This desire cannot be realized unless adequate facilities exist for the training of young men from this Province in medicine.

134. While we recommend that adequate measures should be taken to facilitate medical education up to the degree standard and beyond for candidates from this Province, we also suggest the examination of the following considerations before launching on any scheme for the establishment of a separate medical college.

135. The scope of employment in Government service for medical men possessing medical degrees is limited and is not likely to increase in any considerable manner for some time to come in view of persistent financial stringency. The records of the year 1935-36 show that only ten graduates were recruited to the Provincial Medical Services during the year.

136. There is a definite tendency among those who possess medical degrees to settle down in urban areas for private practice and to avoid rural areas. The reason for this is two-fold. The medical practitioner cannot hope to make two ends meet and maintain an efficient establishment in rural areas, and he will never be able to compete with local quacks. The urban areas in this Province, moreover, are very few. There are only 112 towns in the whole Province, and not more than 11 per cent of the total population resides in urban areas. This is another consideration which restricts the prospects of highly qualified men of finding their profession suitably remunerative. It may well be asked whether we have not already more doctors with medical degrees than urban society can afford to maintain.

137. It has been pointed out, in a different connection, that this Province is, on the whole, poor. The average man finds it difficult to meet the cost of treatment by qualified medical men. In addition, medical relief and attendance is not properly organized in this Province through Insurance and other institutions which aim at bringing the highest type of medical attendance within the reach of each citizen. It is likely, therefore, that a large number of medical graduates released from a local medical college may not be readily absorbed in the existing social and economic circumstances. It is necessary to avert the situation which is reported to obtain, for example, in the United Provinces. The Sapru Committee reported—

“There is a considerable amount of unemployment prevailing in the medical profession in these Provinces due to the tendency of the medical practitioners to congregate in big towns and cities where the remuneration is higher than in rural areas.”

138. The remedy suggested by the Sapru Committee in this respect is that medical men should be persuaded to settle down in rural areas in larger numbers and for this purpose it will be necessary to subsidize them on a more generous scale than has hitherto been done. It is worth

while considering whether it is desirable to establish an expensive medical college and to turn out a large number of medical graduates in anticipation of a well-planned scheme of medical relief and attendance in rural areas.

139. It is necessary to examine the condition of employment amongst those who have received training in the Government Medical School, Nagpur. It is found that very few of them obtain employment in Government or other services, and most of them find themselves unable to establish private practice because of competition from graduate medical practitioners in urban areas and quacks in rural areas. In view of the unemployment prevailing among the doctors who have qualified at the Medical School, Nagpur, the Civil Surgeon, Nagpur, suggests that "the fees should be increased and the number restricted to the number which can be absorbed in Government service and remunerative private practice and the standard of teaching raised with special stress on the use of indigenous drugs and manipulative surgery as both of these subjects are very suitable for practice in Indian villages".

140. The following table shows the number of qualified men and women who have passed out of the Robertson Medical School, Nagpur, since 1932, and the numbers absorbed in Government service :—

Year	Number who passed out			Number employed in Government service		
	Men	Women	Total	Men	Women	Total
1932 ..	42	..	42	10	1	11
1933 ..	32	2	34	26	2	28
1934 ..	40	3	43	9	..	9
1935 ..	36	3	39	6	2	8
1936 ..	31	3	34	16	1	17
1937 (up to April).	15	1	16	10 (up to June).	..	10

141. In certain quarters there is a marked preference shown for the employment of *kavirajas* and *hakims* on the ground that their system of treatment is suited to the purse of the average citizen. Some of the local bodies in this Province have already employed trained *kavirajas* and *hakims*. If this feeling grows, medical graduates will have to face serious competition, and it is not unlikely that this feeling will grow with the growth of national sentiment. It will also be desirable to estimate the extent of the popularity enjoyed by the homeopathic system of treatment among certain middle class men in urban areas who show a marked preference towards it because of its cheapness.

PART VI

PSYCHOLOGICAL GUIDANCE TO CHILDREN

CHAPTER XX.—THE TRAINING OF TEACHERS TO ENABLE THEM TO ASSIST PUPILS AND PARENTS IN THE SELECTION OF THE COURSES OF STUDIES SUITED TO THE SPECIAL APTITUDES OF THE PUPILS

142. The experiments which are being conducted on a large scale in Europe, England and America on the subject of various methods of psychological testing in order to give vocational and other guidance to pupils so as to assist them in the choice and preparation of careers suited to their special aptitudes are full of interest, as well as of promise. There is, however, a wide divergence of opinion held in regard to the value of the various tests and none of them is allowed an undisputed claim to predictive certainty. The investigations in this direction are still in their early stages and scientific precision has yet to be obtained. Progress in this direction is hampered by a certain amount of charlatanism which has been allowed to creep in. Much care and caution is necessary, therefore, until guidance approximates to absolute certainty and the fear of possible misguidance through these tests is completely eliminated.

143. It should also be kept in view that vocational guidance is characteristic of highly industrialized countries in which skilled work of a varied nature is provided by their manifold industries. The employer has a wide range of choice and for each special work desires to choose the most efficient worker. He is, therefore, anxious to obtain psychological assistance in the selection of an efficient workman for a particular job. In Germany, for example, the problems of selection as they affect the employers of the district have been co-ordinated with those of guidance and the typical psycho-technical bureau carries out quite an elaborate series of special psycho-technical examinations for the purposes of selecting apprentices of suitable qualifications and abilities. In this Province, however, industrialization has not reached a stage where it can provide a vast range of diversified occupations for a large variety

of skilled workmen. Psychological guidance has not much scope in a country where occupations requiring skilled efficiency are extremely limited in number and variety and where the only labour in abundant demand is of the crudest type.

144. Attempts to provide vocational guidance to school children, as well as any other kinds of guidance, have hardly commenced in India. A move in this direction, however, is very desirable. But before we can proceed it will be necessary to conduct detailed investigations with a view to carrying out a variety of tests written in Indian languages and suited to Indian conditions of life in order to determine the distinctive individual aptitudes and the psychological patterns which will be most suited for each occupation for which a demand is or may be manifested in the economic life of the country. These investigations should commence, we consider, in a well equipped Central Psychological Research Institute in the Province under the guidance of expert psychologists, which should conduct its experiments within a reasonable area. Such investigations may, in course of time, lead to valuable and safe conclusions and render vocational testing and guidance possible in the conditions peculiar to Indian life. The task is thus of considerable magnitude and cannot be achieved merely through providing a course in psychological testing for students in training colleges.

145. The investigations planned by the proposed institute can only be carried out through the agency of teachers who will need to be better equipped in the knowledge of psychology than they are at present. In order to enable the teachers to acquire a fair grasp of psychology, to conduct tests directed by the Psychological Research Institute and to collect and collate the data obtained, it will be necessary to devote more time to the teaching of psychology in the training colleges. To this end the following course is suggested :—

(A) Compulsory for all teachers :—

(i) (a) An outline of general psychology.

(b) The psychology of the adolescent, for those who will be connected with secondary schools,

or

Child psychology, for those connected with primary education.

- (ii) (a) Outlines of educational psychology.
- (b) Study of the various modern methods of psychological testing.

(B) The teachers who offer psychology as a special subject should be required to take an additional paper on—

- (iii) (a) The outlines of abnormal psychology.
- (b) The psychology of mentally deficient boys and girls.

Both these subjects should be learnt in their relation to educational problems.

146. It is neither necessary nor practicable to equip each teacher with such specialized knowledge of psychology as will enable him, when required to do so, to render active assistance in guiding the pupil in the selection of the courses of studies suited to his individual abilities and aptitudes. In the initial stages it will be necessary to prepare a band of specialized workers in the field and to equip the rest of the teachers with such a general knowledge of psychology as will enable them intelligently to assist the specialist psychological guiders. The Birmingham Education Committee, for example, has entrusted the work of giving psychological tests to selected trained teachers only, whose work is supervised by expert psychologists. We may profitably adopt this method.

PART VII

SUMMARY OF RECOMMENDATIONS

CHAPTER XXI.—SUMMARY OF RECOMMENDATIONS

1. Educational reconstruction.—The following considerations should necessitate a new attitude towards educational reconstruction :—

- (a) the need of readjusting the system of education in view of the altered conditions of life ;
- (b) the desirability of developing a scheme of education in which the courses of instruction in rural areas will be attuned to rural requirements ;
- (c) the advisability of introducing training of a more practical type than at present in schools in which excessive emphasis is laid on a purely literary form of education in the system in vogue ;
- (d) the need of furthering the policy, which is being followed in this Province, of providing in the scheme of education instruction in specialized practical courses.

2. None of the following considerations should influence the attitude towards educational reconstruction :—

- (a) the growing volume of unemployment among the educated classes ;
- (b) the inadvisability of too frequent examinations ;
- (c) the large number of over-age pupils in senior classes of high schools.

3. Educational reconstruction should be conducted within the frame work of the existing system of education in this Province.

4. Aim of lower secondary education.—The aim of lower secondary education should be clearly defined and strictly adhered to. The considerations urged below are essential to the definition of the aim of lower secondary education in this Province—

- (a) it should be consistent with that defined for primary education in this Province ;

- (b) it should take full cognizance of the requirements of the period of adolescence ;
- (c) it should impart liberal education at this stage of education ;
- (d) it should arrange for the development of each pupil according to his individual interests and aptitudes ; at the same time the claims of society should not be ignored ;
- (e) it should develop sound character, healthy bodies, good tastes and practical ability ;
- (f) it should provide a large amount of practical work related to the living interest provided by the pupil's environment.

5. Principles of curriculum construction.—The following principles of curriculum construction for the lower secondary stage follow naturally from the definition of the aim of the lower secondary education :—

- (a) The nature and extent of the courses should be determined by the physical and mental capacities of the pupils of the ages of 10 or 11 to 13 or 14, particularly in view of the period of adolescence.
- (b) Instruction in a large variety of literary as well as practical subjects should be provided in order to enable the pupil to discover his distinctive bent of mind.
- (c) The subjects of literary and practical interest should be strictly correlated in the light of the requirements of general education.
- (d) The subjects of practical interest should be determined by the local conditions of the school centres.
- (e) Wherever necessary, continuation classes should be added to the middle school.
- (f) The medium of instruction should remain as it is. Instruction in English should be optional in schools situated in backward areas.

6. Middle school reorganization.—The reorganization of the middle school in the light of the aim of the lower secondary education defined above leads to the institution of the following types of middle schools :—

- (a) Middle schools with suitable farms or workshops or both.

- (b) Middle schools of the above type in which instruction in English will be optional.
- (c) Middle schools of the type mentioned in (a) above with continuation classes attached to them to provide special training for occupations locally available.

7. Conditions for success.—The following conditions are essential to the success of educational reorganization proposed above :—

- (a) The appointment of teachers with a real calling for the profession, with a high standard of professional education, adaptability to practical work, fair wages, and security of tenure of services.
- (b) The equipment of schools with an adequate library, workshop, laboratory and garden and farm for agricultural work.
- (c) Intensive inspections and supply of supervisors for practical work.
- (d) The realization of the characteristic features of these reforms through a suitably altered system of examination.
- (e) The introduction of extra curricular activities in the school.
- (f) Propaganda in favour of educational reform.

8. Curriculum for rural middle schools.—There should be a detailed enquiry conducted in characteristic rural areas of the province with a view to obtaining suitable material for framing a suitable curriculum for rural middle schools in the light of the aims defined in this report.

9. Vocational education.—(a) The economic condition of the Province does not justify any radical alteration in the attitude adopted so far in respect of vocational and technical education.

(b) The expansion of mass education is the essential pre-condition of industrial and economic progress.

(c) The instruction in vocational and technical education should not be imparted in schools for general education.

10. Agriculture.—(a) Agriculture as a subject should not be taught in primary schools.

(b) Instruction in agriculture should be imparted in the lower secondary schools from the point of view of general education.

(c) While we approve of instruction in agriculture as an optional subject in high schools, we recommend that an experiment should be made by raising the status of the Agricultural Anglo-Vernacular Middle School, Powarkheda, to a high school with a view to founding a genuinely rural higher secondary school in this province.

11. Popular industries.—(a) Vocational instruction in industries should not be in advance of the industrial development of the province.

(b) The industrial condition of this province does not justify the institution of courses of instruction in subjects connected with the highly organized industries.

12. Schools of handicrafts.—(a) Admission to schools of handicrafts should be restricted to those who have at least completed the lower secondary stage of education.

(b) The courses of instruction in the schools of handicrafts should be thoroughly revised with a view to imparting a one year's course for advanced training leading to specialized courses of one or two years' duration according to the needs of the various subjects chosen for specialization.

(c) Instruction in the schools of handicrafts should be limited to such subjects as require considerable practical skill, theoretical and scientific knowledge related to it and improvement in the methods of production in vogue in this province.

(d) A larger variety of subjects for specialized practical training depending upon local conditions should be introduced in the schools of handicrafts.

(e) The administration and control of the schools of handicrafts of the type recommended should be vested in the Director of Industries assisted by the Inspector of Industrial Schools.

13. Education Department.—The Director of Public Instruction should have a separate staff for supervision and organization of the practical instruction suggested for introduction in the middle schools.

14. Engineering.—The economic condition of this province does not justify the raising of the status of the Engineering School, Nagpur, to an Engineering College. The possibility of introducing courses of instruction for electricians of the standard necessary for electrical foremen or mechanics should be considered.

15. Commerce.—(a) The courses in Commerce prescribed by the High School Education Board should be re-examined and revised, if necessary, in the light of business or secretarial requirements.

(b) Instruction in commerce should be introduced in more high schools to the extent necessary to meet the demand for candidates with these qualifications.

(c) Instruction in commerce in high schools should be imparted by graduates in commerce who have also received professional training as teachers.

(d) A full investigation into the probable extent of the employment of graduates in commerce is necessary before introducing a degree course for commerce in the Nagpur University.

16. Medical.—A thorough investigation into the scope of employment of medical graduates in the province should be made before establishing a Medical College in the Central Provinces.

17. Vocational Testing.—(a) Psychological research in various methods of testing should be encouraged by the institution of a central psychological institute in the province. The institute proposed should conduct experiments within a reasonable area through the agency of teachers specially qualified for the purpose.

(b) A special course of psychology should be taken by the teachers under training in the Training Colleges.

18. In conclusion we wish to stress the following observations :—

- (i) Before putting the plan of educational reconstruction suggested in this report into practice, it will be necessary to make detailed enquiries into the local conditions.
- (ii) The details of the courses of instruction should be so planned as to allow elasticity to each school so as to enable it to accord with its environment without endangering the vital objectives which it should serve, in common with other schools, in its own characteristic fashion.
- (iii) The want of adequate information has precluded us from giving our views in regard to instruction in a large number of vocations, using the term in its widest connotation, such as

journalism, architecture, accountancy, veterinary science and surgery, librarianship, dentistry, pharmacy, etc., etc.

- (iv) We have been unable to gather adequate data on the condition of primary education in the Province to enable precise conclusions in respect of the points raised in paragraph 5 of Government of India letter, dated the 30th April 1936. We have embodied such information as we have been able to collect in Appendices IV and V.
- (v) We have not attempted in our report to survey the entire field of education and to suggest an overhauling of the whole field of education. We have been limited by the terms of reference before us. Further, the nature of the terms of reference have also precluded us from doing anything more than to suggest broad and general principles of reform in certain aspects of the educational system.
- (vi) We have been greatly handicapped by the absence of an economic survey of the province, and this circumstance has prevented our suggesting a plan of vocational education from being as complete as we should have desired it to be. Replies to the questionnaire did not give information on the adequacy and authority of which we could always lay complete reliance. Much of our information was collected from the Census Report of 1931, and Provincial Banking Inquiry Committee Report of 1930. Yet we feel that we had sufficient material before us to enable us to suggest, at any rate, the general lines of educational reconstruction in this province, which will conform with the ideals propounded by the Central Advisory Board of Education.
- (vii) The replies to the questionnaire will be forwarded to a committee appointed by the Provincial Board of High School Education to make recommendations on the reorganization of the Middle School course.

19. We are grateful to the Revd. J. Thiessen, Mauhadih, the Revd. E. W. Menzil, Bishrampur and the Revd. Th.L.

Seybold, Raipur, for valuable help and assistance in the discussions of the Educational Reconstruction Sub-Committee [paragraph 9 (ii)] to which they were co-opted and to Mr. Lala Hariram, for similar help and assistance on the Vocational Education Sub-Committee [paragraph 9 (iii)]. Our thanks are also due to the persons whose names are given in Appendix II for the valuable information given in their replies to the questionnaire. We are under a special debt of obligation to our Secretary, Dr. V. S. Jha, upon whose shoulders fell the brunt of the work of collecting information and data for the consideration of the committee. He undertook these duties in addition to his own duties as Inspector of Schools of a large circle. We desire to place on record our high appreciation of his valuable services to the committee and of his assistance in the writing of this report.

M. OWEN,

Director of Public Instruction.

C. C. DESAI,

Director of Industries.

SORABJI B. MEHTA.

G. R. KOTHARE.

LEONARD G. D'SILVA.

V. S. JHA.

S. H. CLARIDGE.

PART VIII
APPENDICES
APPENDIX I
Vocational Training
QUESTIONNAIRE

1. Name of the person (or institution) replying—

2. Designation—

3. Full address—

4. Area about which the statements are made—

5. Topic or topics on which a special note is submitted for consideration by the Committee—

N. B.—All replies and special notes on topics should reach the Secretary *on or before October 1st, 1936.*

V. S. JHA,
Secretary to the Committee,
Inspector of Schools, Raipur,
Central Provinces.

UNEMPLOYMENT AND EDUCATIONAL RECONSTRUCTION

1. The Local Government has appointed a Committee to do the exploratory work and collect data, including the bringing of available information up to date, on the subject of vocational education in this province. This information will be laid before foreign experts, appointed by the Government of India, who will visit the province during the ensuing cold weather. These experts will then be in a position to advise the Local Government on the nature of vocational training to be imparted and the location of separate vocational institutions.

2. The diversion of suitable pupils from the literary courses at present followed by the great majority of school pupils is a matter of vital importance to the future welfare of the province. In order to collect the necessary information for discussion with the experts, the Committee has decided to issue the questionnaire printed below. The Committee will be grateful to Government officers and members of the general public, including leading industrialists, agriculturists, businessmen and other employers of labour who are in a position to give or collect valuable information on the subject, if they will reply to the questionnaire, wholly or in part, and so help the cause of the educated unemployed in this province. A detailed note on any of the relevant topics will also give valuable assistance to the Committee.

3. The following definitions will be helpful to those answering the questionnaire :—

(I) *Manual training* aims at developing the constructive activities of the child with the object of cultivating mental powers of observation, attention and accuracy of the moral faculties of order, neatness, perseverance and reliance, awakening and training the artistic faculties of the pupils and directing them to the appreciation and creation of the beautiful and training them to take joy in the acquisition of skill and in the production of finished objects.

(II) *Pre-vocational training* is a part of general education and aims at giving a definite bias in one or more directions to a pupil's education and thus prepare him indirectly for a particular occupation. Discovery of the pupil's bent towards a particular occupation may result from training of this type.

(III) *Vocational training*, or industrial education, aims at developing ability and skill in the handling of tools, material and machines. This is a specialized training which is designed to produce qualified artisans for some specific industry, craft or occupation.

(IV) *Technical education* is instruction in the principles of science and art as applied to industries. Attention is chiefly given to the acquisition of knowledge of various principles of technical education and their practical application.

4. The time at the Committee's disposal is short and it is kindly requested that the replies to the questionnaire may be sent to the Secretary at the address given below on or before October 1st, 1936.

V. S. JHA,
Secretary to the Committee,
Inspector of Schools, Raipur,
Central Provinces.

QUESTIONNAIRE

PART A.—PRE-VOCATIONAL

I. Has manual training in any form been conducted in any of the schools in your locality? If so, please cite any outstanding feature or benefit has been derived from this course of instruction.

II. If manual training has not been introduced in any school in your locality, do you consider that such a course of training would confer educational benefits specified in the definition, having regard to heredity, environment and other characteristics common in your locality?

III. Should pre-vocational training be given in the schools in this province? If so, please state briefly—

- (a) At what stage of general education should pre-vocational education begin and vocational courses introduced?
- (b) Should pre-vocational education be preceded by manual training?
- (c) What subjects are most suitable to create a practical bias or to lead to the discovery of a bent for any particular industry?
- (d) Should a pre-vocational course precede vocational training, having as its object efficient craftsmanship and good business methods?

IV. In view of the Central Provinces and Berar being predominantly an agricultural province, do you consider that an elementary course of agriculture as a compulsory pre-vocational subject in rural schools should be adopted? If so, please cite any instance—

- (a) where, as the result of agriculture being a pre-vocational subject, a bias was sufficiently created as to produce skilled agriculturists at a later stage with material benefits;
- (b) which has resulted in any other form of rural pursuits with special advantage to the locality.

V. Are there a sufficient number of pre-vocational and vocational schools in your area? If not, what type of vocational schools do you require and where?

PART B.—VOCATIONAL

I. Do you consider, in view of the present industrial and commercial conditions of the province, that vocational training through specialized courses should be given?

II. In connection with what industries (including agriculture) or crafts, or other occupations do you consider that vocational training is—

- (a) needed;
- (b) practicable in your locality.

III. Please state the centres in which you consider vocational training should be given, and specify the industry or craft in relation to which vocational training should be imparted in those centres. Please state reasons for your answer.

IV. (a) Do you consider that more schools of handicrafts of the existing type are needed? Please give specific reasons for your answer.

(b) If your answer is in the affirmative, name the centres at which you consider such schools should be established and the industries which should be taken up at each centre.

V. What are the chief vocations (other than agriculture, Government service and the learned professions) followed by the people in your locality?

VI. State approximately the population with castes which follow various vocations in your locality.

VII. What are the important cottage industries and crafts in your locality?

VIII. Specify briefly the industries and crafts in your locality which require any of the following :—

- (a) The use of improved methods and appliances without a necessity for theoretical education;
- (b) An elementary or other standard of general education with a strongly utilitarian bias;
- (c) Manual skill without a necessity for improved appliances in which increased output is solely dependent on assured markets.

IX. Was your locality famous at any time for any special craft of manufacture? Please specify them.

X. Will it be possible to revive decaying or dead industries by means of special vocational training? Please give reasons for your views.

XI. What demand is there in your locality for skilled and unskilled labour? Please specify the demand which exists by naming the professions, crafts or industries.

XII. Apart from any general education or vocational training which might be given, do you think that peripatetic teachers, experts in their own subjects, should be sent out to villages to show villagers, e.g., those engaged in cottage industries, how to improve their work?

XIII. Do you consider a minimum educational qualification necessary for a vocational course? If so, please state the minimum.

XIV. At what stage or stages of general education do you consider that vocational training should be begun, *i.e.*, after the primary or after the middle school standard?

XV. Is it desirable to establish schools for general education in close connexion with and in the neighbourhood of mills, factories and farms (*e.g.*, Government farms) in order that boys may continue general education with actual employment or apprenticeship in industries ?

XVI. Should separate schools be established unconnected with mills or factories ?

XVII. What in your opinion should be the duration of a course of vocational training ?

PART C.—TECHNICAL AND TECHNOLOGICAL TRAINING

XVIII. Do you consider, in view of the present industrial condition of the Central Provinces and Berar, that provision should be made for technical and technological education in this province ? Please give reasons for your answer. If your answer is in the affirmative, state definitely the nature of the provision you would recommend, the industries or occupations in connection with which it should be given and the minimum educational and other qualifications which you would consider necessary in persons likely to benefit from it.

PART D.—COMMERCIAL EDUCATION

XIX. Do you consider, in view of the present industrial and commercial condition of the Central Provinces and Berar that provision should be made for commercial education in this province ?

XX. If your answer to XIX is in the affirmative, what is the nature of the education you would recommend and the stage or stages of general education at which it should be given ?

APPENDIX II

The list of persons who replied to the Questionnaire.

1. Commercial Director, Asbestos Cement, Ltd., Kymore, Central Provinces.
2. Sardar Sahib Ishar Singh, Inspector of Schools, Jubbulpore.
3. Mr. H. S. Staley, Inspector of Schools, Nagpur.
4. President, Municipal Committee, Saoner.
5. Revd. E. W. Menzel, Bisrampur, Central Provinces *via* Bhatapara.
6. The Principal, City College, Nagpur.
7. Mr. F. S. Dhagat, Pleader, Damoh.
8. The Head Master, Anglo-Vernacular Middle School, Seoni.
9. Mr. T. R. Gangrade, Senior Deputy Inspector of Schools, Hoshangabad.
10. The President, Municipal Committee, Akot.
11. Sir Hari Singh Gour. Kt., Nagpur.
12. Mr. G. S. Sharma, Teacher, Hindi Bhashi Sangh, High School, Nagpur.
13. Mr. G. G. Shere, Head Master, Government High School, Yeotmal.
14. Mr. D. P. Gupta, Lecturer in Manual Training and Drawing, Spence Training College, Jubbulpore.
15. Mr. B. H. Munje, Professor, City College, Nagpur.
16. Mr. T. Y. Deo, Boy Scout Association, Nagpur.
17. Rai Sahib B. B. Verma, Head Master, Government High School, Chhindwara.
18. The Head Mistress, Government Girls' High School, Amraoti.
19. The Chairman, District Council, Mandla.
20. The Head Master, Government High School, Saugor.
21. The Chairman, District Council, Drug.
22. The President, Municipal Committee, Balaghat.
23. The Head Master, Government High School, Damoh.
24. The Head Master, Government High School, Balaghat.
25. The Head Master, Government High School, Raipur.
26. The Electrical Adviser to Government, Central Provinces and Berar, Nagpur.
27. The Vice-Chairman, District Council, Betul.
28. The Secretary, Municipal Committee, Khandwa.
29. The Head Master, Government High School, Betul.
30. The Head Master, Victoria High School, Khairagarh.
31. Col. K. V. Kukday, C.I.E., I.M.S. (Retd.), Nagpur.
32. Mr. N. L. Inamdar, M.A., T.D., Teacher, New High School, Amraoti.
33. Rao Bahadur W. R. Bhat, Private Practitioner, Amraoti.
34. Mr. Abdul Azim, Retired Superintendent, Deputy Commissioner's Office, Bhandara.
35. Mr. B. J. Babar, Teacher, Anglo-Vernacular Middle School, Dhamtari.
36. Mr. S. A. Rauf Shah, M.L.A., Pandharkawada.
37. Khan Sahib Khwaja Latif Ahmad, Assistant Inspector of Schools, Berar Circle, Amraoti.
38. Mr. R. D. Saranjame, President, Amraoti District Educational Officers' Union, Amraoti.
39. Revd. Th. L. Seybold, Principal, St. Paul's High School, Raipur.
40. Mr. S. J. Bhagwat, Head Master, Aided High School, Dhamaogaon.
41. The Head Master, Monro High School, Bhandara.
42. The Head Master, Government High School, Basim.
43. The Head Master, Government High School, Bilaspur.
44. Rai Bahadur Dadu Dwarkanath Singh, Talukedar, Seoni.
45. The Head Master, Government High School, Khandwa.
46. The President, Town Municipal Committee, Amraoti Town.
47. Mr. A. G. F. Farquhar, I.C.S., Deputy Commissioner, Saugor.
48. Mr. S. P. Pathak, Deputy Inspector of Schools, Saugor.
49. Mr. V. R. Dani, Head Master, Government High School, Akola.
50. Mr. D. R. Rutnam, I.C.S., Deputy Commissioner, Raipur.
51. Mr. D. P. Verma, Deputy Inspector of Schools, Seoni.
52. The Head Master, Government High School, Buldana.
53. The Head Master, Government Marathi High School, Amraoti.
54. Revd. T. W. Gardiner, Principal, Hislop College, Nagpur.
55. The Head Master, Craddock High School, Wardha.
56. The Head Master, Municipal High School, Umrer.

APPENDIX II—*contd.*The list of persons who replied to the Questionnaire—*contd.*

57. The Superintendent, Neill City High School, Nagpur.
58. Mr. E. Brewster, Superintendent, Reformatory and Robertson Industrial School, Jubbulpore.
59. Mr. Ghulam Ahmad Hasan, Chairman, Local Board, Chandur.
60. The Manager, R. S. Reckchand Gopaldas Mohota Spinning and Weaving Mills, Akola.
61. The Head Master, Government High School, Narsinghpur.
62. The Head Master, H. C. High School, Burhanpur.
63. The Principal, Central College for Women, Nagpur.
64. The Head Master, S. B. High School, Telhara.
65. The President, Notified Area Committee, Deulgaon Raja.
66. Mr. Indrajit Singh, Post-Graduate Student, Akaltara, Bilaspur.
67. Mr. V. R. V. Subhedar, L. M. E., Saugor.
68. Mr. K. N. Rohan, B.Sc., LL.B., Saugor.
69. Mr. R. L. Baronia, Retired Deputy Inspector of Schools, Saugor.
70. Mr. S. P. Shrivastava, Science Teacher, K. Hitkarini High School, Jubbulpore.
71. The President, Municipal Committee, Pulgaon.
72. The Chairman, District Council, Akola.
73. Rai Sahib A. L. Mukerji, Head Master, Model High School, Jubbulpore.
74. The Head Master, Municipal High School, Ellichpur Cantonment.
75. Mr. P. V. Deshmukh, Banker and Factory Owner, Member, Board of Agriculture, Central Provinces and Berar, Nagpur.
76. The Head Master, City High School, Ellichpur City.
77. Mr. Tahir Ali, Vice-President, Municipal Committee, Burhanpur.
78. Mr. V. K. Soman, Mehkar, district Buldana.
79. The Head Master, Government High School, Chanda.
80. Mr. S. G. Bokare, Member, High School Committee, Chanda.
81. Mr. P. J. H. Stent, I.C.S., Commissioner, Nagpur.
82. Mr. B. Chandra, Head Master, K. Hitkarini High School, Jubbulpore.
83. Rao Bahadur G. R. Kothare, Chairman, Central Provinces and Berar Factory Owners' Association, and Member of the Advisory Board of Industries, Khamgaon.
84. Mr. Sarfaraz Khan, Head Master, Anjuman High School, Khamgaon.
85. The Principal, Hitkarini City College, Jubbulpore.
86. The Deputy Commissioner, Bilaspur.
87. The Secretary, Municipal Committee, Seoni-Malwa.
88. The Manager, Anglo-Vernacular High School, Timarni.
89. The Vice-President, Municipal Committee, Darwha.
90. Mr. R. M. Wathodkar, Retired Sub-Judge, Bhandara.
91. The Superintendent, Government Printing, Central Provinces, Nagpur.
92. Mr. H. Dewey, I.C.S., Deputy Commissioner, Bhandara.
93. The Honorary Secretary, District Council, Balaghat.
94. The President, Municipal Committee, Basim.
95. The Inspectress of Schools, Jubbulpore Circle, Jubbulpore.
96. The Head Master, New English High School, Akot.
97. The Deputy Commissioner, Yeotmal.
98. The Head Master, Government High School, Betul.
99. The Vice-Chairman, District Council, Betul.
100. Rao Sahib D. Y. Rajurkar, Chairman, District Council, Akola.
101. The Sub-Divisional Officer, Nagpur.
102. The Sub-Divisional Officer, Umrer.
103. The Sub-Divisional Officer, Katol-Saoner.
104. Mr. M. I. Rahim, I.C.S., Deputy Commissioner, Yeotmal.
105. The Deputy Commissioner, Nimar, Khandwa.
106. The Sub-Divisional Officer, Rehli, district Saugor.
107. The Deputy Commissioner, Amraoti.
108. Mr. R. J. J. Hill, I.C.S., Deputy Commissioner, Jubbulpore.
109. The Senior Deputy Inspector of Schools, Wardha.
110. The Senior Deputy Inspector of Schools, Balaghat.

APPENDIX II—concl'd.

The list of persons who replied to the Questionnaire—concl'd.

- | | |
|---|---|
| 111. The Sub-Divisional Officer, Balaghat. | 125. The Tahsildar, Burhanpur. |
| 112. The Tahsildar, Balaghat. | 126. Mr. H. E. McClenaghan, I.C.S., Deputy Commissioner, Nagpur. |
| 113. The Tahsildar, Waraseoni. | 127. The President, Municipal Committee, Balaghat. |
| 114. The Tahsildar, Baihar. | 128. The Tahsildar, Ramtek. |
| 115. The Deputy Commissioner, Drug. | 129. Mr. A. J. Rodrick, Sub-Divisional Officer, Chhindwara. |
| 116. The President, Municipal Committee, Karania. | 130. Mr. L. H. Dube, Extra-Assistant Director of Agriculture, Chhindwara. |
| 117. Mr. G. B. Oka, Pensioner, and Member, District Council, Jubbulpore. | 131. Mr. R. K. Haridas, Deputy Inspector of Schools, Chhindwara. |
| 118. Mr. A. L. Khan, Pleader, and Vice-Chairman, Local Board, Murwara. | 132. Mr. V. S. Asolkar, Deputy Inspector of Schools (Pench Valley School), Parasia. |
| 119. The Vice-Chairman, District Council, Jubbulpore. | 133. Revd. E. Raman, Swedish Mission, Amarwara. |
| 120. Mr. A. P. Tripathi, Malguzar, Mandla. | 134. Mr. R. P. Verma, Honorary Secretary, Central Bank, Seoni. |
| 121. Mr. A. Prasad, Member, District Council, Jubbulpore. | 135. Mr. J. S. K. Patel, Professor, Hislop College, Nagpur. |
| 122. Mr. Alay Hasan, Extra-Assistant Commissioner, and Officer-in-Charge, Court of Wards, Nagpur. | 136. The Secretary, District Council, Yeotmal. |
| 123. Khan Sahib Nazir Abbas, Retired Divisional Forest Officer, Nagpur. | 137. Mr. P. L. Bhargava, President, Municipal Committee, Seoni. |
| 124. The Sub-Divisional Officer, Damoh. | |

List of persons who have sent special notes on certain topics with reference to item 5 of the Vocational Training Questionnaires.

- | | |
|--|---|
| 1. Mr. B. E. Dadachani, Professor, Morris College, Nagpur. | 14. Mr. W. H. Shoobert, I.C.S., Deputy Commissioner, Nagpur. |
| 2. Mr. C. B. Parakh, B.A., LL.B., Advocate, Nagpur. | 15. Mr. M. H. Nanavati, Assistant Professor, Morris College, Nagpur. |
| 3. Mr. P. L. Bhargava, Bar-at-Law, President, Municipal Committee, Seoni. | 16. Mr. F. J. Cuerden, Principal, Government Engineering School, Nagpur. |
| 4. Mr. G. S. Sharma, Teacher, Hindi Bhashi Sangh, High School, Nagpur. | 17. Mr. M. L. Dalal, Secretary, The Savatram Ramprasad Mills Co., Ltd., Akola. |
| 5. Mr. S. S. Thakur, Manager, Repair Workshop, Ballarpur Colliery. | 18. The Chief Conservator of Forests, Central Provinces. |
| 6. Mrs. M. Dravid, Head Mistress, Government Girls' High School, Amraoti. | 19. Mr. B. H. Munje, Professor, City College, Nagpur. |
| 7. The Chairman, District Council, Drug. | 20. The Extra-Assistant Commissioner, Nagpur. |
| 8. Dr. W. R. Bhat, Private Practitioner, Amraoti. | 21. Sir Sorabji B. Mehta, Kt., Nagpur. |
| 9. Mr. S. P. Shrivastava, Science Teacher, K. Hitkarini High School, Jubbulpore. | 22. Mr. N. L. Inamdar, M.A., T. D., New High School, Amraoti. |
| 10. Rai Sahib A. L. Mukerji, Head Master, Model High School, Jubbulpore. | 23. The Manager, The Perfect Pottery Co., Ltd., Jubbulpore. |
| 11. Mr. Tahir Ali, Member, Municipal Committee, Burhanpur. | 24. Mr. P. N. Raina, Assistant Inspector of Schools, Jubbulpore Circle, Jubbulpore. |
| 12. Revd. W. C. Seybold, Principal, St. Paul's High School, Raipur. | 25. Mr. J. R. Jahagirdar, Retired Senior Deputy Inspector of Schools, Chanda. |
| 13. Mr. B. J. Babar, Teacher, Anglo-Vernacular School, Dhamtari. | 26. The Principal, College of Agriculture, Nagpur. |

APPENDIX III

Statistical summary of the progress of education
in the Central Provinces and Berar

TABLE I

Increase in the number of educational institutions and pupils.

Years	Collegiate Education		High School Education	
	Schools	Pupils	Schools	Pupils
(1)	(2)	(3)	(4)	(5)
1912 ..	6	714	37	3,039
1917 ..	7	1,348	50	4,982
1922 ..	7	971	51	3,116
1927 ..	9	1,833	56	5,085
1932 ..	11	2,405	78	8,113
1937 ..	16	3,314	92	9,995
Percentage of increase since 1912 ..	167	364	149	229

Years	Middle School Education		Primary School Education		Special Schools	
	Schools	Pupils	Schools	Pupils	Schools	Pupils
(1)	(6)	(7)	(8)	(9)	(10)	(11)
1912 ..	385	50,022	3,280	234,386	15	774
1917 ..	407	54,007	4,014	287,466	25	1,258
1922 ..	520	63,694	4,313	260,412	36	2,488
1927 ..	545	90,664	4,523	291,099	54	2,902
1932 ..	608	103,590	4,566	332,623	72	3,763
1937 ..	664	115,022	4,746	351,376	61	4,111
Percentage of increase since 1912.	72	130	45	50	307	431

APPENDIX III—*contd.*Statistical summary of the progress of education
in the Central Provinces and Berar

TABLE II

Increase in expenditure on education.

Year	University and Colleges	High Schools	Middle Schools	Primary Schools	Special Schools	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1912	.. 1,58,775	2,16,296	5,61,570	10,30,07	1,08,413	20,75,129
1917	.. 2,90,489	3,45,734	8,28,946	14,31,206	2,14,055	31,10,430
1922	.. 5,40,949	4,97,746	15,66,243	25,11,515	4,75,102	55,91,555
1927	.. 8,04,247	6,49,681	18,55,491	29,09,144	4,92,151	67,10,714
1932	.. 9,02,594	8,90,716	21,42,916	30,96,389	4,46,460	74,79,075
1936	.. 10,00,522	10,41,248	22,45,185	31,51,222	4,63,152	79,01,329
Percentage of increase since 1912.	536	396	300	206	327	281

Statistical summary of the progress of education
in the Central Provinces and Berar

TABLE III

The sources of funds for education.

Year	Government Funds	Board Funds	Municipal Funds	Fees	Other Sources	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1912	.. 4,80,118	9,29,265	2,23,750	2,03,180	2,38,816	20,75,129
1917	.. 7,75,396	13,05,028	3,89,764	4,17,821	2,22,421	31,10,430
1922	.. 36,11,435	7,68,583	4,39,772	4,37,902	3,33,863	55,91,555
1927	.. 39,00,540	9,53,237	5,59,180	9,13,730	3,84,027	67,10,714
1932	.. 32,49,449	17,00,425	7,67,604	13,47,838	4,13,759	74,79,075
1936	.. 32,94,310	16,45,625	8,86,858	16,29,637	4,44,899	79,01,329
Percentage of increase since 1912.	586	77	297	702	86	281

APPENDIX III—*concl'd.*Statistical summary of the progress of education
in the Central Provinces and Berar

TABLE IV

Cost per pupil per year in different kinds of Educational Institutions.

The stage of education	Cost per head					
	1912		1917		1922	
(1)	(2)		(3)		(4)	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
1. Collegiate ..	222	6 0	215	10 4	556	14 4
2. High School ..	69	12 8	70	3 5	164	12 2
3. Middle School ..	11	4 1	16	3 11	39	14 1
4. Primary School ..	4	8 2	5	10 2	10	6 0
5. Special School ..	151	14 7	199	10 10	258	3 4

The stage of education	Cost per head						Increase since 1912
	1927		1932		1936		
(1)	(5)		(6)		(7)		(8)
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Per cent
1. Collegiate ..	438	12 2	376	8 9	305	7 9	37
2. High School ..	132	8 6	114	14 10	109	14 8	57
3. Middle School ..	21	13 7	22	1 3	20	14 2	85
4. Primary School ..	10	12 4	10	4 4	10	0 6	127
5. Special School ..	209	5 4	148	9 2	142	2 6	—6

Statistical summary of the progress of education
in the Central Provinces and Berar

TABLE V

Government contribution and percentage to total Government Revenues as compared with other provinces in India.

Name of province	Expenditure on education in lakhs of rupees		Percentage to revenue	
	1927	1935	1927	1935
(1)	(2)	(3)	(4)	(5)
Madras ..	202	251	13.3	15.3
Bengal ..	148	132	14.0	11.3
Bombay ..	199	180	13.6	15.3
United Provinces ..	196	207	17.2	17.2
Punjab ..	151	159	13.9	15.2
Central Provinces ..	61	48	10.40	9.40

Figures for the Central Provinces are taken from the Central Provinces General Administration Department Reports.

APPENDIX IV

Trained and untrained teachers in primary schools

TABLE I

The number of trained and untrained teachers in district council primary schools.

Name of Circle and District	Number of teachers			Percentage of trained teachers
	Trained	Untrained	Total	
(1)	(2)	(3)	(4)	(5)
Nagpur Circle—				
Nagpur	282	32	314	89.8
Wardha	192	21	213	90.1
Chanda	134	175	309	43.0
Betul	107	48	155	69.0
Chhindwara	348	44	392	88.7
Total	1,063	320	1,383	76.8
Jubbulpore Circle—				
Jubbulpore	314	69	383	81.9
Saugor	444	58	502	88.4
Mandla	146	40	186	78.4
Nimar	190	21	211	90.4
Hoshangabad	475	139	614	77.4
Total	1,569	327	1,896	82.7
Chhattisgarh Circle—				
Raipur	409	367	776	52
Bilaspur	430	161	591	73
Drug	237	78	315	75
Bhandara	118	307	425	38
Balaghat	203	120	323	63
Total	1,397	1,033	2,430	57.5
Berar Circle—				
Amraoti	425	263	688	62
Akola	253	418	671	38
Buldana	283	323	606	47
Yeotmal	151	278	429	35
Total	1,112	1,282	2,394	46.4
Grand Total	5,141	2,962	8,103	63.4

APPENDIX IV—*concl'd.*

Trained and untrained teachers in primary schools

TABLE II

The number of trained and untrained teachers in municipal primary schools.

Name of Circle and District (1)	Number of teachers			Percentage of trained teachers (5)
	Trained (2)	Untrained (3)	Total (4)	
Nagpur Circle—				
Nagpur	344	54	398	87.0
Wardha	103	57	160	64.3
Chanda	54	9	63	85.7
Betul	27	8	35	77.1
Chhindwara	50	20	70	71.4
Total	578	148	726	79.6
Jubbulpore Circle—				
Jubbulpore	152	21	173	87.8
Saugor	127	17	144	88.1
Hoshangabad	110	42	152	72.3
Mandla	12	7	19	63.1
Nimar	112	54	166	67.4
Total	513	141	654	78.4
Chhattisgarh Circle—				
Raipur	86	25	111	77.5
Bilaspur	54	12	66	82
Drug	24	4	28	86
Bhandara	84	14	86	85
Balaghat	16	4	20	75
Total	264	59	323	81.7
Berar Circle—				
Amraoti	124	126	250	50
Akola	80	87	167	48
Buldana	80	71	151	53
Yeotmal	82	80	162	51
Total	366	364	730	50.1
Grand Total	1,721	712	2,433	70.7

TABLE III

The number of trained and untrained teachers in aided primary schools.

Name of Circle and District (1)	Number of teachers			Percentage of trained teachers (5)
	Trained (2)	Untrained (3)	Total (4)	
Nagpur Circle	53	104	157	33.8
Jubbulpore Circle	48	33	81	59.3
Chhattisgarh Circle	80	87	167	47.9
Berar Circle	Nil	71	71	Nil
Total	181	295	476	38.0

APPENDIX V

Single teacher primary schools

(1)	Number of schools	Number enrolled	Number of teachers
	(2)	(3)	(4)
Primary Schools in the province	.. 4,746	351,376	12,286
Single Teacher Primary Schools	.. 945	30,630	945

No. of teachers teaching more than one section or class— 6,715

Average number of pupils in charge of each teacher in a single teacher school—82.4

APPENDIX VI
Scholars by classes and ages for the year 1931-32

Ages	Primary				Middle			
	I	II	III	IV	V	VI	VII	VIII
Below 5	2,054	17	..	..	..	..	..	..
5 to 6	18,705	1,087	46	..	..	..	..	..
6 to 7	36,781	6,498	799	18	..	..	..	..
7 to 8	40,321	15,269	4,671	435	12	..	..	..
8 to 9	30,128	20,613	10,791	2,615	112	19	2	1
9 to 10	17,501	18,924	15,079	7,174	662	94	11	2
10 to 11	8,973	12,931	15,091	11,311	1,890	519	58	5
11 to 12	3,883	7,293	12,398	13,011	2,997	1,326	367	72
12 to 13	1,488	3,890	7,696	11,573	3,368	1,985	1,014	224
13 to 14	547	1,509	4,100	8,503	3,004	2,492	1,695	602
14 to 15	216	562	1,996	5,207	2,223	2,392	2,176	1,027
15 to 16	61	244	905	2,822	1,350	1,968	2,217	1,134
16 to 17	22	48	330	1,331	706	1,166	1,882	1,164
17 to 18	7	19	59	530	324	706	1,246	813
18 to 19	11	6	12	158	125	242	728	468
19 to 20	2	3	3	50	45	106	310	243
Over 20	2	8	3	26	17	40	160	126
Total	160,702	88,921	74,189	64,764	16,835	13,055	11,866	5,881

European scholars are included in the above figures

	High			Total for Primary, Middle and High	Intermediate		Degree		Post- graduate		Total	Grand total	
	IX	X	XI		1st year	2st year	1st year	2nd year	1st year	2nd year			
Below 5	2,071	..	..	..	..	..	..	..	2,071	
5 to 6	19,838	..	..	..	..	..	..	..	19,838	
6 to 7	44,096	..	..	..	..	..	..	..	44,096	
7 to 8	60,708	..	..	..	..	..	..	..	60,708	
8 to 9	64,191	..	..	..	..	..	..	..	64,191	
9 to 10	..	3	..	59,750	..	..	..	..	..	..	..	59,750
10 to 11	..	5	..	51,083	..	..	..	..	..	..	..	51,083
11 to 12	..	9	1	41,060	..	..	..	..	..	..	..	41,060
12 to 13	..	29	20	31,291	..	..	..	..	..	..	..	31,291
13 to 14	..	143	34	22,640	..	..	..	..	..	..	..	22,640
14 to 15	..	369	138	16,342	..	..	..	..	..	..	..	16,342
15 to 16	..	602	353	11,770	7	1	..	..	..	..	8	11,778
16 to 17	..	687	493	8,135	36	3	1	..	..	..	40	8,175
17 to 18	..	615	594	5,308	89	23	3	1	1	..	117	5,425	
18 to 19	..	399	438	2,964	128	75	13	1	..	..	217	3,181
19 to 20	..	200	344	1,681	117	99	49	23	2	..	290	1,971	
over 20	..	131	309	1,398	185	343	258	274	53	30	1,143	2,541	
Total	..	3,192	2,724	2,197	4,44,326	562	544	324	299	56	30	1,815	446,141

European scholars are included in the above figures.

APPENDIX VII

Appointments in Government services in 1935-36

TABLE I

Provincial services.

Name of the Department	Total number of posts	Total appointments made during 1935-36					Total
		Graduates	Inter passed	Matric passed	Vernacular final passed	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Education Department—							
(a) Men's Branch ..	101	10	..	..	..	..	10
(b) Women's Branch ..	7	1	..	..	..	..	1
(c) General Service, Engineering School, Nagpur.	5	1	..	..	..	..	1
2. Medical Department ..	71	1	1	..	..	..	2
3. Civil Veterinary Department.	5	1	..	..	..	..	1
4. Appointments Department, Central Provinces and Civil Secretariat.	96	7	3	..	..	1	11
5. Excise Department ..	21	..	..	..	..	..	..
6. Co-operative Societies ..	5	1	..	..	..	..	1
7. Government Printing ..	2	1	..	..	..	..	1
8. Agriculture Department ..	24	..	..	..	..	..	..
9. Public Health Department	3	..	..	..	..	..	..
10. Posts and Telegraphs Department, Central.	15	..	..	..	..	..	..
11. Judicial Department ..	119	9	..	..	..	..	9
12. Industries Department ..	13	..	..	1	..	..	1
13. Public Works Department	37	..	..	..	..	..	..
14. Jail Department ..	4	..	..	..	..	..	..
15. Survey and Settlement and Land Records Department.	4	..	..	..	..	..	..
16. Forest Department ..	29	..	..	..	..	..	..
17. Income-Tax Department ..	16	..	..	..	..	..	..
18. Police Department ..	19	1	..	..	..	..	1
Total ..	596	33	4	1	..	1	39

APPENDIX VII—*contd.*

Appointments in Government services in 1935-36

TABLE II

Subordinate services

Name of the Department	Total number of posts	Total appointments made during 1935-36					Total
		Graduates	Inter passed	Matric passed	Vernacular final passed	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Education Department—							
(a) Men's Subordinate Educational Service.	806	67	14	18	..	..	99
(b) Women's Subordinate Educational Service.	40	..	1	7	..	..	8
2. Medical Department ..	355	..	..	13	..	1	14
3. Civil Veterinary Department	152	..	..	6	..	..	..
4. Excise Department ..	286	1	3	9	..	..	13
5. Co-operative Societies ..	55	6	..	..	..	..	6
6. Government Printing ..	253	..	2	7	94	..	103
7. Public Works Department—							
(a) Permanent ..	360	..	..	5	..	..	5
(b) Temporary ..	43	..	..	4	..	1	5
8. Agriculture Department ..	162	10	..	..	..	..	10
9. Public Health Department	55	..	..	..	..	..	..
10. Posts and Telegraphs Department.	353	..	..	2	..	..	3
11. Industries Department ..	91	..	..	2	3	..	5
12. Revenue Department—							
(a) Commissioner, Nagpur Division.	70	6	..	..	..	..	6
(b) Commissioner, Chhattisgarh Division.	59	4	..	..	..	..	4
(c) Commissioner, Jubbulpore Division.	71	2	..	..	..	..	2
(d) Commissioner, Berar Division.	61	1	..	..	..	..	1
13. Survey and Settlement and Land Records Department.	46	..	..	..	..	..	..
14. Forest Department ..	3,280	..	4	38	73	..	115
15. Income-Tax Department ..	20	..	..	..	..	..	..
16. Police Department ..	11,525	10	21	78	504	..	613
Total ..	17,153	107	46	189	674	2	1,018

APPENDIX VII—contd.

Appointments in Government services in 1935-36

TABLE II

Ministerial services

Name of the Department	Total number of posts	Total appointments made during 1935-36					Total
		Graduates	Inter passed	Matric passed	Vernacular final passed	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Education Department—							
(a) Director of Public Instruction's Office.	34	..	1	4	..	..	5
(b) Subordinate Offices ..	122	1	..	15	1	..	17
2. Office of Legal Remembrancer to Government.	11	..	..	2	..	..	2
3. Office of Secretary to Government, Central Provinces, Legislative Council.	10	..	..	..	..	..	..
4. Medical Department ..	96	1	..	..	..	..	1
5. Civil Veterinary Department.	11	..	..	..	..	..	..
6. Appointments Department, Civil Secretariat.	148	4	1	..	..	1 (Lady Typist)	6
7. Excise Department ..	16	1	1	..	..	..	2
8. Agriculture Department ..	67	..	..	2	..	..	2
9. Public Health Department	21	..	..	..	..	..	..
10. Post and Telegraphs Department.	2,051	..	3	32	..	..	35
11. Industries Department ..	38	..	..	..	..	..	..
12. Public Works Department—							
(a) Permanent ..	463	1	..	22	..	5	28
(b) Temporary ..	11	..	..	..	..	1	1
13. Registrar's Office, Co-operative Societies.	24	..	1	1	..	..	2
14. Office of Village Panchayat Officer.	1	..	..	..	..	..	..
15. Office of Secretary, Village Uplift Board.	1	1	..	..	..	..	1
Total ..	3,125	9	7	78	1	7	102

APPENDIX VII—concl'd.

Appointments in Government services in 1935-36

TABLE III—concl'd.

Mimisterial services—concl'd.

Name of the Department	Total number of posts	Total appointments made during 1935-36					Total
		Graduates	Inter passed	Matric passed	Vernacular final passed	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
16. Office of Registrar of Firms	1	1	..	..	..	..	1
17. Office of Registrar of Joint Stock Companies.	2	..	..	..	..	..	..
18. Government Printing ..	35	1	..	..	..	..	1
19. Jail Department ..	46	..	..	1	..	..	1
20. Revenue Department—							
Nagpur Division ..	331	1	1	23	1	1	27
Berar Division ..	383	2	1	27	..	..	30
Commissioners' Office—							
Jubbulpore ..	14	..	..	1	..	..	1
Chhattisgarh Division ..	294	..	..	16	5	..	21
Mandla ..	46	..	..	..	..	..	..
Nimar ..	54	..	..	2	..	..	2
Saugor ..	87	..	..	3	..	1	4
Jubbulpore ..	63	..	2	5	..	..	7
Hoshangabad ..	91	..	..	7	..	..	7
21. Judicial Department—							
(a) High Court—							
Permanent ..	88	7	1	11	..	1	20
Temporary ..	12	..	..	1	..	..	1
(b) District and Session Judges Office.	832	..	3	45	5	..	53
22. Survey and Settlement and Land Records Department.	24	..	..	..	..	..	..
23. Police Department ..	245	..	..	13	..	..	13
24. Forest Department ..	361	..	..	9	..	..	9
25. Income-Tax Department ..	75	..	..	1	..	..	1
Total ..	6,209	21	15	243	12	10	301

	<i>Mn.</i>
..	<i>Wg.</i>
..	<i>D. Wg.</i>
..	<i>S. Wg.</i>
..	<i>C. Pg.</i>
..	<i>P. P.</i>
..	<i>B. M.</i>
..	<i>L. Ws</i>
..	<i>T. Ws</i>
..	<i>S. F.</i>
..	<i>W. T.</i>
..	<i>Pot.</i>
..	⊕

lined

underlined with dots

*Manganese, and Weaving
used by dotted line*

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
VISUAL EDUCATION COMMITTEE

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1938

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REPORT OF THE VISUAL EDUCATION COMMITTEE

I.—INTRODUCTORY

The Government of the Central Provinces and Berar, Education Department, was pleased, *vide* Notification No. 1761, dated Nagpur, the 25th December 1937, to appoint a committee of the following gentlemen to investigate and explore the possibilities of the use of motion pictures for educational purposes :—

- (1) N. N. Sil, Esq., Vakil, Seoni—*Chairman*.
- (2) G. J. Pathak, Esq., Proprietor, Pathak Bros., Artists and Photographers, Opposite Hislop College, Nagpur.
- (3) K. S. Hirlekar, Esq., Technical Advisor, Agfa Photo Co., Hornby Road, Bombay.
- (4) M. A. Bambawale, Esq., Assistant Inspector of Schools, Nagpur Circle, Nagpur—*Secretary*.

2. The Committee was to submit its report on the 15th January 1938. The meeting of the Committee could not be called before the 7th January on account of the Christmas holidays which intervened. The Committee felt all along that the time at its disposal was too short for the investigation of such a vast problem. It still feels that the work could have been done in a more thorough manner if more time were available.

II.—SHORT TITLE

1. The Committee was appointed "to investigate and explore the possibilities of the use of motion pictures, etc., for educational purposes".

2. This was too long a title to be used in correspondence and for the sake of convenience, the Committee decided on a short title, "The Visual Education Committee".

III.—TERMS OF REFERENCE

1. The terms of reference of the Committee were—
 - (i) To investigate and explore the possibilities of the use of motion pictures and other pictorial methods for the purposes of child and adult education and rural reconstruction.
 - (ii) To prepare a comprehensive scheme and suggest ways and means for accomplishing the above objects, and in particular, to supplement the primary and secondary education and physical culture activities.
2. Instead of discussing the two points separately, the Committee decided to submit only one report embodying its opinion on both the points.

3. The scope of discussion was limited to the consideration of—

- (a) motion pictures,
- (b) slides,
- (c) litho posters,
- (d) models, and
- (e) other pictorial aids

for the purposes of visual education. The Radio was also suggested as a means of education, but the Committee considers that the Radio is beyond its terms of reference.

IV.—METHOD OF PROCEDURE

1. The Committee met for the first time on the 7th January 1938 in the office of the Inspector of Schools, Nagpur, and continued to sit till the 13th, inclusive. It also met on Sunday which intervened. During the sitting it recorded evidence from the following people who kindly consented to come personally before the Committee:—

- (1) Rao Bahadur G. K. Kelkar, B.Ag., Deputy Director of Agriculture, Nagpur.
- (2) S. Y. Deshmukh, Esq., Bar.-at-Law, Honorary Secretary, Indian Red Cross Society, Central Provinces and Berar Branch, Nagpur.
- (3) S. N. E. Tamby, Esq., Head Master, Government High School, Chanda.
- (4) K. N. Lokras, Esq., B.A., Assistant Inspector of Schools, Nagpur Circle, Nagpur.
- (5) R. D. Bhawalkar, Esq., Honorary Secretary, Maternity and Child Welfare Association, Namuna, Amraoti.
- (6) S. G. Ghosh, Esq., B.A., St. John's High School, Nagpur.

2. The Committee also took into consideration pamphlets and letters sent by—

- (1) Mr. O. C. Ganguli, Calcutta University, Calcutta.
- (2) Mrs. Yamuna Hirlekar, M.A., Dadar, Bombay, 14.
- (3) The Indian Motion Picture Producers' Association, Bombay.
- (4) B. N. Phadke, Esq., General Manager, Maharashtra Talkie Theatre, Limited, Headquarters Poona. Camp Bhusaval.
- (5) Messrs. R. V. Dharmadhikari and V. V. Bhat, Akola.

3. The Committee also paid visits to the following places:—

- (1) Agricultural Workshop, Nagpur, to see the agricultural lorries and films.
- (2) The Maternity and Child Welfare Centre of the Red Cross Society in Sadar Bazar, Nagpur.
- (3) The Red Cross Society Office, Sitabuldi, Nagpur.
- (4) The Kandri Manganese Mines, near Ramtek.

4. The Committee again met on the 17th, 18th and 19th to consider the final draft of the report and make the necessary changes.

V.—ORIGIN, PRINCIPLES AND HISTORICAL DEVELOPMENT

1. **Position in ancient times.**—It is difficult to trace exactly the origin of visual education. But it is obvious that education through pictures, paintings, carvings and other visual aids is being imparted since ancient times. Every ancient Church in the west has its paintings murals and stained glass conveying the teaching of Christ, and every ancient temple in India has its carvings illustrating stories from mythology and from the Hindu scriptures. The Buddhists have also left their messages in the world-famous paintings of Ajanta and the many stupas that are scattered over the whole of India. There is evidence to show that education through visual aids was being imparted even in prehistoric times before the invention of the alphabet. The prehistoric caves of Altamura in Italy and the prehistoric rock-shelters of Adamgad near Hoshangabad in this province are not without their pictures and paintings, crude though they may be.

2. **Position before literacy.**—There is thus a remarkable resemblance in the methods of education adopted in the east and the west. And the reason for this coincidence is to be found in the similarity of problems that educationists had to face. And the main problem before them was the education of the illiterates. In ancient times religion and education were almost synonymous and literacy was a privilege mostly of the religious orders. The only way in which these teachers could approach the masses was through visual aids such as paintings, sculpture and even architecture.

3. **Era of literacy.**—With the invention of printing in the 15th century however, the means of education have undergone a revolutionary change. The art of printing made the reproduction of the written word so easy and cheap that educationists did not take long to discover its value as a means of education. But before the written word could be used for educating the masses, the masses themselves had to acquire what may be called a sixth sense that is literacy. And the educational theory and practice has for this reason laid very great stress on universal literacy in the last three or four centuries.

4. **Advantages over written word.**—But it was gradually discovered after experience that even after acquisition of literacy the process of education through the written word was slow and cumbersome. The written symbol has first to be converted into the sound symbol which then has to be correlated to the object or ideas which it represents, whereas in visual education the object and ideas are directly presented to the mind, much of the needless mental effort is avoided, and the process of education becomes less tedious and frequently quite pleasant. If one picks up any of the present newspapers or magazines or school books and look at the pictures and diagrams contained in it, it will be obvious that visual education plays an important part in modern educational practice. Some of us may perhaps be surprised to learn, like the Bourgeois of Moliere, that we have had visual education all our life.

5. **Advent of the cinema.**—At the present time one means of visual education has so caught the imagination of the educationists and laymen alike that some of them do not regard education through still pictures as visual education at all. And that means is cinema. The psychological effect of a pictorial representation is enormous when compared to that of the written word. But the psychological effect of a moving picture is so enormous that it is impossible to compare it even with that created by a pictorial representation. It is instantaneous, it is deep. The invention of the cinema in 1896, or rather its development and transformation in the present form, may have such far-reaching effects on educational theory and practice as were produced by the invention of the art of printing. With this aid at his command the educationist need no longer wait for universal literacy of the masses.

The invention of cinema in its modern form is, however, of a very recent date. As recently as 1910 the cinema was really much more of a curiosity than a reliable and everyday convenience of life. Apparatus was crude and expensive, films poor, and the technique of operation rudimentary. But during the last 25 years science and invention have made wonderful progress and have evolved an instrument which is at once reliable and efficient. The cost, however, is not very low and is rather high for Indian conditions, but progress is still being made and cheaper and better instruments are being made available every year.

VI.—NATURE AND EXTENT OF THE WORK DONE IN FOREIGN COUNTRIES

1. **The problem.**—The problem of adapting cinema for education was taken up in all the leading western countries soon after the war. In Russia Lenin laid great stress on cinema as it is a very powerful means of educating the masses, due to the high percentage of illiteracy then prevailing in that country. Film is considered one of the most important industry controlled by the Government and it is being widely made use of for furthering the aims and objects of the State. The enormous progress of Russia, economic, social and political, is very greatly due to this powerful method of approaching the masses. State aid and control of the industry has given an exceptionally high standard to the pictures produced there.

2. Signor Mussolini followed suit. Immediately he came in power, he started the "L. U. C. E." to prepare educational and propaganda films.

3. In Germany Government has been encouraging the production of films for educational and propaganda purposes. The measures to enforce introduction of films as a compulsory means in educational institutions are being very favourably commented upon and copied by some countries.

4. In short, every small and big country, whether in the east or west, has been realizing the importance of films in the education of both child and adult, and is gradually adopting measures to make use of the motion pictures in that direction.

5. **Entertainment films.**—The use of the cinema involves two processes—first the making of the film and second the exhibition of the films. The commercial use of cinema is confined almost entirely to amusement and entertainment. And therefore though the apparatus used for the exhibition of films was equally useful for educational purposes, a majority of the films themselves were not and are not. The entertainment films must be interesting and need not be instructive. The test of a good feature film has been whether people will pay to see it and get relaxation from the daily routine work. It is of no interest to the businessman whether the audience remembers his show for a week or whether they forget it the moment they leave the theatre. But an educational film has to be both interesting and instructive. It must be sufficiently interesting to hold the attention of the audience during its exhibition; it need not be so interesting that the audience will pay to see it. But it must also be instructive. It must carry a lesson with it. It must present knowledge in a logical order and the audience must be made to think over the subject-matter, and by its mental effect lead to the development of the mind and soul.

6. The unsuitability of entertainment films for educational purposes was soon obvious and in America the educationists undertook the expensive task of making their own films. In this they were helped partly by the State and partly by the charitable endowments like the Carnegie trust. With these films experiments were made on batches of students. One batch was taught with the aid of educational films for seven years. The other with every other available aid for education. It was ultimately proved that the pupils taught with the help of cinema were far superior to the others.

7. **Propaganda films.**—From education to propaganda is but a small step. In many countries of Europe the exhibition of news reels and educational “shorts” is by law compulsory in every programme of the cinema. Even England is moving in this direction by the proposed amendment of the Cinematograph Act of 1927 by fixing a quota of short films. Similar measures will have to be adopted in our country if the Government want to make use of films for the education of the masses. If the industry is forced to produce short subjects for exhibition in cinema theatres, they will be exploited in the theatres and the cost will be recovered thereby, making them available at cheap price either in standard (35 mm.) or sub-standard (16 mm.) size, both for the Government and private institutions for enlightenment and education, especially in view of the absolute dearth of such pictures in our country.

VII.—NATURE AND EXTENT OF WORK DONE IN THE PROVINCE

1. It will not be out of place here to make a brief survey of the visual education work done in this province so far and also in India generally. With the introduction of modern education visual education also received encouragement. From the old inspection notes written in primary schools it is obvious that very great importance was attached to pictures, charts and exhibitions generally held in primary schools. Charts dealing with

natural history, peoples of other countries, Indian conditions and pictures of similar nature were supplied to primary schools and inspecting officers insisted on their use to decorate the walls and make the school a cheerful and attractive place. Even the text-books prescribed had a large number of pictures and illustrations dealing with local subjects and conditions. Unfortunately, however, in those early days in the last quarter of the 19th century and the beginning of this century, most of the charts and pictures as well as the text-books were prepared and printed abroad. However, the importance of giving local interest to these books and charts was fully realized, and though they were prepared and printed abroad the pictures in them represented Indian conditions.

2. Education Department.—Towards the beginning of this century magic lantern became available in India and the Education Department introduced it for the purposes of education both in rural as well as urban areas. The exact date of the introduction of the magic lantern in this department could not be ascertained, partly for want of time and partly for want of the relevant record, most of which was burnt in the Secretariat fire. However, from the evidence laid before the Committee, it is certain that they were in use in 1911. Each Deputy Inspector of Schools, during his tour in the villages, took the magic lantern with him and after finishing his inspection during the day, there were shows in the evening to which all were welcome. The villagers usually enjoyed the show and came in large numbers every time the show was given, but the magic lanterns then available were very crude. They worked on kerosene oil and they got so hot that even in the Chhindwara district on a winter night the Deputy Inspector of Schools used to perspire due to the heat of the lantern. The number of subjects on which the slides were available was also limited. Slides, of British royal family, some cartoons and on general health were all that were available. The magic lanterns, too, began to get out of order one by one and, though a rare exception here and there may still be in use, most of them are now out of use and out of order. As a matter of fact most of them fell in disuse by 1925 and the man who was appointed to carry the lantern about was also discontinued about that time. But the magic lantern was still theoretically there and a questionnaire was issued to all concerned to ascertain what could be done with it, and as early as 1927 many were of the opinion that the magic lantern had served its purpose and should be replaced by cinema. In 1926 one Inspector of Schools wrote :—

“If visual instruction is to be successful, it is desirable to have a small portable cinema outfit for the whole circle and to arrange for a loan of suitable films with some manufacturer instead of supplying magic lanterns and slides to schools.”

But due to financial stringency these proposals which involved considerable expense could not be taken up. However, private enterprise and individual effort were not discouraged and some of the progressive head masters in comparatively prosperous areas could collect sufficient subscription on a voluntary basis to start with the cinema. As early as 1918 some shows with Pathescope

(Pathe Projector) were given in Rajnandgaon and in Raipur at the Rajkumar College, and in 1927-28 also a little work was done in this connexion. In 1933 a Visual Instruction Association was started by the Head Master of the Patwardhan High School and functioned for about four years, but with the transfer of the head master, the activities have dwindled almost into insignificance. The main problem in all this work has been want of suitable supply of films and finance, and as very little help was obtained from Government during the period of financial stringency much work could not be done.

3. The Indian Cinematograph Committee appointed by the Government of India in 1927 had some recommendations to make with regard to the use of cinema for the purpose of education. Their report says:—

“Further we are unanimously of opinion that public halls and halls attached to educational institutions should be placed at the disposal of travelling cinema shows, only actual expenses being charged.”

But this recommendation could not be effectively carried out because travelling cinemas were rare and Indian educational films are even more rare.

4. The Committee is of opinion that it is now high time that these activities should be taken up with greater enthusiasm and vigour.

5. Agriculture Department.—The Agriculture Department which is also interested in disseminating knowledge of agriculture amongst the rural population has performed an experiment which interested the Committee. In the year 1927 a lorry was purchased and equipped with a cinema apparatus and a generator. This lorry used to tour from village to village and give demonstration of films on agriculture. It carried also a small agricultural museum, consisting of samples of seeds, manures and pictures, and charts showing benefits derived from improved means of agriculture. The Committee has seen one such lorry and, though the equipment is now old-fashioned, the Committee is of opinion that lorries of a better type equipped with modern instruments will be very helpful in rural reconstruction work. The main difficulty that they have to face is with regard to the supply of suitable films. They have about four films made locally which are of a poor quality and a large number of films of American make. It appears that films made locally have a greater appeal to the village people. But as only four films cannot last for all the time, recourse is being taken to films of foreign make of a suitable type.

6. Red Cross Society.—The lorries are only useful in rural areas adjoining motorable roads. But the Red Cross Society, which is engaged in the valuable work of educating the people in health, hygiene and child welfare, carries on its work even in such villages as are not accessible by motors. For the present, however, majority of the centres of work of the Red Cross Society are situated in urban areas and villages accessible by motors. But for purposes of education a casual demonstration is not enough. A graded series has to be arranged and educational effort has to be steady and persistent. The Red

Cross Society has found the use of magic lanterns more effective under the existing circumstances. Magic lanterns do not require the use of electricity. They work on acetyl which is easily available and the slides are also not so costly as the films. Films on subjects dealt with by the Red Cross Society are also available and film shows are given in public theatres and through agricultural lorries, and elicit enthusiastic response. The Secretary of the Red Cross Society is of opinion that films will be more effective than lantern slides, but as they are also very expensive their use by the society has necessarily to be limited for the present.

7. **Other voluntary and individual workers.**—There are in addition several persons interested in visual education whose effort is directed particularly towards the village uplift. They also work with magic lanterns mainly because it is cheap and it does not require the use of electricity. But they also feel that the subjects on which slides and films are available are very limited, that they are not suitable for local conditions, and that slides and films on rural uplift work are not yet available in as large numbers as is desirable.

8. **Work being done in other provinces.**—Work in this connection has also been done in other provinces. In Bengal the experiment of preparing films and giving visual education was tried in the Calcutta Corporation in 1924 under the leadership of Mr. S. C. Bose. Mr. F. L. Brayne in the Punjab has prepared some films on rural uplift which have achieved some useful purpose. Rao Bahadur V. S. Toro, retired Deputy Director for Visual Instruction to the Government of Bombay, has done a great deal of work in this connection in the Bombay Presidency. Also the Motion Picture Society of India has been tackling this problem. Efforts have not been given up but they are not properly organized, and one worker does not know what the other is doing. There is a total lack of co-operation between different sets of workers, and progress is thereby much handicapped, as knowledge and experience acquired by one set of workers is not available for others. The need for a central agency that will co-ordinate and guide the work of these bodies and persons is very keenly felt.

VIII.—POSSIBILITIES OF THE USE OF VISUAL AIDS IN ADULT EDUCATION, RURAL RECONSTRUCTION AND FOR CHILD EDUCATION

1. From the extent of the work that is already being done, the possibility of the use of visual aids for educational purposes is fairly obvious. Visual education is for the present the only means of education by which the rural population can be educated because most of the rural population is still illiterate. Even those who are literates will prefer education through visual aids to education through books. The subjects on which education and instruction is both desirable and necessary are a myriad. But nobody would question the pressing needs of the dissemination of knowledge on subjects like medicine, agriculture, industries, marketing, civics, citizenship, prohibition, general knowledge, physical education and combating of social evils. In

medicine such subjects like hygiene and rural sanitation, prevention of epidemic diseases, diet and comparative value of food stuffs, first-aid, and knowledge of child welfare and maternity are very essential. In agriculture modern methods of cultivation, value of manures, importance of rotation of crops, co-operative agriculture, animal husbandry, poultry farming and horticulture need special attention. As regards industries, educating the masses in cottage industries in the rural areas and basic industries in urban areas is very necessary. Such trades as carpentry, tailoring, dairy farming and others could also be usefully taught through visual aids and their importance impressed upon the villagers generally. The marketing of agricultural and industrial produce is now a subject important in itself, and needs special and separate treatment as also the means of communication. Civics and citizenship are subjects which need to be immediately impressed upon the minds of the rural masses who have recently acquired the right of vote and indirectly a voice in their own Government. If the citizens have to be good electors they must know their rights and duties and should be able to exercise them wisely. Prohibition is now being enforced by the Government, and every effort in the direction of prohibition through visual education will not only be welcome but is urgently necessary. The evils of alcohol can be impressed much more vividly through visual aids like posters, slides and cinema than by any lectures or articles. The general knowledge of the villagers is very poor and their vision does not extend beyond the limits of their village. This is a very sad state of affairs and has been sufficiently brought to the notice of the public in that phrase "pathetic contentment of the masses". Hence general knowledge and news and topical interests need also be brought to the villagers. Lastly, there is the problem of the physical development of the masses. Here again, visual aids should prove superior to words. The different exercises can be demonstrated by the film and their effects can also be exhibited through films, posters and lantern slides. The main thing in this connexion is to impress upon the general masses the need for healthy exercise and regular habits.

2. This is not an exhaustive list. It is a list merely to serve as a guide to those who are engaged in the preparation of films, slides and posters. It must, however, be pointed out that films and posters suitable for rural areas may not be suitable for urban areas and those suitable for adults will not suit the children. The problems in rural areas are different from the problems in a crowded city and the psychology of the grown-ups differs essentially from the psychology of the children. Films, posters and other visual aids for use with different categories of the masses will have to be prepared separately if they are to succeed in their aim of sound education.

3. As regards the use of visual aids for children in rural as well as urban areas there are no two opinions about their utility. A large amount of work has been done in foreign countries on this subject and they have evolved general principles and also prepared films and slides. These films and slides will, however, not be very useful here because the life and problems in India are peculiar to India herself. The education of the

children in schools in rural as well as urban areas should be supplemented by visual aids such as pictures, posters, and slides and films also. All the subjects in the curriculum may be so supplemented and the text-books themselves may very well be revised with a view to improving and increasing the pictures and illustrations contained in them. Text-books at present in use have too few pictures and the pictures are hardly impressive. In previous years there may have been some justification for the paucity of pictures in text-books but now the subject has been attracting great deal of attention and a very large number of illustrations, photographs, maps and other pictorial representations are available. Mr. O. C. Ganguli of Calcutta writes:—

“Apart from the photographs of many phases of our historical records and ancient monuments, gathered by the Archaeological Department, many of the interesting phases and events of history have been painted by many of our artists and which have been reproduced in cheap but effective colour reproduction published in our magazines.”

And again—

“The enterprise of publishers has now placed at the disposal of teachers a large number of isothermic, orthographic contours and photo relief maps which are indispensable to the teaching of physical geography. But the most attractive apparatus for the geography lessons are now available in a very interesting series of air photographs.”

The material which has been recently made available has scarcely been exploited. The Committee is of opinion that the publishers and writers of text-books should be informed of the material that is now available, and pictures and illustrations in the text-books should be given very serious consideration by the Text-Book Committee.

IX.—NEED FOR THE CO-ORDINATION OF EFFORTS, CREATION OF A CENTRAL AGENCY, A PERMANENT BOARD OF VISUAL EDUCATION, AND A SEPARATE DEPARTMENT OF VISUAL EDUCATION

1. **Need for the Co-ordination of Efforts.**—The Committee was impressed by the diversity of persons, organizations and means which were being employed in visual education at the present time, and it feels that to achieve progress in visual education co-ordination of efforts and co-operation between different agencies is most essential. Moreover, the means of visual education are undergoing changes at such a rapid rate that whatever is recommended today will become out of date tomorrow and the problems of today will acquire different aspects as different appliances and inventions are made available to the educationists.

2. **Board of Visual Education.**—The creation of a permanent and central agency is therefore necessary. The Committee is therefore of the opinion that a permanent Board of Visual Education be established in this province. Its objects should be—

- (i) To chalk out the line on which the work of visual education is to be carried on in this province.

- (ii) To supervise and guide the activities of the Visual Education Department.
- (iii) To advise the Provincial Government on all matters relating to visual education.
- (iv) To co-ordinate the visual education activities of the different departments of Government in the Central Provinces and Berar.
- (v) To establish inter-provincial co-operation in the matter of visual education.
- (vi) To certify films, slides, posters and other visual aids for use in this province.

3. **Constitution.**—The Board should consist of seven members nominated by the Provincial Government. Four of these should be non-officials and three may be officials. The President should be elected by the Board from amongst the members. The Board should be reconstituted every five years.

4. **Method of carrying out business.**—(i) The President and two members elected by the Board shall form the Executive Committee which will meet at least once a month and carry on business of the Board.

(ii) The Board shall meet at least twice a year and submit a report every six months to the Provincial Government.

(iii) From time to time the Board may appoint sub-committees of qualified persons to deal with the production and certification of films, slides, posters, etc., on different subjects.

(iv) The Director of Visual Education should act as the Secretary to the Board and all the committees and sub-committees.

5. **Creation of a separate Department of Visual Education.**—The Board will mostly be a supervising or rather an advisory body. It will, of course, need officers to carry on its work. It was suggested that officers from other departments may do this extra work in addition to their own duties, but the Committee feels that, taking into consideration the nature and extent of the work that the Board is likely to deal with, it is necessary to have a separate Department of Visual Education for the Central Provinces and Berar. The department should consist of a Director of Visual Education for the Central Provinces and Berar who should be a touring officer directly under the control of the Minister of Education. Then an Assistant Director, office establishment and an Art Section. The Art Section will employ artists and photographers to prepare designs for slides and posters for use in visual education in this province. Estimates for the creation of this department are given in Appendix V.

6. **The four schemes.**—The problem of who should do the actual work of education and how it should be done was not easy to solve. Certain apparatus and machinery is necessary if cinema and magic lanterns are to be used. The cinema is a very effective method of education, but it has one great drawback. It cannot work without electricity. The magic lantern can work without electricity. Though many portable electric sets are now available, it is doubtful whether they would stand the jolting in a bullock cart for a considerable period. Further, they are fairly expensive and a scheme of visual education covering systematically

all the villages in the province and employing cinema would be so costly that it would be impossible to put it into practice. Taking into consideration the means of communication and the nature of apparatus available, the Committee is of opinion that visual education should be given in three different ways in the three zones into which the province can be divided. The three zones are as follows:—

- (i) Rural areas adjoining motorable roads.
- (ii) Rural areas not accessible by motor vans.
- (iii) Urban areas.

(i) *Scheme of visual education for rural areas adjoining motorable roads.*—Here the Committee is of opinion that motor vans fitted with up-to-date standard size talkie projectors may be used with great benefit. The province has four divisions. Each division should have two vans equipped with talkie projectors of the standard size and electric generating sets and preferably a gramophone also. It should also have a small museum in it. Each van should serve 30 centres in each division and should give one show every month and eight shows in a year. The films for this purpose will, of course, have to be prepared locally. Every show may be attended by any or all of the following local officers for the purpose of delivering lectures and explaining the pictures, if necessary:—

- (1) Agricultural Assistant of the nearest agricultural farm.
- (2) Assistant Medical Officer of the nearest dispensary.
- (3) Local Veterinary Assistant.
- (4) Some experts from industrial or technical schools may be requisitioned to render help in explaining the industrial films.

Estimates for this scheme are given in Appendix I. This appendix contains provision for the making of films sufficient for one year, *i.e.*, 8 programmes at each centre, which comes to Rs. 1,28,000. The alternative scheme of a State studio is given in Appendix II which would cost Rs. 1,49,200. This is slightly higher than that worked out in Appendix I on the basis of giving contracts to existing cinema producers at the rate of Rs. 2 per foot. The machinery bought will be a permanent asset to Government and the cost of production for subsequent years will be considerably lower. But the Committee was of opinion that the quality of pictures and the success of State studio will depend mainly upon the persons entrusted with its management. There is an element of uncertainty, but there is also the possibility of future expansion, and the studio will also provide opportunities for training our own young men in the cinema technique.

(ii) *Scheme of visual education in rural areas not accessible by motor vans.*—The Committee is of opinion that due to the difficulties of transport the idea of providing cinema in this area should for the present be held in abeyance, and visual education should be done mainly through magic lanterns using acetylene. Taking into consideration that there are on an average 250 primary schools (boys and girls) in a district, and that of these about 50 will be catered for by motor vans and by the organization for urban areas, there will be about 200 large

villages in each district. These may be taken as centres for rural uplift work. The Committee is of opinion that 10 magic lanterns should be provided per district. Each lantern will serve 20 centres and will be in charge of a propaganda officer who will be touring from place to place. Slides will be provided to these officers from the central office and these officers will be directly controlled by the Director of Visual Education. The Committee is of opinion that film studio should be preferred to glass slides inasmuch as they are considerably cheaper in cost, light in weight and unbreakable. The estimates for this scheme are given in Appendix III.

(iii) *Scheme of visual education in schools in urban areas.*—In urban areas one would cater mostly for the high schools and anglo-vernacular middle schools. As a working basis, it has been estimated that there are 325 high schools and anglo-vernacular middle schools in the province and about 40,000 scholars. The schools are grouped in batches of five. Each batch should be provided with a 16 mm. silent projector, and wherever necessary, *i.e.*, where there is no electricity, a generating set. These will be in charge of qualified operators who will tour from school to school and shall be paid their expenses if the schools are in different towns. These will be under the control of the Education Department, subject to the condition that the Education Department will be guided by the policy laid down by the Board of Visual Education. Part of the cost of the scheme is proposed to be met by levying a fee of Rs. 2 per pupil per year throughout the province. For the present 16 mm. films produced in India are not available and therefore suitable foreign films should be purchased for the time being. Estimates for the scheme are contained in Appendix IV.

(iv) *Scheme of visual education in urban area (adults) with cinema house.*—We have in our province 71 talkie cinemas distributed in 51 towns. This distribution extends to almost all the districts. Out of these, 50 are permanent and the rest are temporary or travelling. We can procure good instructional films suitable for our needs and requirements from foreign lands prepared in first rate and highly equipped studios. Many of these can be shown immediately with profit. The only difficulty would be of language. This shall have to be overcome by engaging persons to explain the films to the audience. School-going and illiterate population, *e.g.*, workers, domestic servants, etc., of these towns will be shown these educational films, so that we shall have tackled to some extent the problem of illiteracy in towns and supplemented the school education by visual method. The financial implications of this scheme are worked out separately in Appendix VI.

This will make the people cinema-minded with respect to educational pictures and accelerate the production of 'shorts'. We may also select certain historical, religious and cultural pictures produced in India along with these instructional ones.

X.—PRODUCTION AND DISTRIBUTION OF FILMS, SLIDES AND POSTERS

1. The production of films is the most expensive and at the same time the most essential part of a scheme of visual education with the aid of the cinema. A large number of films of foreign make are available, but they do not represent the Indian conditions and may not appeal to the Indian masses to the same extent to which a film depicting local conditions and environments may do. Certain classes of films, however, of technical nature may be useful in India as well. But the number of such films is small and the Committee feels that the production of films should be undertaken in India.

2. **Contracts with commercial companies.**—There are several ways by which the preparation of films could be encouraged and financed. The quickest way of getting films would be to take the help of the cinema companies who are already producing films. The subjects on which films are required may be given to them and the films made by them may be taken on after approval by the proposed Board of Visual Education. A flat rate of Rs. 2 per foot for standard size talkie films has been taken as a basis of calculation in Appendix I.

3. **State Studio.**—Another alternative has been suggested in Appendix II, *viz.*, the State studio. A laboratory has not been suggested for the present to minimize investment and the processing will have to be done through some private laboratories

4. **Private concerns.**—A third alternative is to finance a private concern, partly or wholly, to do this work on reasonable terms, *e.g.*, a private concern may be encouraged to undertake production of educational pictures by providing them with the necessary equipment on hire or loan. Private enterprise and educational effort will thus find a happy means of expression, and the State will benefit by such technicians as are efficient but are handicapped for want of funds. But in this method the supply of films is extremely uncertain and is likely to be very slow. Hence estimates for the first two schemes have been prepared and submitted. For the third, however, no estimate has been prepared for the present on account of its uncertainty.

5. **Indirect help (exemption of import duty on raw films).**—Apart from the direct help mentioned above, the production of films can be encouraged in several indirect ways. At present there is a very heavy duty charged by the Government of India on the import of raw films. If this duty is remitted, the cost of production will go down considerably. The Committee therefore recommends that the Provincial Government should exert its influence with the Government of India and should request the Government of India that the duty on raw films required for the production of educational pictures and news reels should be refunded to the producers on certification by the Provincial Government.

(a) **Return of full drawback.**—The Committee has recommended the use of foreign educational shorts whenever necessary for carrying out some of the schemes appended herewith.

In view of this, the Provincial Government should request the Government of India to return the whole import duty to the distributor or importer in case "shorts" are not passed as educational instead of retaining one-eighth as is done at present, when the film is immediately exported to the country of origin. Of course, the Board of Censors charge fees for viewing films. This concession will facilitate the distributor to import more films from various countries to meet the demand of the Government and private bodies for educational pictures.

(b) *16 mm. equipment.*—The 16 mm. films have been specifically recommended for use in schools and, pending their production in India, it has been suggested that such foreign films may be bought and used as are found suitable. Here again, both the import and the production of the 16 mm. films would be encouraged if the Government of India were to exempt all 16 mm. equipment, *i.e.*, cameras, projectors, raw films and other accessories from import duties on certification by the Board of Visual Education in order to encourage production of educational pictures. The 16 mm. films have now been universally accepted to be the ones most eminently suited for use in schools.

(c) *Exemption of news reels from censorship.*—Another way of encouraging the production of educational pictures would be to exempt news reels and topical subjects from censorship. Much time is required to get the films censored and by the time the films are passed by the censors, they lose much of their news value. This appears to be well within the power of the Provincial Government, *vide* section 9 of the Cinematograph Act of 1918 (as modified up to the 15th March 1934).

(d) *Entertainment Tax.*—Lastly, the Provincial Governments are getting a certain amount of revenue from the entertainment tax levied on cinema theatres. The proceeds from this tax should be made available for the production and general encouragement of educational pictures.

6. *Slides.*—As regards the preparation of slides the permanent establishment of an Art Section has already been suggested. This will prepare posters, pictures, diagrams and slides. The subjects have already been enumerated. A very good collection of slides is available with the Proudh Shikshan Sangh (Adult Educational Association, Tilak Road, Poona 2). These should serve as a good model for guiding our artists.

7. *Posters.*—The posters will be prepared and printed by the central office and will be fixed in every village through the agency of the local bodies. This work will be of a permanent nature and will reach even the smallest hamlet in the province.

XI.—GENERAL CONSIDERATIONS

1. *Recognition by University.*—So far subjects directly connected with visual education have been discussed. But there are others that wield a considerable influence on the attitude of the public towards visual education. For the present, due mostly to ignorance, people do not realize the importance of this subject and some have a tendency to look down upon it. The

status of the subject needs to be recognized more generally. It is, therefore, suggested that the University should provide for study and research on the subject of visual education and motion pictures. In other countries the importance of the subject, *i.e.*, both the technical and the psychological sides, has been fully realized and the subject has already been given its proper place in the University curriculum. India is lagging far behind in this respect.

2. **Training of teachers.**—Another step which would dispel many misconceptions with regard to this subject would be to make knowledge of visual education an integral part of the teachers' training. The necessary mechanical knowledge and certain amount of psychology behind the subject should be taught both in the Normal Schools and the Training College. For those teachers who have already passed through these institutions, short summer courses should be opened and the importance of this subject impressed upon their minds. They will thus be able to use these visual aids to better effect.

3. **Encouragement of photography in schools.**—Lastly, a beginning should be made right from the schools. The study and practice of photography is well within the reach of the average boy from well-to-do homes and deserves to be encouraged both for its educational value as well as for its ultimate effect in broadening the mind. Such an encouragement would also be very helpful for visual education in this province, as it will place at the disposal of the central authority a large amount of material of intimate local colour which could be converted into posters, slides and even cinema pictures which could be used in the province.

4. **Survey of the cinema industry.**—The cinema industry, including all its branches, *i.e.*, production, distribution and exhibition, is for the present, engaged entirely in entertaining the people. It has a large amount of machinery and a well distributed network of theatres at its disposal. This could be used for educational purposes if the proper spirit of co-operation exists between industry and the department. A survey of the existing cinema industry in this province should, in the opinion of the Committee, be undertaken immediately to investigate how far it could be used for the purposes of visual education.

5. **Compulsory exhibition of educational shows.**—In this connexion it is interesting to note that in some of the western countries things have gone far ahead and most of the cinema concerns are made to undertake visual education by legislation. For every performance it is, by law, made compulsory that a small film of educational or topical interest such as news reels must be shown. In this way production of educational pictures is encouraged, their exhibition assured, and the cost distributed indirectly over such a large number of cinema-goers that they can hardly feel it.

6. **Inter-provincial co-operation.**—Lastly, the importance of inter-provincial co-operation needs to be realized fully. Some of the questions which need the co-operation of all the provinces, such as those dealing with customs duties, will be easy of solution

if interprovincial co-operation is assured. By providing a larger field for work, overhead charges will be reduced and visual education will be much cheaper and perhaps more effective.

7. Private agencies.—In the same way co-operation with private agencies such as Congress Committees, Harijan Sewak Sangh, Red Cross Society, Motion Picture Society of India, Bombay, Amateur Cine Society of India, Bombay, Indian Motion Pictures Producers Association, Bombay, All-India Village Industries Association, All-India Spinners Association, and other private workers will be very helpful. The Committee recommends that steps should be taken to assure such co-operation as far as possible. The conscription of students, as contemplated in the Vidya Mandir Scheme published by the Provincial Government, should prove a valuable agency for visual education in rural areas.

XII.—ACKNOWLEDGMENTS

1. The Committee is grateful to all those persons and institutions who have given help at such short notice and it resolves that the Secretary should thank them on behalf of the Committee.

2. The meetings of the Committee took place in the office of the Inspector of Schools. Rao Sahib D. K. Mohoni, Inspector of Schools, placed at the disposal of the Committee his office staff who did all the work of correspondence at such a short notice. The Committee is grateful to Rao Sahib Mohoni for the help given and instructs the Secretary to thank him on their behalf.

3. The Committee is also grateful to the Secretary for the help which he gave in the preparation of the report.

NITYENDRANATH SIL.

K. S. HIRLEKAR.

G. J. PATHAK.

M. A. BAMBAWALE.

APPENDICES

Total of estimates for the scheme of visual education in the
Central Provinces and Berar (first year)

	Rs
<i>Appendix I.</i> —Estimates for a scheme of visual education for adults in rural areas adjoining motorable roads ..	2,45,120
<i>Appendix II.</i> —Estimates for a State studio ...	(Alternative. No separate provision ne- cessary.)
<i>Appendix III.</i> —Estimates for a scheme of visual education in rural areas not accessible by motor vans ...	1,30,700
<i>Appendix IV.</i> —Estimates for a scheme of visual education for anglo-vernacular schools (including high and anglo-vernacular middle schools) ...	89,035
<i>Appendix V.</i> —Estimates for a scheme of a separate department of visual education ...	19,940
<i>Appendix VI.</i> —Rough estimate ¹ for the scheme of visual education in urban areas with cinema houses (adults) ...	61,250
GRAND TOTAL ...	5,46,045

The cost will be slightly higher if Appendix II is accepted.

APPENDIX I

Estimates for a scheme of visual education for adults in rural areas adjoining motorable roads (first year)

I.—Production and supply of films.

Each programme should consist of eight educational films made locally of the length of about 1,000 ft. standard size (35 mm.) talkies—

	Rs.
Eight Pictures (first copy, 1,000 ft. each) at Rs. 2 per foot	... 16,000

The province to be divided into four divisions. Each division will have motor vans.

Each division will have 60 centres of demonstration.

Each centre will have one show a month or eight shows a year, making allowance for the inability of the peasantry to participate in these shows during rains and harvest.

	Rs.
For eight programmes (Rs. 16,000×8)	... 1,28,000

II.—Equipment.

For each van—

	Rs.
Motor van	... 3,500
Talkies Projector, 35 mm.	... 5,000
Generator fitted on trolley; screen and other accessories	... 2,000
Total	... <u>10,500</u>

For eight vans (Rs. 10,500×8)	... 84,000
-------------------------------	------------

III.—Establishment.

(i) Every show will be attended by any or all of the following local officers for the purpose of delivering lectures and explaining the pictures, if necessary—

- (a) Agricultural Assistant of the nearest agricultural farm.
- (b) Assistant Medical Officer of the nearest dispensary.
- (c) The local Veterinary Assistant.
- (d) Some expert from Industrial or Technical schools may be requisitioned to render help in explaining the industrial films.

	Rs.
(ii) Operator	... 60+20*
(iii) Driver and Assistant Operator	... 30+15*
(iv) Cleaner	... 15+ 5*
Total	... <u>105+40</u>

*Fixed travelling allowance.

For van (Rs. 145 × 12) = Rs. 1,740.

For eight vans (Rs. 17,740 × 8) = Rs. 13,920.

Contingencies including petrol, kerosene oil, repairs, etc. = Rs. 200 per van per mensem.

For one van for 12 months (200 × 12) = Rs. 2,400.

For eight vans (Rs. 2,400 × 8) = Rs. 19,200.

Total for eight vans—

	Rs.
Production and supply of films	... 1,28,000
Eight vans	... 84,000
Establishment	... 13,920
Contingencies	... 19,200
Total	... 2,45,120

APPENDIX II

Rough estimates for a State Studio (first year).

(i) *Equipment.*

	Rs.
Camera (talkie)	... 15,000
Hand camera (movie)	... 3,000
Recording set	... 25,000
Editing table	... 5,000
Musical instruments	... 1,500
Total	... 49,500

(ii) *Technical staff.*

	Per mensem.
	Rs.
Director	... 500
Assistant Director	... 100
Cameraman	... 300
Assistant Cameraman	.. 50
Sound Engineer	... 200
Assistant Recordist	... 100
Editor	... 100
Art Director	... 150
Musical staff	... 500
Total	... 2,000

For 12 months (Rs. 2,000 × 12) = Rs. 24,000.

(iii) *Studio and offices.*

	Per year.
	Rs.
(i) General Manager at Rs. 200 per mensem ...	2,400
(ii) Production Manager (Rs. 60×12) ...	720
(iii) Two clerks at Rs. 30 per mensem each (Rs. 30×12×2) ...	720
(iv) Six chaprasis and coolies at Rs. 15 per mensem each (Rs. 15×6×12) ...	1,080
(v) Rent of buildings ...	1,200
(vi) Temporary structures ...	3,000
(vii) Property and contingencies ...	10,000
(viii) Travelling expenses ...	15,000
Total ...	<u>34,120</u>

	Rs.
Raw films and processing for a picture of 1,000 ft. ...	650
For 64 pictures to be made in one year (Rs. 650×64)...	41,600
Total—	

	Rs.
Equipment ...	49,500
Technical staff ...	24,000
Studio and offices ...	34,120
Processing ...	41,600

Total ... 1,49,220

This figure is slightly higher than that marked out for contracts at Rs. 2 per foot. But machinery bought (worth Rs. 49,500) will be a permanent asset to Government and cost of production for subsequent years will be considerably lower. But the Committee is of opinion that the quality of the pictures and the success of the State studio will depend mainly on the efficient management and the technical staff employed.

APPENDIX III

Estimates for a scheme of visual education in rural areas not accessible by motor vans (first year)

The Committee is of opinion that due to the difficulty of transport the idea of providing cinema shows in this area should for the present be held in abeyance, and visual education should be done through magic lanterns.

Taking into consideration that there are on the average 250 primary schools (boys and girls) in a district and that of these about 50 will be catered for by motor vans and by the organization for the urban areas, there will be about 200 large villages in each district. These may be taken as centres for rural uplift work. The Committee is of opinion that ten magic lanterns should be provided for per district; each lantern will serve 20 centres.

Magic lanterns at ten per district. For the whole province
(19×10) = 190 plus 10 for emergency = 200—

	Rs.
(i) Cost of magic lanterns with acetylene burners at Rs. 115 each ($Rs. 115 \times 200$)	... 23,000
(ii) Propaganda officer for each magic lantern at Rs. 25 plus Rs. 15, travelling allowance ($Rs. 40 \times 12 \times 200$)	... 96,000
(iii) Contingencies at Rs. 45 per year per officer	... 9,000
(iv) Slides (films) 100 sets of 25 slides at Rs. 20 a set...	2,000
Copies one each; for 100 sets at Rs. 7 each	... 700
Total	... 1,30,700

APPENDIX IV

Estimates for a scheme of visual education for anglo-vernacular schools (including high and anglo-vernacular middle schools) (first year)

As a working basis, we take for the province 40,000 scholars and 325 schools. One projector for five schools, *i.e.*, 65 projectors, will be necessary—

	Rs.
65 Projectors 16 mm. silent at Rs. 600 each	... 39,000
65 screens at Rs. 75 each	... 4,875
30 Generating sets at Rs. 600 each	... 18,000
65 Operators at Rs. 60 each per mensem	... 39,000
65 Chaprasis at Rs. 15 per mensem each	... 11,700
Travelling allowance for 30 operators (in charge of generating sets) at Rs. 25 per mensem each ($Rs. 25 \times 30 \times 12$)	... 9,000
Travelling allowance for 30 chaprasis at Rs. 15 per mensem each ($Rs. 30 \times 12 \times 15$)	... 5,400
Contingencies at Rs. 5 per mensem per generator ($Rs. 5 \times 12 \times 30$)	... 1,800
Maintenance of machinery at 10 per cent of cost...	5,700
Total	... 1,34,475

Films.—Each school to have four shows a month, *i.e.*, for eight months 32 shows. Each show will consist of films 1,200 feet in length. The total footage of film required will be 38,400. Cost at Rs. 300 per 1,000 ft. will be Rs. 11,520. The cost for two extra copies will be Rs. 23,040—Total Rs. 34,560.

Suitable foreign educational films should be purchased for the time being.

	Rs.
Total expenditure for the first year	... 1,69,035
Income from fees from pupils at the rate of Rs. 2 per pupil per year	... 80,000
Total cost to Government for first year	... 89,035

APPENDIX V

Estimates for a scheme of a separate department of
visual education (first year)*I.—Director of Visual Education, Central Provinces and Berar.*

	Rs.
; At Rs. 300—400 per mensem (Rs. 300 × 12) ...	3,600
Travelling allowance of Director at Rs. 75 per mensem (Rs. 75 × 12) ...	900
Total ...	4,500

II.—Assistant Director of Visual Education.

At Rs. 100—150 per mensem (Rs. 100 × 12) ...	1,200
Total ...	1,200

III.—Office establishment.

Two Stenographer and Accountant at Rs. 50 per mensem each (Rs. 50 × 12 × 2) ...	1,200
Three chaprasis at Rs. 15 per mensem each (Rs. 15 × 12 × 3) ...	540
Contingencies, including rent, postage, station- ery, etc., at Rs. 125 per mensem Rs. 125 × 12)	1,500
Furniture and equipment of office, library and magazines ...	3,000
Total ...	6,240

IV.—Technical staff.

Two Designers (Artists) at Rs. 125—150 per men- sem each (Rs. 125 × 12 × 2) ...	3,000
One Photographer for the preparation of slides at Rs. 125—150 per mensem (Rs. 125 × 12)	1,500
One Assistant at Rs. 25 per mensem (Rs. 25 × 12)	300
Materials at Rs. 100 per mensem (Rs. 100 × 12)	1,200
Cameras and other accessories ...	2,000
Total ...	8,000

Total Expenditure—

I ...	4,500
II ...	1,200
III ...	6,240
IV ...	8,000

GRAND TOTAL ...	19,940
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APPENDIX VI

Rough estimate for a scheme of visual education in urban areas with cinema houses (adults) (first year)

On an average 40 shows will be arranged at each of the 50 centres during one year. Total number of shows thus comes to 2,000.

Average attendance will not be less than 300 persons at each show and place. Total number of visitors will be six lakhs.

Theatre owners will charge for their expenses from Rs. 15 to Rs. 25 according to the quality of the theatre and the place. For our calculation we shall take Rs. 20 per show per theatre.

Each show will require at least six reels of 1,000 ft. length. Total number of films that we will have to hire is 12,000. Only 240 different films will be needed for all these programmes.

	Rs.
Rent of the theatres for 2,000 shows at Rs. 20 ...	40,000
Hire of 12,000 one reelers at Rs. 3 per reel per show ...	36,000
Lectures at Rs. 2 per lecture ...	4,000
Total ...	80,000

How to meet these expenses—

- (1) Some of the shows will have to be made free to create taste in the people, therefore only half of the shows at one anna have been calculated, *i.e.*, three lakhs paying one anna—Rs. 18,750.
- (2) Government will have to make provision in ensuing budget only Rs. 61,250.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
PHYSICAL UPLIFT COMMITTEE
CENTRAL PROVINCES AND BERAR

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**Agents for the sale of Publications issued by the
Government of the Central Provinces and Berar**

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REPORT OF THE PHYSICAL UPLIFT COMMITTEE, C. P. & BERAR

SECTION I.—HISTORICAL SURVEY

CHAPTER I.—INTRODUCTORY

Constitution of the Committée.—A committee consisting of the following members was appointed by order of His Excellency the Governor of the Central Provinces and Berar contained in the memorandum of the Secretary, Education Department, No. 1513, dated the 20th November 1937, to consider the question of Physical Uplift in this Province so that a well thought out plan may be placed before the next meeting of the Education Standing Committee :—

- (1) Thakur Chhedilal, Bar.-at-Law, M.L.A.—*Chairman.*
- (2) Dr. V. S. Jha, B.A., Ph.D., Inspector of Schools, Chhattisgarh Circle, Raipur.
- (3) Dr. L. J. Kokardekar, D.P.E. (Berlin), Director of Physical Education, Nagpur University—*Secretary.*

Terms of Reference.—The following were the terms of reference on which the committee was asked to report :—

(1) To consider the advisability of a Central Agency within the Education Department for organizing and co-ordinating all the various activities leading to the physical welfare of the student population of this Province.

(2) To review the existing facilities and arrangements in respect of Physical Education.

(3) To consider ways and means to assist the local bodies in organizing Physical Training Schemes in their respective schools.

(4) To consider the feasibility of an organization of School Medical Service.

(5) To consider whether it would be necessary to simplify the existing syllabus of Physical Training for various grades of schools, so that the enforcement of compulsory Physical Education for all the standards may be possible with ease and without much cost.

(6) To consider the advisability of undertaking publication of literature conducive to Physical Training and Welfare Activities and to encourage good health.

(7) To consider the possibility of constituting and awarding Physical Efficiency badges for boys of various standards, as is done in Western Countries.

(8) To consider the advisability of starting refresher courses in Physical Training with a view to increasing the supply of and refreshing the trained Physical Instructors.

(9) To consider the possibility of conducting examinations for Physical Training Instructors for primary schools and secondary schools and lay down the conditions for such examination.

(10) To consider the advisability of recommending such legislative measures as may be thought necessary for the purpose of making Physical Education compulsory for all students of various grades and for the smooth running of the whole scheme of physical welfare for students.

(11) To consider the advisability of recommending such other steps as may be found necessary to explore the ground with a view to combining the Scout, Junior Red Cross and such other allied activities carried on in schools, into a general activity calculated to instil a sense of *esprit de corps* in the younger generation.

Procedure.—The first meeting of the committee was held at Bilaspur under the chairmanship of Thakur Chhedilal, Bar.-at-Law, M.L.A., on the 29th and 30th of November 1937. The following were present on both the days:—

(1) Thakur Chhedilal, Bar.-at-Law, M.L.A.—*Chairman*.

(2) Dr. V. S. Jha, B.A., Ph.D., Inspector of Schools, Chhattisgarh Circle, Raipur.

(3) Dr. L. J. Kokardekar, D. P. E. (Barlin), Director of Physical Education, Nagpur University—*Secretary*.

In the meeting we decided the principles and the general plan of the report. The second meeting was held at Raipur on the 20th and 21st December 1937 to discuss the draft of the report. The following chapters contain the unanimous report of the committee.

CHAPTER II.—HISTORY OF PHYSICAL EDUCATION IN THE CENTRAL PROVINCES AND BERAR

Physical Education of some kind has been imparted in schools ever since the Province was formed and educational activities introduced. The history of Physical Education in schools is full of interest. It may be divided into the following periods:—

I.—PERIOD PRIOR TO THE FORMATION OF THE PROVINCE

Educational activities commenced in this Province long before the Province was formed in 1861. The political life of the Province before its formation, however, was hardly congenial for any serious educational effort. The unsettled conditions of life, the internecine strife of the Central India Chiefs, the raids of Pindaries and the campaign of General Lake had reduced the Province to such a state that, as indicated in Sir John Malcolm's "Memoir", "the bare preservation of life and property provided an interest exclusive of all others". Some indigenous schools existed in 1817, and from then till 1856 Government did nothing besides starting two schools of which neither was successful and one had to be closed down in 1841 "owing to the entire want of discipline among the pupils and of their total ignorance of the

subjects they were supposed to be learning". In 1827 one Captain Paton started schools in various parts of Saugor paying Rs. 100 a month out of his pocket to which Government added an equal sum by way of grant. The method as well as curriculum of instruction in the schools were extremely crude, and physical training as an essential aspect of education could not even be thought of at that stage. The first Inspector of Schools of the Chhattisgarh Circle provides a vivid picture of the school at the time of the formation of the Province. He records that the school consisted of "four or five boys of one caste gathered round a decrepit old man, who can scarcely read himself, and learning the letters of the alphabet—a school in which the scholar, passing from the alphabet to transcribed passages from the Shastras or Koran, spells out a few pages, which, daily reiterated, become part and parcel of his memory; and a sing-song proficiency, which, together with such amount of cyphering knowledge as may suffice for the transactions of a village bazar, lifts him to a level with his teachers, and puts the finishing stroke to his education". A well devised scheme of Physical Education would surely be out of place in such a school.

II.—PERIOD IMMEDIATELY FOLLOWING THE FORMATION OF THE PROVINCE 1861—1896: GYMNASTICS ON HORIZONTAL AND PARALLEL BARS

In 1861 the Central Provinces were formed, and, in the following year, the Department of Public Instruction was constituted. The Department commenced with 210 indigenous schools, with one Captain Dods as the Director of Public Instruction. In the initial stages the problem was one of organization and expansion of elementary education. The Department of Education was manned by military officers and they showed keen interest in Physical Education. Their natural interest favoured body-building exercises, and records indicate that they insisted on gymnastics on horizontal and parallel bars in all schools for boys. The system of exercises, however, did not find much favour in schools; and an old report states, "The apparatus was constantly decaying and getting out of order; the masters did not know how to teach the exercises; the boys disliked them and used to injure themselves in practice, and the parents looked with suspicion upon this new and apparently dangerous form of instruction". Yet this system of instruction continued to be the only form of Physical Education imparted in the schools until 1896.

III.—REFORMS OF 1897: DRILL AND "DESHI KASRAT"

In the initial stages of educational activity the outstanding difficulty for the pioneers appears to have been the need of introducing discipline in the school. The untamed little mites required to be well disciplined, and the school could not function efficiently unless the pupils acquired the qualities of orderliness, silence, punctuality, prompt obedience to orders, quietness and smartness in moving from class to class in the school, care of books and apparatus, and the like. It is quaint, but true, that the first reform in Physical Education began with the object of introducing order and discipline in schools and to

accustom the pupils to organized school life. In 1896 the Department entrusted to Mr. Ganpat Lal Choube, who died recently at Raipur, the task of working out the details of a curriculum for Physical Education, which will be suited to the genius of the people, and will replace the system of gymnastics on horizontal and parallel bars. The curriculum prepared by Mr. Choube consisted of three main branches—

- (a) Position, turnings and simple evolutions for getting into line, extending, etc.
- (b) Extension motions and (in classes V and VI of middle schools) balance and combined motions.
- (c) "Deshi Kasrat".

The system of "Deshi Kasrat" could be divided into six parts—

- (1) "Nihurs", or turnings with limbs in various positions;
- (2) "Baithaks" or squatting and rising in various ways;
- (3) "Dands" or lowering and raising the body on hands and feet;
- (4) "Chals" or walking;
- (5) "Dauris" or running in difficult ways; and
- (6) "Kulants" which included acrobatic feats and somersaults.

The scheme of Physical Education was hailed with delight. The exercises at once aroused keen interest and offered a welcome relief from gymnastics on horizontal and parallel bars, which frightened rather than attracted pupils. A wave of enthusiasm for Physical Education appears to have swept over the Province in the years following the introduction of the new scheme in 1897. Mr. Sharp (later on Sir Henry Sharp) reported, "The interest of masters and boys are centered on 'Deshi Kasrat' a series of indigenous exercises. It is not too much to say that these exercises are in every way admirable; they are popular, because they form a part of the genius of the country; far more amusing and picturesque than any similar English system; harmless, because the body is trained by a carefully graded series for the really difficult feats; and strengthening because the 'dands' have not only been for centuries the recognized practice by which Indian wrestlers retain their muscular power, but would appear to have suggested some of the exercises highly recommended by Sandow".

The new system of Physical Education did awaken popular interest. Some of the old schools adopted colourful and distinctive uniforms. The exercises tended to become attractive aspects of the village life. An old report records, "At annual gatherings, such as sacred fairs, etc., teams from various schools met together and competed in 'Deshi Kasrat' and other sports. Subscriptions were raised and prizes awarded to the best athletes and teams. These contests were a characteristic feature of the local celebrations held in honour of the Coronation Darbar (Queen Victoria's Coronation)." Popularity of the new system spread beyond the boundaries of the Province. Governments of Assam, the Punjab and United Provinces sent their physical

instructors to study the new system in the chief centre of new physical education; the Training Institution at Jubbulpore. A Physical Training Instructor from the Training Institution, Jubbulpore, was deputed to the Punjab to introduce the new scheme in schools in that Province. Other Provincial Governments also felt keenly interested in the Central Provinces innovation.

The local administrator and teacher, however, counted the gains of the new system in terms of school discipline. An old record gives a vivid picture of the effect of drilling on the class, and will bear reproduction. It states—"Quietness and smartness in the moving of classes about the room, changing formation when an oral lesson ceases and written work begins, etc., are best secured by the appointment of class-captains, who are distinguished by badges. When they do sums or write dictation, they squat upon matting laid on the floor, in a long line, one behind the other, distance being taken by each boy placing his finger-tip between the shoulder-blades of the boy in front, and then extending the arm full-length. As soon as a boy has finished his sum, he lays his slate face downwards, takes his book, quietly stands up and begins to study his lesson. All words of command are given by class-captains in English; this is an old tradition, and the effect is a trifle ludicrous, especially that of the "Right hand salute by numbers, one, two, three," followed by a "military salute".

This is indeed a perfect picture; and the Department proudly contended that "a well drilled school is invariably a well disciplined school". This attitude was indeed necessary to meet the immediate problem of school management and to train the pupils in the habits of organized life necessary for efficient functioning of the school. And there can be little doubt that the drill and the new scheme of exercises did serve the desired end efficiently and prevented, to a large extent, resort, not uncommon, to violent corporal punishment. One may even conclude that the effect of drill in the class room was perhaps more far reaching than was anticipated or desired. It tended to subordinate natural expression of the individual pupil to the commands for orderliness, silence and correct behaviour, and rendered the atmosphere rigid and formal. There is again little doubt that the attitude dwarfed and limited the outlook on physical education and side-tracked attention from issues of wider import to a less important one of class management.

IV.—THE GREAT WAR AND ITS INFLUENCE ON THE CONCEPT OF PHYSICAL EDUCATION

The system of education evolved in 1897 continued to be in vogue, with declining interest, till faith in it was completely shaken by the Great War. During the War, people read with awe and admiration the stories that came from the various fronts, stories of vast organized movements, of heroic deeds, of strength and endurance, of admirable scout and red cross organizations and ambulance services. On the conclusion of the War the warriors returned from the fronts and related tales revealing the infinite powers of organized effort and military discipline. This naturally aroused no small distrust of the physical activities in vogue in the schools at the time. People realized

how very little, was the system of Physical Education in the Province capable of producing men, who could discipline and organize themselves in vast organizations for national service; men, who were vigorous and strong, brave and adventurous, cool under heaviest of sufferings, and blinded with a blinding faith in the service for which they were organized and disciplined. People were also immensely impressed with almost complete transformation that took place among a large number of villagers, who were recruited for service during the war-times. They had left their villages, weak ill-fed and ill-clad people; they returned home robust men in uniforms with a more confident outlook on life. The lesson of War had surely awakened the imagination of the people to admiration for training of military character.

The first effect of the changed outlook towards Physical Education was the appointment of *ex*-army men as drill masters in schools immediately after the War. It was soon revealed that these men were incapable of organizing work in schools. They were men from the lowest ranks of the army, and they had no general education at all. They had no capacity for leadership, and their language savoured too strongly of war-times. The policy of appointing *ex*-army sepoys as drill masters had soon to be abandoned.

Another, and more fruitful, influence of War on the system of Physical Education was the introduction of "the League of Honour", which, ultimately, was replaced by the Boy Scout Movement. The School Boy League of Honour was established by Mr. R. B. Chapman, I.C.S., in 1918-19. The League was modelled on the principles of Boy Scout Movement. The League did not prosper well and was soon followed by the Boy Scout Movement which was inaugurated in this Province in 1920. Government gave all support necessary to the Scout Movement and in 1920-21 appointed Mr. Ross, Commissioner of Scouts in Aberdeen, to organize the scout movement in the Province. The movement attracted the pupils. The uniform resembled the uniform of soldiers, the drill was smart, hikes refreshing and camps most enjoyable. Scouting activity has since made a fair progress in the Province, and the organizers have revitalised it by introducing village uplift movement as a feature of the regular scout activity.

In addition to the scout activity some of the schools organized Red Cross and Hygiene classes and students were prepared for the examination held by the Red Cross Society. In some places ambulance corps were established. The termination of the War, however, deprived the ambulance movement of its interest, and little in that desirable direction is being done at present.

Another influence of War was the appointment in 1925 by Government of a Physical and Military Committee. The committee made an elaborate report, only two recommendations of which were actually realized. One was the institution of the University Training Corps and the other was the appointment of Mr. Danielson as Superintendent of Physical Training in the Province. Mr. Danielson was entrusted with the task of organizing physical education in schools and preparing courses of physical instruction suitable for various school stages and for

teachers under training in the training institutions of the Province. Mr. Danielson devoted five years to studying the conditions obtaining in the Province and preparing syllabuses for various types of schools. Since the preparations of the syllabuses by Mr. Danielson the Department of Education has been endeavouring to introduce them in schools.

V.—SCIENTIFIC PHYSICAL INSTRUCTION, 1932 : MR. DANIELSON'S SCHEME

Mr. Danielson's syllabus represents the first effort in the Province towards scientific physical education. The merit of the syllabus prepared by him was that it was designed to serve well defined objectives. It aimed to fit students to life by cultivating sufficient organic vigour necessary for keeping fit, developing physical skill and efficiency in handling the body, developing good posture and correcting physical defects and deformities. Development of taste for physical well-being and the moral aspect of physical training were also embraced by the aims which Mr. Danielson had in view for his scheme of Physical Education. Another merit of the new scheme was that it was graded with the object of suiting it to the physical capacities of pupils at the various stages of instruction.

VI.—PRESENT POSITION

Mr. Danielson's task was completed in 1932 and his syllabuses were published in the following year. As soon as this was done the Department set to itself the task of introducing the new scheme of Physical Education in schools. The task of Government was confronted with two major difficulties. The first handicap was to organize a large number of teachers and physical instructors adequately trained to carry out the new scheme in the spirit in which it was designed. To this end Government appointed a competent staff in the Spence Training College, Jubbulpore, and a Superintendent of Physical Education in Central Provinces Educational Service. In the initial stages separate courses of instruction were conducted in the Spence Training College, Jubbulpore, to prepare physical instructors for anglo-vernacular middle schools. The training of physical instructors for primary schools was a task full of difficulties. Arrangement was gradually made to equip normal schools with qualified physical instructors with a view to training teachers to work out the new scheme of Physical Education. This process was of necessity exceedingly slow. In some circles arrangements were made to train groups of village school teachers in various physical training centres. The position was briefly this. Government was anxious to introduce the new syllabus in primary schools, and the Board of High School Education annually reiterated its desire to make Physical Education compulsory for high schools. The lack, however, of adequate number of qualified instructors and teachers of physical training presented a difficulty which was not easy of surmounting. At present the new scheme has been introduced in most of the secondary schools and a large number of primary schools in the Province; it cannot, however, be stated that compulsory physical education on the new lines has been introduced in all schools.

Another difficulty which has restricted Government activity in the direction of supplying adequate number of trained physical instructors and organizing special courses of instruction for the teaching staff of primary schools is the persistent financial stringency which Government had to face ever since the new schemes were prepared.

Progress in the introduction of the new scheme has been slow. The popular mind has, however, been impatient of slow progress. While Government was engaged in preparing the new system of physical instruction, a new school of physical training was organized by the Hanuman *Vyāyāmsālā* of Amraoti. This system was based on the old Indian methods of physical instruction and tempered with the modern scientific concepts borrowed from the West. The *Vyāyāmsālā* prepared a large number of primary school teachers for several local bodies in the Province, and through them introduced their peculiar mode of physical instruction in a large number of primary, vernacular middle and anglo-vernacular middle schools of the Province. Thus at the moment three different systems of physical instruction are found to operate in the vernacular schools of the Province—

- (a) the system of Physical Education designed by Mr. Choube in 1897,
- (b) the scheme of Physical Education designed by Mr. Danielson in 1932, and
- (c) the scheme designed by the Hanuman *Vyāyāmsālā* of Amraoti.

It is deserving of note that according to the new syllabus for primary schools physical instruction is compulsory for all pupils, boys and girls. According to the old syllabus given in Appendices VII and VIII of the Education Manual, Physical Education was not compulsory for boys, but for girls, drill was compulsory. It was, perhaps, owing to the omission of Physical Education as a compulsory subject for boys from the syllabus prepared, that Physical Education in primary schools was, comparatively speaking, neglected for some time following the revision of courses of studies in 1922. In 1922 Government had appointed a strong committee to overhaul courses of instruction imparted in primary and secondary schools. The Committee favoured compulsory Physical Education in primary schools; Government agreed with the recommendations of the Committee; but for some untraceable reason Physical Education was not adopted as a compulsory subject in the syllabus embodied in Appendices VII and VIII of the Manual. In the new syllabus, however, compulsory physical instruction on the lines of the syllabus prepared by Mr. Danielson is prescribed.

In recent years the Nagpur University instituted a scheme of compulsory physical instruction and medical inspection of the students of the Intermediate classes. The University prepared a separate Ordinance for the purpose, appointed a Board of Physical Welfare to lay down the general policy, and a Director of Physical Education to organize physical activities in the Colleges.

Estimate of achievements.—The review we have just made of Physical Education in this Province reveals the following features :—

(i) While Physical Education of some kind or other has been imparted in the school ever since the formation of the Province, it has been treated as something “plus extra” and not as an integral part of a co-ordinated whole of general education. The physical well-being of the pupils has been regarded as something very desirable, but not indispensable to the main educational effort which has so far been directed, predominatingly, to preparing pupils for the public examinations. It would, however, be unfair to lay the entire blame on the system of education. A system of education will have no *raison d'être* if it does not meet the immediate social demands. A school is but a mirror of the social life. The social demand has not, until very recently, favoured school youths with robust physique; youths handsome, vigorous, smart and clean. The good student has invariably been pictured as an exclusive devotee of book-learning, and care of body on his part has been regarded as unforgivable deviation of attention. Excessive physical energy has not uncommonly been regarded with a certain amount of social disfavour, while the tame, docile, uncouth pigmy and a book-worm has been held up as an idol of a scholar. This factor, a gift of the narrow asceticism, has been responsible in no small degree for checkmating the cultivation of a sense of physical well-being.

(ii) While attempts have been made to prepare schemes of Physical Education on comparatively scientific lines, no organized effort, commensurate with the requirements of the Province, has been made to train adequate number of physical instructors and teachers and to introduce the scheme in all schools within a prescribed period of time. This has rendered the position in primary schools rather anomalous, for, as has been pointed out before, three different systems of physical instruction are in vogue.

(iii) The new syllabuses for physical instruction are rather elaborate and not confined to the essentials. They provide little scope for elasticity and variation according to the local conditions. They also require a particular type of trained instructors to work them out.

(iv) There is a certain lack of co-ordination of physical activities prescribed for different stages of education because physical education at different stages is controlled by different agencies. In the primary school the curriculum is prescribed by Government; in the middle and high schools by the Board of High School Education and in the University by the Board of Physical Education. Physical Education in all these stages should be graded and organized as a whole and inspired by a single purpose. Similarly, instruction imparted in physical training to the secondary school teachers is prescribed by the University, while the actual training is imparted by Government in the Spence Training College, Jubbulpore. The course of instruction for primary school teachers in normal schools is prescribed by the Department of Education. Different agencies dealing with Physical

Education are bound to introduce conflict of interests and purposes which renders co-ordination of activities at various stages of instruction, difficult.

(v) Games in schools have provided strong interest to a section of the students. Interest in them has also been stimulated by tournaments. Hockey, cricket, football, tennis, and volleyball are popular in schools and colleges. But the chances of increase of popularity in these games are limited, because they require expensive material. It is doubtful whether these games will ever gain ground in the rural areas and become the normal modes of recreation of the people. For most persons their games terminate with their school or college careers and cease to be a recreation.

CHAPTER III.—PRIVATE ORGANIZATIONS

It may be well to give a brief description of private organizations in this Province which arrange for physical activities and sports for students and others.

1. *Akhadas*.—From times immemorial, some kind of physical exercises were provided in small *akhadas* which are scattered over most of the towns in the Province. The old fashioned *akhadas* were usually conducted under the patronage of some local big man, and the only exercises provided in them were *dand*, *baithak*, wrestling, *malkhamb*, crude type of weight-lifting, mock fights with staffs and old fashioned fencing. The chief interest in the *akhada* centred round its best wrestler who had earned fame in several wrestling bouts. On him also depended the popularity of the *akhada*. For example, in the present days the *akhadas* of the Maharajahs of Kolhapur and Patiala are considered to be the best in India because of their famous "*pahilwans*". Even today much interest is evinced in good "*dangals*" or wrestling tournaments in which wrestlers from various parts of the country assemble to try their luck. The gate money from these "*dangals*" is, ordinarily, enough to pay huge rewards to the winners and to have a fair margin for the organizers. Wrestling, which is the characteristic feature of all *akhadas*, is without doubt the national sport of this country and arouses universal interest. On the *Nagpanchami* day wrestling bouts are arranged almost all over the country. In spite of all this the number of *akhadas* is extremely meagre to provide Physical Education on any large scale and their use is ordinarily limited not to the very best people in the social life. Often these *akhadas* are controlled by an *ustad*, who is as a rule a good wrestler. These *akhadas* sometimes fall into disrepute because of the quality of men that use or sometimes control them. Another characteristic of these *akhadas* is that there are hardly two *akhadas* on good terms with each other because of some old rivalry. But these *akhadas* are of ancient origin, and must of necessity be considered in any scheme of Physical Education in these Provinces.

Of late, there has been an attempt to purify the *akhadas* of their vicious element and to render them approachable for better classes of people. The movement also aimed to render the old fashioned *akhada* exercises more scientific in the light of modern knowledge, and to introduce some Western and Japanese ideas

of Physical Education. The movement, in itself healthy, was started by the Hanuman *Vyāyāmsālā* at Amraoti. This movement should be considered to be the right direction, and with the introduction of scientific methods of physical education it could offer a fair model to the activities of other *akhadas* in these provinces.

2. Clubs.—Most of the district and tahsil places have clubs, some of which are purely official, others non-official and the rest mixed. The chief game in these clubs is tennis, the standard of which is not always enviable. Some of these clubs have now started badminton, and volley ball. The sporting activity in these clubs often depends upon the presence of some keen members with tact and ability to organize.

3. Sports tournaments.—Besides the *akhadas* there are two more institutions which offer scope for physical activities in the social life of the provinces. Almost in all district headquarters and also in some other places there are some sports trophies which are contested by several combatant teams. Perhaps the tournament organized by the Jubbulpore Educational Athletic Association and the University Sports tournament are the most organized of the tournaments in the Province. There are some other tournaments which provide trophies which are keenly coveted and attract strong combatants. The rest of the tournaments are of local interest. The tournaments are chiefly for hockey, cricket, football and tennis. As a rule most of the teams that contest the trophies consist of players collected to play tournament matches. Ordinarily, they do not belong to any club, nor do they have any grounds for practice. These teams cease to exist after their exit from the tournaments. Another feature about these tournaments is that except few like some Hockey Tournaments in Jubbulpore, Quadrangular Cricket at Nagpur, and the Provincial Tennis Championship Tournaments, which are of provincial interest, the rest are all of local interest. The influence of these tournaments is shortlived. Except teams from organized institutions, such as schools, colleges, police, railway, no interest is taken in games by other combatant teams throughout the year.

The tournaments for various sports in the Province lack co-ordination. Their dates and fixtures sometimes conflict with one another. Most of the tournaments allow to their trophies status, such as "Provincial" or "All-India Championship", which is of doubtful validity. There is no plan on which tournaments and competitions suited to various classes and types of persons in the Province are arranged, and such a plan is not possible unless there is some central organized agency to control them.

CHAPTER IV.—MEDICAL INSPECTION

Primary schools.—Medical inspection in primary schools, wherever it takes place, is nominal and superficial. There is no organization to ensure regular medical examination of the primary school pupils and attention to their health. Medical inspection of pupils in vernacular middle schools also shares the same fate.

Anglo-vernacular schools.—In Government anglo-vernacular schools medical inspection is conducted by medical officers. Medical officers are paid compensatory allowances for conducting medical examination of pupils, for medical attendance on boarders in the hostel, and for supervising the sanitary condition of school and hostel surroundings. The nature of medical examination of the pupils is reported to be unsatisfactory. In most of the private institutions, aided and unaided, medical inspection is not even provided for, and, where it takes place, it is perfunctory.

Colleges.—Medical inspection of college students is thorough and systematic. It is organized by the University and students are charged a fee of Re. 1 per year for the purpose. The University appoints special doctors to conduct the examination twice every year.

Except at the university stage, systematic and thorough medical examination is not undertaken, and is not correlated to physical and other education provided in the school.

CHAPTER V.—HEALTH EDUCATION

In the new syllabus for primary schools emphasis has been laid upon imparting of knowledge about health and formation of hygienic habits. Provision has been made for daily checking of personal cleanliness, and lessons on simple hygienic principles are included in their texts. It is, however, felt that in the surroundings of a dirty school building, with walls covered with dust and with a dirty *kutcha* floor to squat on, it is difficult to train up a clean, smart and healthy race. The popular demand is for school buildings which will cost nothing to construct and to maintain, really nothing; and for school pupils with full life and vigour. The paradox is irreconcilable, and the choice lies between the two. In the national interest it is of first importance to have a healthy race at all costs.

Scouting and Red Cross Activities.—Scouting and Junior Red Cross are two important activities in schools through which the schools have attempted, in their small and limited sphere, to render health services to the people. Scouts occasionally organize cleaning up of villages, and through songs, plays, lectures, illustrations and camp-fires, spread the knowledge of the principles of health in the villages. The Junior Red Cross workers too have done their little best to disseminate knowledge of common diseases and the methods of preventing them. These activities, however, have been limited and not properly organized, and their result is almost negligible. One may yet see in these activities the germs of the principles that a healthy and a happy man is also a serviceable man, and the activities derived from sound health are, and can be, directed towards ameliorating the condition of the suffering humanity. To train men in the principles of sound health is to train them to be serviceable to the society.

No specific programme for health education exists at the secondary and collegiate stages. Scout and Red Cross workers no doubt acquire elementary knowledge of hygiene and first-aid. Girls learning domestic science also learn principles of health and hygiene. Besides this, hardly anything more is done towards health education.

In the social life there is no atmosphere requisite for the cultivation of habits of life based on sound principles of health and hygiene. There is, generally speaking, an apathy towards aesthetic aspect of clean and healthy living. A conventional moralist confounds and identifies "plain living and high thinking" with dirty living and sombre long faces. The joy that comes out of health and the aesthetic effect of habits of cleanliness are normally regarded as frivolous and unpardonable luxuries. Even in urban areas the social life reveals no appreciation of health and happiness. In the circumstances, the little that the schools do towards health education is soon obliterated. Unless there is a nation-wide programme for educating people in the principles of health and physical culture, little benefit will accrue from health education in schools.

SECTION II.—AIMS OF PHYSICAL EDUCATION

CHAPTER VI.—TYPES OF PHYSICAL EDUCATION

The Yogic Ideal.—In ancient India, people had devised the system of exercises which is now popularly known as the "Yogic system of exercises". The special genius of the country lay in the field of metaphysical speculation, in search of truth and reality. The yogic system of exercises was devised to assist the student in the fine art of systematic thinking. These exercises claim to acquire such powers of control over the physical system as would not only prevent the body from being an obstacle to prolonged and concentrated meditation, but establish a dynamic harmony between body, mind and soul. The system was intensely individualistic, inasmuch as it tended to develop the individual's power of self-control. In the ancient Indian system the concept of team and collective physical action was not envisaged; it was included in a later period due to pressure of military requirements. Essentially, the system was individualistic, designed to assist the soul in its conquest over matter.

The Spartan Ideal.—In ancient Greece, two more or less, contrasting types of physical education were witnessed. The earlier was the Spartan type, which aimed "to produce the *warrior citizen*: a man of physical perfection, courage and selfless obedience to the laws of the State". The Spartan system provided compulsory vigorous physical training which began at seven years of age and lasted till the age of twenty. The main physical activities practised during the period of training were running, swimming, boxing, wrestling, jumping, throwing discus and javelin, and military drill. The perfection of this type of training has been immortalized by the Spartans. In Sparta, as contrasted with the ancient Indian system of physical training, the individuality was sacrificed to produce a type. In Sparta men lived for the State, and, apart from the State purposes, they had no existence.

The Hellenic Ideal.—Later, in Athens, a novel, and perhaps, the most perfect cult of physical culture was evolved. Physical excellence was an indispensable factor in the education of the Athenian, and the Hellenic system of education aimed at supreme

harmonious perfection of the body, mind and soul. The following passage from E. Major's "History of Physical Education" gives a fascinating picture of Greek devotion to the cult of physical well-being:—

"The education provided for the Athenian youth was therefore a judicious blending of physical training with literary and artistic culture. For the first six years it was wholly in the hands of the parents. The chief concern was the development of a good physique and a hardy constitution. The Athenian child played games common to every nation and to every age. Ball games were especially popular and many other activities have survived to the present day with undiminished popularity. On reaching his seventh year the boy began a more serious education, but the girl remained in the home. The usual school subjects were gymnastic and music, the latter term embracing grammar and literature in addition to music in our sense of the word. The gymnastic training was given in the Palaestrae, private schools of which the name was derived from the Greek word for wrestling. The young boy did not engage in heavy and violent exercises, for the Athenians wisely graded physical exercises into two classes—the lighter and the heavier—and no one was required to perform exercises or activities which were beyond his strength or ability. In the initial stages of the training a great variety of games, together with simple forms of exercises and contests in running, were employed. As the boy grew older and stronger, jumping, throwing the discus, throwing the javelin, wrestling, and boxing were gradually introduced. All exercises were performed naked; the palaestra had no roof, and Hellenic opinion considered it healthy to expose the body to the open air and the sun. A white skin was regarded as a sign of effeminacy. Oil was continually rubbed in, both before and after exercise. Formal gymnastic exercises were always given a prominent place. Dancing, usually in the form of choral dancing, was a regular part of the Greek educational system, which recognized its value in the symmetrical development of every part of the body. Swimming and rowing were also favourite activities. In the good old days, says Aristophanes in the Wasps, the main object was to be a good oar, and rowing blisters were a sign of patriotism. To teach these various branches of physical education, expert instructors were employed.

At 18 years of age, the youth began an intensive military training which lasted for two years. During this period his gymnastic training was continued in one of the gymnasia which were established and maintained by the State. These gymnasia consisted of complete series of buildings and grounds, free and open to all citizens, the only expense being to provide an oil bottle and scraper. Athens had three great public gymnasia; the names of two—the Academy and the Lyceum—are so famous that they are still household words.

By the end of the Fifth Century B. C. every important Greek town possessed at least one gymnasium. Many became famous as centres of social and intellectual life.

National games at Olympia are known to have been held as early as 776 B.C. Held every four years, they soon became the chief of those great Greek national athletic festivals which show the important place which was accorded to physical education by the Greeks. At these festivals, interest was centred chiefly on competitive athletic activities, though they also possessed a religious, artistic and literary significance. No nation has ever attained so high a degree of physical fitness as the Greeks did at the close of the sixth and the beginning of the Fifth Century B.C. Physical education could then be seen at its best, for it developed and flourished as an integral part of an admirable national life, and the great value of physical education in the development of health, strength, agility, and beauty was fully recognized."

Present position.—Both the systems of physical education evolved in Greece persist in the Europe of today. In all the countries of Europe, as well as in America and Japan, physical education constitutes an integral part of the education imparted in the schools. On the Continent, physical education is compulsory in the universities also, while in England the universities confine their attention mainly to sports and athletics. The systems of physical education in Germany, France, Italy and Russia, and in other countries approximate more closely to the Spartan ideals. While individual development is not quite so completely disfavoured as it was in old Sparta, yet the main objective is to prepare a healthy race, consisting of strong and energetic individuals capable of quick and concerted action for State purposes. The training in schools and in universities is predominatingly of military character, and constitutes one feature of a vast and nation-wide programme of increasing the national standard of physical efficiency. Training in Great Britain has been so far more akin to the Hellenic ideal. Apart from the elementary physical education imparted in schools students chiefly engage themselves in field games and sports. A change of attitude towards physical education in England has, however, taken place in recent years. In 1935 the British Medical Association appointed a strong committee "to consider and report upon the necessity of the cultivation of the physical development of the civilian population and the methods to be pursued for this object". The Committee was appointed at the instance of the Minister of Health who aimed at effecting improvement of national health and asked "whether something could not be done to bring home the benefits of physical culture which was a culture of mind as well as of muscle". The Committee did not view with favour the prevailing attitude which tends to subordinate systematic gymnastic exercises to field games and athletic sports and deprecated the "modern tendency to regard games as an unduly serious business". On the contrary, the Committee expressed itself in favour of the view that "the gymnastic exercises are an essential and fundamental part of physical education". The Committee also favoured an organized nation-wide programme for physical training with a view to raise the national standard of physical efficiency. The report is a distinct move in the direction of the Continental ideas which are perhaps the outcome of military requirements of the countries concerned. The general trend in Europe is not only to regard systematic and well graded physical

education in schools and universities as necessary and indispensable aspects of education, but also as prime factors of organized national life planned with the dominating motive of raising the national standard of physical efficiency and preparedness. The weak render the nation weak, and the strong, able-bodied, capable of organization for national service are a national asset. Physical education of the masses thus constitutes a necessary state function.

CHAPTER VII.—THE AIMS OF PHYSICAL EDUCATION

Having surveyed the main currents on the idea of physical education, we may define the aims which physical education should serve in this country. The main objective of physical education is to prepare physically efficient, active and a happy race consisting of men and women, who are strong and vigorous, healthy and graceful and endowed with character which develops out of self-knowledge and self-discipline. In this country, in particular, a definite attempt should be made to cultivate a taste for *joie de vivre*, which is sadly absent in the life of the masses. The life of an average villager is drab and cheerless, and is only occasionally enlivened by a good draught of liquor on the market days or at marriages and funerals. The stress of the economic struggle withers his interests in life and dulls his sensitiveness to the joy of feeling fit. "The world is too much with him; late and soon; getting and spending, he lays waste his powers." He is wedded to a life of drudgery and monotony from which, he feels, he has no mode of escape, save the final exit. It is very necessary to provide him with recreations, to cultivate in him a taste for healthy and vigorous life, to introduce him to a wider range of interests through service, and to equip him with knowledge which is necessary for healthy and organized life. The latest, and perhaps the most valuable, phase of physical education is the expression of "joy through strength" through social functions, festivals and demonstrations. It is very necessary in this country to lay enormous emphasis on the social aspect of physical education and harmonious rhythmic activity. It is no doubt true that in countries like Germany, Italy, Russia, Japan, etc., the collectivist or mass activities in physical education assume political and quasi-military importance. In other countries, however, such as Sweden, Denmark, and more especially, Czechoslovakia, the movement has mainly a social importance. In Czechoslovakia and Yugoslavia "the Sokol movement", which is assisted by the State, is purely social, and has rendered enormous service towards the promotion of physical education. "Its present membership in Czechoslovakia is about 800,000 and in every town and village it has a local organization which possesses a special building for gymnastics." The report of the Physical Education Committee of the British Medical Association gives the following account of physical culture festivals and mass demonstrations in Europe:—

"Festivals and mass demonstrations are a characteristic feature in the social life of European countries, and there are few functions of this kind in which physical activity does not play an important part. In Germany, for instance, both national and local festivals are held. They include school festivals, German Youth festivals, festivals of the National League for physical

exercises, and games competitions, and, as part of the festival, there are arranged mass demonstrations of physical activity, including free exercises, exercises with apparatus, dancing, rowing, and swimming. In Czechoslovakia and Yugoslavia the largest demonstrations are organized by the Sokol movement. In the former country festivals, which include gymnastic displays, athletics, and games, are held every five or six years. They last a week, and about 20,000 people of both sexes and of all ages take part. Mass demonstrations are organized in Sweden and Denmark both by local authorities, as part of their educational work, and also by the sporting associations. Although mass demonstrations of the European type are not held in America, most of the large cities organize annual demonstrations in which hundreds and sometimes thousands of persons participate. 'County play days,' which include demonstrations of gymnastics, drill, dancing, games, and sports are becoming increasingly popular."

We are strongly of view that physical culture should become a normal feature of social life of this country, and increase its happiness through festivals and mass demonstrations. Such mass activities would organize a society which, otherwise, is extremely disintegrated, and render it capable of common action for the service of humanity. We lay special emphasis on this aspect of the aim of physical education, and especially recommend its adoption. The aim of physical education in the widest sense of the term, is to raise the national standard of physical efficiency and preparedness.

In the end we would reiterate the definition of the aim of physical education embodied in the report of the Physical Education Committee appointed by the British Medical Association—

"(1) The aim of physical education is to obtain and maintain the best possible development and functioning of the body, and thereby to aid the development of mental capacity and of character. The mind and body are so essentially one that the divorce between them in what is commonly called education appears as unscientific as it is pronounced. However brilliant the intellect, a neglected body hinders the attainment of the highest capacity possible to an individual; and conversely, the maintenance of the best possible functioning of the body must react as a beneficial mental stimulus.

(2) An educated body is a balanced body, just as an educated mind in the true sense is a balanced mind. Balance of body, mind and soul should go together and reinforce each other; and perfection of balance, physical, mental and spiritual, can be the only true and scientific aim of education. Balance results from the harmonious development of the body as a whole, while strength is often associated in the mind of the public with power of a single muscle or muscle group. It is possible to develop great strength without necessarily attaining perfect balance. Indeed, a man, although of great muscular strength, may yet be so little balanced as to be muscle-bound, so that the very size of his muscles may interfere with their co-ordinate action. Such was often the result of the old gymnastics, which too often produced strength rather than balance and a broad, strong figure at the expense of agility.

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(3) Unfortunately, just as there are many who remain unaware of undeveloped mental capacities, so also there are many who are unaware of the hidden talents of their bodies. But it has often happened that an accidental opportunity of exercising the mind in a new direction has brought to light a previously unsuspected aptitude. Similarly, the first steps of education in physical fitness may reveal a latent bodily capacity and awaken the desire to reach a new standard of health."

CHAPTER VIII.—METHODS FOR THE REALIZATION OF THE AIMS

In view of the aims defined above we suggest the introduction of the following activities in the programme for improving the standard of the physical well-being of the people:—

1. **Physical activities.**—After devoting serious thought to various kinds of physical exercises and modes of keeping fit, we are convinced that in the training of the youth, graded and systematic physical gymnastics, with or without apparatus should constitute the foundations of physical training. Gymnastic exercises, though fundamental, should not be treated as the whole physical activity. A well-balanced scheme of physical education should necessarily include field games and athletic sports. In keeping with this recommendation we suggest that the scheme of physical training should have following groups of exercises:—

- (1) Mass activity: Drill and gymnastics.
- (2) Team activity: Field games.
- (3) Individual activity: Gymnastics (with and without apparatus), athletics, sports, dual fights, *e.g.*, wrestling, boxing, ju jitsu, fencing, aiming and swimming; and
- (4) Remedial activity: Curative exercises for removing physical deformities.

We are of opinion that a well planned and graded scheme of physical education on the above lines is essential to produce men of requisite physical fitness and capable of team and mass action.

We also feel that the system of physical education, and, more especially, games planned for the Province should be based, so far as possible and scientifically justifiable, upon the Indian system of physical training. This suggestion does not imply any restriction on adopting more advanced systems such as those developed by the Danes and the Swedes. On the contrary, we emphasize that new and scientific concepts of physical training should be borrowed from the West and the East and should be woven into a co-ordinated system of physical training. All that we desire is that whatever is good and reasonable in the Indian system should not be discarded, and that the scheme as a whole should be suited to the character and requirements of the people of the Province.

2. **Health activities.**—We feel no necessity of adducing special arguments in favour of the proposition that no scheme of physical education will have any chance of success unless it is correlated with general problems of health. It is necessary that those who are engaged in the culture of the body should have a

scientific knowledge of the human body and its functions, and a special knowledge, through medical experts, of the functioning of their own body and its defects, if they exist. It is also necessary that people should be accustomed, from their very childhood, to living a life strictly in accord with the sound principles of personal and social hygiene. To gain this end we suggest the following measures :—

(i) *Medical inspection.*—Compulsory, regular and systematic medical inspection of all boys and girls in all kinds of educational institutions; and of men and women undergoing physical training in *akhadas*, clubs and other similar institutions should be treated as very necessary to the physical well-being of the people. Medical inspection must be very thorough and conducted at reasonably short and regular intervals by competent medical authorities. A record of each individual's physical growth as well as comparative records of the growth of pupils of different types and ages should also be maintained. Further, assistance should be organized for those who are found on medical inspection to require special medical treatment or facility. The work of medical inspection should be done in close co-operation of the physical instructor, head of the institution, and the guardians.

(ii) *Nutrition and dress.*—Intimately allied with the problem of health and physical well-being are the factors of nutrition, diet and clothing. A well-balanced diet is indispensable to physical development. We are fully convinced that it is utterly futile to contemplate compulsory physical training unless some provision is made for compulsory nourishing diet and hygienic dress. This carries with it the unavoidable consequence that the agency which compels physical education will also provide healthy and adequate diet and dress, at any rate, for those who cannot afford it. Work in this direction is being done in the European countries. In England, provision is made for milk for school children, and lunches for those who cannot afford it. Physical instruction is compulsory and children are required to undergo the same in appropriate costumes and shoes, which are provided to those who need them, by the State. State assistance in matters relating to nutrition and dress is essential. The State cannot afford to grudge expenditure on these items, because the stability and prosperity of the State depends upon the efficiency of its citizens.

(iii) *Health education.*—It is further necessary to acquaint the pupils with the knowledge of their bodies and its functions. To this end it will be necessary to include compulsory courses of instruction graded according to the interests and capacities of pupils at the various school stages. Courses of instruction in physiology and hygiene must form a compulsory part of instruction, and should be regarded as a part of instruction in the teaching of elementary science, in the middle school stage of education. The pupils must also have a knowledge of the common diseases and the methods of preventing them.

(iv) *Healthy habits and healthy surroundings.*—Perhaps the most significant of all activities should be to form, in the pupils, sound habits of healthy living. These habits should be so deeply

ingrained in the pupil that there will be no possibility of reversion to unhealthy modes of life in future. We also suggest that hygienic habits should be developed in the pupils by appealing to their aesthetic tastes. The formation of habits of health will depend upon the life lived in the school: It is very necessary, therefore, that the school buildings and surroundings should be highly sanitary and display good taste in every possible manner.

3. **Recreational activities.**—The objective of the recreational activities is to create a sense of joy through health as an indispensable factor of the social life. Drill, games and athletic sports are in themselves sources of joy to those who participate in them. The following activities will in our opinion add to introduce more joy in the health-life of the pupils :—

(i) *Tournaments and Olympic activities.*—Tournaments and olympic activities wherever they are held, arouse keenest interest. It is, however, necessary to organize various tournaments in the Province and increase their number in such a manner that they will be spread over the whole Province. The tournaments should be within easy reach of all areas and should provide competition in the main variety of the items of interest to children and young men of different ages. The organization of this task is both difficult and expensive. We are, however, of opinion that a central agency can properly organize a suitable scheme for the whole province and minimize expenditure. We are convinced that the tournaments held at present are not properly organized, and that while some lucky class of persons get several opportunities of participating in tournaments of various kinds, a large bulk of the pupils remain outside the reach of these activities.

(ii) *Music and folk dancing.*—We are convinced of the desirability of introducing music and folk dancing as features essential to the health campaign. They are not foreign to the life of the people and are deserving of compulsory introduction in schools. We realize how much good has been done by the revival of the Bratachari movement in Bengal and Garba dances in Gujrat, and we should aim, through similar activities, to develop sense of balance, rhythm and harmony in the social life of the people. The beginnings must be made in the schools, though the movement should not be confined to them.

(iii) *Health camps.*—We desire that each school in the Province should go into a health camp for a week at least once in every year. The camp must be in the open, outside the town or village at a convenient spot held at some suitable period of the year. All worries of the school and life should be forgotten in the camps, and the exclusive attention should be devoted to problems of health. The camp life should be lived strictly according to laws of health, and should follow a well organized programme of keeping fit. During this time medical inspection may be arranged and students may be made to check their hygiene and test their physical efficiency on the lines suggested by a competent staff of organizers. In the evenings there may be camp fires and light activities associated with them. These health camps would serve to emphasize attention to problems of health and physical fitness.

(iv) *Service activities*.—Service activities are at present undertaken by the Scouts and the Junior Red Cross workers. The organization of the Scout and Red Cross activities has so far been on a very small scale. While we appreciate the good work done by these organizations, and we are desirous that they should continue to do it, we would urge the need of disciplining the entire student population in the idea of service. We, therefore, suggest that each boy in the school should be enlisted in the Students Service Corps, which should be organized on a provincial basis. The constitution of the corps should be on the lines of the University Training Corps, and perfection of discipline must be aimed at. The dominant objective of the Service Corps should be to render organized humanitarian service to all people, particularly to those in the rural areas. It is essential that the corps must attain a very high degree of discipline and smartness, and should be dressed in a common uniform which will symbolize the spirit of service for which the Corps is organized. The service by the Corps should be rendered on organized basis, and there should be such a net-work of organizations that no person in the Province will be beyond the reach of the assistance of the Corps, when assistance is due to him. The details of the organization of the Students Service Corps, and of the nature of the humanitarian services to be done by them should be determined by a central agency for the Province. We are convinced that such training in the Corps will discipline the pupils in the spirit of service to humanity, which is essential, not only as a direction of healthy activity of the people, but also to their moral education towards which little attention is devoted in the present system of education.

CHAPTER IX.—ALLIED PROBLEMS

We have suggested the aim of physical education, and the groups of activities through which the aim should be realized. We would, further, like to emphasize that these activities will by themselves be unable to achieve the ambitions defined in this report. The following, among others, are in our opinion, indispensable conditions of the realization of the objectives of the campaign for the physical well-being of the people:—

1. *Physical Education as training for life problems*.—In the field of literary education, the problem of relapse into illiteracy is one which faces the serious educationist. The relapse is characteristic in the rural areas, and inclines one to be sceptical regarding the lasting value of the large expenditure incurred on education. The relapse is obviously due to the fact that the system of education aims at literacy as an end in itself instead of regarding it merely as a matter of tool value. The consequence is that literacy acquired in schools is of formal and mechanical nature and is never realized in its form as a potent tool in solving problems of life. It is perhaps, unfair to expect the people to bear the burden of literacy, when it is of no significance in life.

What is true of literary education may be true of physical education. If physical education is treated merely as a matter of curricular interest, there will be a temptation on the part of

the pupils to drop physical culture activities after leaving the school. If, however, health and physical fitness become a necessary condition of life and are related to the vital interests of life in its struggle for existence, there will be no chance of relapse into lethargy and neglect of the body

2. **Physical Education for adults outside the schools.**—There is yet another manner in which physical education might share the fate of general education imparted in the school. Relapse into illiteracy is attributed to the general conditions of life in the rural areas. There is much appalling illiteracy in the rural areas; the atmosphere is hardly congenial to preservation of literacy by those who have had elementary school education. The little faint ray of light kindled in the rare pupil is soon absorbed in the enveloping darkness. The remedy suggested is to educate the adults and open village libraries to sustain interest in literacy. It is easy to imagine similar condition frustrating the objectives of physical education. The life of the villager is so unhealthy, and the care of the body so absent in the rural life that the pupil, when he enters life, will soon fall into a level with the masses and forget all he has learnt about health and keeping fit in the schools. Efforts, therefore, will be necessary to introduce the cult of physical fitness and healthy living among the adults in the villages and to train them in the habits of healthy living. And just as village libraries are provided for the villages, so will it be necessary to provide *akhadas* and gymnasiums in the rural area. Unless the village population is interested in hygienic living and physical fitness, it will not be possible to expect any lasting effect from the training in physical well-being imparted in the schools. Similar reasons, we think, have impelled the Physical Education Committee of British Medical Association to recommend the extension of physical education to youths who have left the schools and to others in the villages and towns.

We may conclude that the essential condition of the realization of the ideals of physical education will be to open out a network of *akhadas* and gymnasiums in the villages and to educate the adult population in the cult of physical well-being, and to create a pronounced public opinion in favour of the ways of hygienic and healthy living. Home influences and surroundings, which dictate habits of life, customs and traditions, which give colour to the social life, will all need to be exploited to achieve physical well-being of the people. Nothing short of a positive social disapprobation and even intolerance of the neglect of body and unhygienic living should be created.

3. **Mass Education.**—What we have said above would lead further to indicate that mass education and increase of literacy is also an indispensable condition for improving the standard of physical fitness of the people. Education opens up vistas of ideal life and mass education is necessary to create public opinion in favour of ideal life and stimulate organized action to realize it. We therefore feel convinced that the cult of physical fitness and healthy living must invariably be associated with any scheme organized for the education of the adults.

4. **Up-to-date equipment.**—The need of adequate equipment necessary for physical education and health activities cannot be over-emphasized. Every school must have well-equipped *akhadas* or gymnasiums and extensive play-grounds. Suitable arrangements should also be made for adequate clothing for wear at the time of physical instruction. Arrangements for swimming, wherever possible, would be a great advantage. It will also be necessary to reserve suitable portions of the countryside for health camps.

5. **School hours.**—It will also be necessary to find out suitable hours for assembly of the school to enable regular physical exercise and games at appropriate time. There is a good deal of controversy on the subject of school hours, and we think that the correct solution of the problem will ultimately depend upon a careful examination of the local needs of each school. We will, therefore, refrain from dogmatizing on the subject, but we will only suggest that whenever necessary the hours of assembly of the school be so modified as to enable instruction in physical education and games as well as other education to be imparted at most suitable hours.

6. **Health and Examinations.**—It will also be necessary to examine the bearing of examinations and, particularly, of the public examinations, on the health of the pupils. We would only suggest the problem and leave it to the experts to make detailed suggestions with a view to ensure fair testing of the pupils without prejudicing their health. There is little doubt that at present the pupils do tend to lose health at the time of examinations.

7. **Legislation.**—We also feel that certain amount of legislation will also be necessary to assist physical fitness and health campaign. It will be necessary to have laws, for example, to acquire lands for gymnasia and playing-grounds at suitable places without the customary laws' delay; to modify the Acts relating to the University and High School Education Board and to amend the Manual of the Education Department with a view to compel physical fitness and instruction in health problems at various stages of instruction. Legislation should in our views be resorted to wherever necessary in order to implement the realization of the ideals of physical education defined in this Report.

8. **Propaganda.**—We also consider it necessary to organize a thorough propaganda in favour of the health and physical fitness campaign. The propaganda should be carried on systematically in all conceivable ways, through press and bulletins; magic lanterns, moving pictures and talkies; posters and pictures; festivals and demonstrations; music and songs. Every manner of propaganda should be adopted to bring home to the people the necessity of hygienic life and a high degree of physical fitness. The propaganda should be so thoroughly organized as to influence the man living in the innermost recesses of the Province. In more advanced countries the use of motion and talking pictures and wireless has been adopted to popularize physical education, and we should adopt these means for promoting physical culture in this Province.

SECTION III.—ORGANIZATION OF PHYSICAL WELL-BEING OF THE PEOPLE

CHAPTER X.—THE NEED OF A CENTRAL AGENCY

Diffused activities obtaining at present.—In section II of this report we have recommended manifold activities necessary for achieving the physical well-being of the people. The activities suggested by us are, in the existing organization of the Government, directed by several departments, such as, Education, Medical, Public Health and Publicity Departments. Some activities suggested by us are also undertaken by the Village Uplift Board, the Boy Scout Association, and the Red Cross Association.

The physical education of the students at different stages of instruction is determined by different agencies. The courses of physical training for the primary schools are prepared by the Education Department, and for secondary schools by the High School Education Board. The Physical Uplift Board of the Nagpur University draws up the lines of physical training activity for university students, while the Board of Studies for education prepares courses of studies in physical education for teachers, who, after training, are expected to introduce in secondary schools courses of instruction prescribed for them by the High School Education Board. The Department of Education prescribes courses of instruction in physical education for teachers of normal schools in order to enable them to introduce the new syllabus for physical instruction in primary and vernacular middle schools. A vast majority, however, of vernacular school teachers are employed by the local bodies, and some of them have their teachers trained in the *Hanuman Vyāyāmsālā* of Amraoti, or similar institutions, for introducing in schools physical training activities, which have yet to obtain departmental approval. There is further dislocation of physical training activities resulting from extreme divergence in the types of management of schools, which give a varied emphasis on physical education.

Need of a central agency.—The above account will suffice to indicate the wild diffusion of activities that exist today in the direction of physical well-being of the students. A well-planned, well-directed and co-ordinated effort to raise the standard of physical efficiency of the people necessarily presupposes a central agency, which at present does not exist. We feel that the diffused and unco-ordinated activities directed from manifold sources will fail to realize any perceptible gain, and we are convinced that there are abundant reasons for justifying the institution of a strong central agency supported by statutory sanction. This position, we think, admits of no doubt.

Ultimate responsibility.—We also share the view that Government should take upon itself the responsibility of raising the standard of physical efficiency of the people as an avowed policy and initiate a well-planned movement to realize tangible results in this direction. The State can function in two ways: either directly through its departments as in

Germany, France, Russia, Turkey, or indirectly through local agencies or voluntary organizations, as in England. In Germany, the Ministries of Health, Education and Army are saddled with the responsibility of raising the standard of national health. The Physical Education Committee of the British Medical Association records "All the German organizations concerned with physical education for adolescents and adults are directly under State control. They include the Hitler Youth Movement, the League of German Girls, the National Socialist Movement, the National League for Physical Exercises, and the 'Strength through joy' movement of the Deutsche Arbeitsfront, an organization whose membership comprises employers and employed." In Italy and France physical well-being of the people and physical education are directed by the Ministry of War. In Soviet Russia there is an independent Department of Physical Welfare. In England, on the contrary, the Physical Education Committee of the British Medical Association has favoured the organization of the physical training activity of people outside the school through local authorities and volunteer organizations. In the English educational institutions physical training activities are directed by a department of the Board of Education. The need of a close co-operation between the school and outside agencies in England has been strongly urged. So far as this Province is concerned we would suggest that direct action through a State department would be far more fruitful than indirectly acting through volunteer organizations and local authorities. Government may encourage and even assist, local bodies and private agencies which work for improving the health of the students and people in general; yet the responsibility of improving the standard of physical efficiency of the people and taking the initiative for planned and thorough Province-wide action in the matter should vest in some department of the State. The English model is hardly suited to the peculiar genius of this country, and this fact has been abundantly established by the experience gained in this Province from entrusting to the local agencies and private enterprise the provision of elementary and secondary schools needed by the people. We are fully convinced that vital interests relating to the social life of the country should not be entrusted to the local or voluntary organizations which are impermanent and transitory, weak and poor, and as a rule rendered ineffective by internal squabbles and party strife. We are strongly of view that physical welfare activities suggested by us should be organized in schools and outside by a strong central State agency.

CHAPTER XI.—THE CONSTITUTION AND FUNCTIONS OF THE CENTRAL BOARD OF PHYSICAL WELFARE

At present organized physical education activities are mainly confined to schools and colleges. We, therefore, suggest that the Ministry of Education should be entrusted with the responsibility of raising the standard of physical well-being and health of the people. The Minister, however, should be assisted by a Central Board of Physical Welfare in which views of all departments, whose assistance is essential to the scheme, will be represented. We also feel the necessity of a chief organizer of physical well-being of the Province who will

be an officer of the Education Department and carry out the wishes of the Education Minister and the Central Board through a competent staff of organizers and instructors for physical training, teachers in charge of schools, and officers entrusted to look after the health of the students and other persons concerned.

The Central Board of Physical Welfare should consist of the following :—

- (1) Director of Public Instruction.
- (2) The Inspector of Civil Hospitals.
- (3) The Director of Public Health.
- (4) Three members nominated by the Education Minister.
- (5) The chief organizer (the Secretary of the Board).

The Chairman of the Board will be nominated by the Minister for Education.

The life of the Board should be five years after which it should be reconstituted. The rules relating to the meetings of the Board and its procedure may be framed in the first meeting of the Board. The functions of the Board will be—

(i) to organize a scientific survey of the standard of physical efficiency and health of the young generation in schools and outside;

(ii) to advise the Minister of Education in all matters relating to the physical well-being and health of the people, and preparing schemes for raising the standard of national health and physical fitness;

(iii) to introduce all activities mentioned in Chapter VIII of this Report among young persons of the Province in schools and outside school and to organize a Province-wide movement for raising the standard of health and physical efficiency of the people;

(iv) to organize a band of workers, men and women, officials and non-officials, consisting of organizers and instructors of physical training, teachers, officers of the Student's Service Corps, doctors, scout masters and others with a view to introduce various activities mentioned in Chapter VIII of this Report among students in schools, and young persons outside schools, in such a manner that every young person in the Province will be within the reach and brought under the influence of those activities;

(v) to organize training of organizers of physical well-being, physical instructors, scout masters and other officers required by the scheme;

(vi) to suggest such legislation and modifications in existing codes and manuals as will be necessary to further the activities of the physical well-being campaign;

(vii) to give the Minister for Education such advice as he may need or ask for from time to time and to carry out such instructions as he may give to the Board; and

(viii) to report annually upon the progress made through the schemes of physical well-being adopted by Government.

Powers of the Board.—The Board shall be vested with the following powers:—

(i) to appoint sub-committee or sub-committees to prepare schemes for the introduction of various activities mentioned in Chapter VIII of this Report;

(ii) to appoint expert or experts to report on problems requiring special study and assistance;

(iii) to appoint a competent staff for carrying out the activities of the Board;

(iv) to advise and, if necessary, to compel local bodies and managements of educational institutions to take such steps and introduce such activities as will be necessary, in the view of the Board, for the health and physical well-being of students;

(v) to advise and, if necessary, to compel local bodies to adopt such schemes and take such measures as the Board may direct for the health and physical well-being of young persons outside the school;

(vi) to recognize private organizations engaged in physical uplift work, and to render to them such assistance as may be found necessary for their efficient work;

(vii) to collect funds and endowments from public spirited citizens and organizations for the purpose of carrying out the schemes of the Board.

Staff.—To begin with, it will be necessary for the Board to have a staff consisting of a Chief Organizer of Physical Welfare Activities for the whole Province, a district organizer for each district and physical training instructor for each tahsil. It will be necessary to have appropriate office and menial establishment for the three grades of officers, *viz.*, the chief organizer, the district organizer and the physical training instructor. Further, this staff will need to be supplemented by a proper medical service which will act in co-operation with the organizers. In the first instance, the help of doctors in Government service may be obtained for medical examination of students in schools, and young persons who will become members of physical training clubs or gymnasia or *akhadas*. Where the services of doctors in Government service are not available, the task may be entrusted to private practitioners who may be allowed certain honorarium by Government. It will also be necessary to organize moving dispensaries on caravans, which will bring attention to the eyes, teeth and cure of other common ailments within the reach of all young persons in the Province. The organizers of physical training will have to work in close co-operation with teachers in charge of physical training in schools; and the physical training instructors will have to retain in each physical training club or *akhada* leaders who will be able to initiate and guide physical training and health activities.

CHAPTER XII.—PHYSICAL WELFARE ACTIVITIES FOR EDUCATIONAL INSTITUTIONS

We have already suggested various physical training activities which should all be introduced in schools and colleges. We lay special emphasis on the fact that physical training, and other allied activities should be compulsory for all students, boys and girls, enrolled in all kinds of educational institutions.

The nature of physical training and health activities for students of different school and college stages, and for students in various kinds of institutions will be determined by the Central Board after a careful consideration of their special needs and requirements. All that we insist upon is that various activities suggested by us in Chapter VIII should be compulsory in all schools, and should be made an indispensable condition of their recognition by Government, the High School Education Board and the University. It will be necessary, therefore, that each school or college will be equipped with a competent staff of teachers who will be trained to introduce various activities associated with the physical well-being of the people. It will also be necessary that each school be equipped with adequate play-grounds, apparatus and equipment which the Central Board may deem for that type of school. The Central Board will also determine the nature of training which the physical training instructors in schools and other members of the staff should receive in order to be able to introduce various physical training and allied activities in schools.

We have already suggested that the details of the compulsory physical welfare activities in various kinds of schools should be determined by the Central Board. This suggestion implies that the Board will also prepare the details of the curriculum in physical instruction. We will go further and insist upon achievement of concrete results through the physical welfare activities, and maintenance of adequate records to show tangible results. We will urge the need of instituting suitable physical efficiency tests for students in various school and college stages, and recording of their attainment in these tests in the certificates and diplomas awarded on success in public examinations and in the transfer certificates. We may reasonably hope that wise employers will give adequate attention to these records at the time of employing the products of schools and colleges. Our ideal should be to make physical efficiency of a certain standard a necessary condition of the award of certificates of success in public examinations, in fact a necessity of life itself. The economic value of longerity is much too serious a factor to be lost sight of by any Government wishing well to the State.

CHAPTER XIII.—PHYSICAL WELFARE ACTIVITIES FOR YOUNG PERSONS OUTSIDE THE SCHOOLS

One of the main responsibilities of the physical training organizers will be to constitute as far as possible in each village of the Province *akhadas* or physical training clubs. They should aim to enlist all young persons in the Province in some *akhada* or club, and make them appreciate, and enjoy physical welfare activities. The *akhada* should be situated in some suitable place in each village and adequately equipped. It should also be recognized by the Board and a list of recognized *akhadas* or clubs engaged in physical welfare should be maintained by it. The organizer will organize the *akhada* and attempt to make it an indispensable factor of the social life of the people. He will avail himself of the services of physical training instructors who will visit *akhadas*, and train adequate number of leaders, who will introduce various physical welfare activities. The leadership

of boys, who have received education in schools, will be of great value for the *akhadas* and clubs, and should be systematically utilized. The organizers will render to *akhadas* and clubs all necessary assistance, and Government will give them recurring and non-recurring grants for establishment and maintenance. The basis on which the grant should be given should be decided by the Central Board after full consideration of the expenses involved in each project. The task of the organizers will be exceedingly arduous and will not be achieved without the co-operation of district officers, their assistants and the educational officers. It will be necessary for Government to ensure all necessary co-operation.

The nature of activities to be introduced in various kinds of *akhadas* should be scientific as well as pleasant. We are of opinion that they should be determined by the Central Board. We also think that the organizers should arouse and maintain interest in the physical welfare activities through the institution of various local competitions and tournaments, and through the award of certificates indicating the results of physical efficiency tests.

In villages with schools, *akhadas* should be situated near schools in order to enable the *akhadas* or clubs to avail themselves of the services of trained physical instructors in schools, and to economize on the maintenance of play-grounds and equipment. In larger villages and towns more than one *akhada* or club may be opened according to the needs of the people. In big towns, where several *akhadas* or clubs will be necessary, it will be available for them to engage physical training instructors for the purpose of guiding the physical welfare activities.

We are further of view that there should be very close co-operation between physical welfare activities in schools and outside the schools.

SECTION IV.—TRAINING OF PHYSICAL INSTRUCTORS

CHAPTER XIV.—TRAINING OF PHYSICAL INSTRUCTORS

The success of the scheme of physical well-being of the people of this Province will depend upon the character, personality and professional efficiency of the Physical Training Instructors, and we are of opinion that special care should be devoted to the creation of an inspired and able band of physical instructors.

Some years ago a special course of instruction was imparted in the Spence Training College, Jubbulpore, for preparing physical instructors for secondary schools. The number of physical instructors produced by the training college was, however, too small for the needs of the college. It was, therefore, decided to give a modified course of physical training to all teachers in the Dip. T. classes. One section of the Dip. T. examination is devoted to practical work in physical training, and the teachers who secure a certain percentage of marks have this fact mentioned in the diploma. Passing, however, in the examination is not necessary for teachers.

An average teacher has tended to show a positive disinclination to be a physical training instructor in schools even when he had a special aptitude for the work. He feels that, if he works as a physical training instructor, his fate will be sealed, and with all his experience and ability in the class work he will never succeed in obtaining a promotion to the select division or to the post of a head master. He is naturally, though not reasonably, averse to sacrificing a career for the sake of enthusiasm.

The problem for the school is not only to have teachers with physical training qualifications, but to have a perpetual supply of young, energetic and freshly trained physical training instructors. It will be a sound policy to select a band of teachers with special aptitude for physical training work, give them intensive training for the work of physical training instructors along with professional training for teachers, make them work as physical training instructors when they are young and in the end absorb them in the regular teaching line. This will be, we think, a helpful way of keeping the schools well supplied with young and active physical training staff.

If the scheme we have suggested is adopted, a large number of physical instructors will be needed in this Province. It will certainly, not be possible for the Spence Training College to supply them. We, therefore, think that other methods should be found for the training of physical training instructors. We consider it highly desirable that the Nagpur University should institute a Diploma in Physical Education with a view to give persons a scientific knowledge of physical education and to prepare physical training instructors of the type which will be required by the activities which we have proposed. It will also be necessary for the University to start classes for the training of candidates for the proposed Diploma. It will, however, be necessary to ensure that persons who are selected to undergo the courses of instruction for the Diploma have a real calling for the profession and requisite character and personality. We do not suggest that the Spence Training College should discontinue the physical training work it is engaged in doing in the training of teachers for the Dip. T. examination. We think, on the contrary, that all teachers should have adequate knowledge of, and ability in physical training work to be able to co-operate with and assist the physical training instructors. We would, however, strongly recommend that the courses of instruction imparted to them should be modified with a view to train them for introducing the various activities which we have proposed, and that passing in the practical examination in physical education should be made a compulsory condition of passing the Diploma and the B. T. examinations, except in the cases of those teachers who have been found to be physically unfit for undergoing the training.

The real task ahead will be in the training of physical instructors for vernacular schools in the rural areas. We are of opinion that the courses of instruction in the normal schools should be modified with a view to enable the teachers to introduce various activities suggested in the scheme proposed by

us; further, we are of opinion that an intensive course of physical instructors training should be imparted to teachers during their stay in the normal schools, and that they should be subjected at the end of the course to a thorough test. We think that all village school teachers should be able to undergo this training for they are comparatively young when they are in normal schools.

In addition to the above, we think it will be very essential to introduce short vacation courses or refresher courses for the training of teachers already in service in the village schools, who have gone through normal school training. Such courses should be placed in charge of inspiring and energetic physical training instructors, and should be so wisely and efficiently planned that all teachers will get the requisite training within a prescribed period of time. The nature and duration of the refresher courses should be determined by the Central Board. Every teacher should be made to undergo a refresher course after every seven years of service.

SECTION V.—CONCLUSION

CHAPTER XV.—SUMMARY OF THE TERM OF REFERENCE

1. **Term of Reference.**—To consider the advisability of a Central Agency within the Education Department for organizing and co-ordinating all the various activities leading to the physical welfare of the student population of this Province.

In Chapter XI we have suggested the need for the constitution of a Central Board of Physical Welfare. We have also suggested that the State should take upon itself the responsibility of physical welfare of the people and of initiating well-planned and directed movement to achieve it through a competent staff under its control. We have held that the physical well-being of the school students cannot be viewed separately from that of young persons outside the school, and that a successful plan of action will introduce physical welfare activities in both the classes of young people.

2. **Term of Reference.**—To review the existing facilities and arrangements in respect of physical education.

In Chapters II, III, IV and V, we have traced the history of physical education in the Province and reviewed the existing facilities for physical education.

3. **Term of Reference.**—To consider ways and means to assist the local bodies in organizing Physical Training Schemes in their respective schools.

In Chapter XIII we have suggested the necessity of modified form of training in physical welfare activities for all teachers in normal schools; institution of refresher courses for teachers serving in schools; and of refresher course, for teachers after every seven years of service they put in.

4. **Term of Reference.**—To consider the feasibility of an organization of school medical service.

In Chapter VIII we have held that medical inspection and assistance is indispensable to physical welfare. We have recommended that medical inspection of a thorough type is very necessary. We have also suggested that wherever available doctors in Government service should undertake the work, and in other places private medical practitioners should be induced to do the work on payment of honorarium. It will be desirable to have a school medical service, if possible, and to institute travelling dispensaries for visiting schools and attending to the needs of children.

5. Term of Reference.—To consider whether it would be necessary to simplify the existing syllabus of physical training for various grades of schools, so that the enforcement of compulsory physical education for all the standards may be possible with ease and without much cost.

In Chapter VIII we have suggested various activities necessary for physical welfare of the students. In Chapter XI we have recommended that the Central Board will prepare new syllabus with a view to include all activities referred to in Chapter VIII. We have also recommended compulsory physical education in all schools and colleges. The question of cost will depend on the detailed scheme drawn up by the Central Board for introducing various physical welfare activities in different kinds of institutions.

6. Term of Reference.—To consider the advisability of undertaking publication of literature conducive to physical training and welfare activities and to encourage good health.

In Chapter VIII we have strongly recommended the organization of an effective propaganda in favour of improving the standard of national health and physical efficiency, and to this end we have suggested the necessity of publishing necessary literature.

7. Term of Reference.—To consider the possibility of constituting and awarding Physical Efficiency badges for boys of various standards as is done in Western countries.

In Chapters XIII and XIV we have urged the desirability of the institution of Physical Efficiency Tests and award of certificates.

8. Terms of Reference.—To consider the advisability of starting refresher courses in Physical Training with a view to increasing the supply of the trained Physical Instructors; and

9. To consider the possibility of conducting examinations for Physical Training Instructors for primary schools and secondary schools and lay down the conditions for such examination.

We have recommended in Chapter XIV the following measures:—

For high schools and anglo-vernacular middle schools—

- (i) a modified type of compulsory training for all Dip. T. and B. T. students in the Spence Training College, Jubbulpore;

- (ii) institution by the University of a Diploma in Physical Education; and
- (iii) training by the University of selected students for the Diploma in Physical Education.

For primary and vernacular middle schools—

- (i) a modified course of compulsory physical instructors training in normal schools for all pupil teachers;
- (ii) organization of refresher courses for all school masters with a view to train all teachers within a specified period;
- (iii) refresher courses for teachers after every seven years of service.

10. Term of Reference.—To consider the advisability of recommending such legislative measures as may be considered necessary for the purpose of making Physical Education compulsory for all students of various grades and for smooth running of the whole scheme of Physical Welfare for students.

In Chapter XI we have suggested the functions of the Central Board for Physical Education with a view to carrying out the physical welfare activities mentioned in Chapter XIII. The details of the scheme will have to be worked out by the Board which is empowered to suggest to Government from time to time the legislative and other measures necessary for the realization of the scheme.

11. Term of Reference.—To consider the advisability of recommending such other steps as may be found necessary to explore the ground with a view to combining the Scout, Junior Red Cross and such other allied activities carried on in schools, into a general activity calculated to instil a sense of *esprit de corps* in the younger generation.

In Chapter VIII we have suggested the institution of a Students Service Corps which will undertake all scouting, red cross and other service activities. We have also suggested that Scouting and Junior Red Cross Associations may continue to do the work they are doing at present. The development of a proper *esprit de corps* founded on the spirit of service will depend upon the constitution of a Students Service Corps on a compulsory basis.

THAKUR CHHEDILAL.
V. S. JHA.
L. J. KOKARDEKAR..

APPENDIX

A brief note on the steps to be taken to bring the scheme into force with effect from 1st April 1938.

FUNCTIONS AND ACTIVITIES OF THE
UPLIFT BOARD

Play-ground and Parks Movements.			Training of Physical Instructors and Organizers.
Propaganda.	CENTRAL BOARD		Tournaments.
Physical Training for school-going and non-school-going population.	School Training Corps and National Guards.	Health activities, Medical Inspection and Health Camps.	Service Activities, Scouting, etc.

FIRST STAGE (ONE YEAR)

1. To constitute Central Physical Uplift Board for five years with effect from the 1st April 1938.
2. To appoint a Director (an expert) of Physical Education or a chief organizer with a small office staff, with effect from the 1st April 1938.
3. To prepare and publish rules relating to the organization of the Department of Physical Education.
4. To prepare rules for compulsory Physical Training for boys of all classes.
5. To improve the present syllabus.
6. To prepare details and start the working of—
 - (a) Schools Training Corps—For students of higher classes.
 - (b) To organize Civic Guards Unit.
7. To organise compulsory Physical Training in Schools and Colleges (on the lines mentioned in the following note).
8. To organise School Medical Service.
9. To conduct a Refresher Class for Physical Training Instructions of the Secondary Schools.
10. To appoint three or four Physical Instructors for Refresher Courses.
11. To appoint one or two Assistant Organizers (as soon as it is found necessary).

1. Compulsory Physical Training will mean that every student on the roll of a recognized School or a College will have such number of periods in a week as will be prescribed by the Central Uplift Board from time to time.

Syllabus of physical training will include instructions in—

- (1) Gymnastics with and without apparatus.
- (2) Athletics.
- (3) Games.
- (4) Scouting.
- (5) Drills and Parades.
- (6) Curative and Health Activities.

2. We recommend that every student in primary and secondary schools should have daily one hour physical activities.

Every college student should have three periods of physical training in a week.

3. Every secondary school and college student should attend—

- (a) Fifty periods of U. T. C. or S. T. C. Parades, in one academic year.
- (b) Every student of the secondary school and college shall attend such number of Health Camps during his academic career as may be fixed by the board.

4. The camps will be organized by the school authorities at suitable places preferably near some village. Duration of the camps should not be less than eight nights.

FINANCIAL IMPLICATION OF THE FIRST YEAR

	Grade		
	Rs.	Rs.	Rs.
(1) Director ...	400—25—800	420×12	4,800
(2) Two Assistant Organizers.	150—10—250	300×12	3,600
(3) One clerk ...	75—5—125	75×12	900
(4) Two clerks ...	40—2—9	80×12	960
(5) Three menials ...	12—1—15	36×12	432
(6) Contingencies ...	Rs. 50 per month	50×12	600
(7) Travelling allowance for the Director.	...	...	1,000
Travelling allowance for Organizers.	...	...	1,000
(8) Propaganda, printing and publication.	..	...	1,000
(9) Four instructors for training classes.	..	50×4×12	2,400
(10) Four instructors for Government colleges.	...	60×4×12	2,880
(11) School Training Corps (for dress for those who need Civic Guide for uniform, etc.)	—	...	5,000
(12) Tournaments ...	...	...	1,000
(13) Health camps (for schools)	...	...	2,000
(14) Refreshers class ...	...	...	3,000
(15) Unforseen expenditure.	...	...	...
		Total ...	<u>30,572</u>

NOTES —(1) It is presumed that each school has one full time physical training instructor.

(2) Private schools and colleges will also make provision of one full time physical training instructor.

(3) Government will continue spending the present amount on medical inspection

NOTE

On the introduction of the scheme the following departmental circulars will be issued :—

- (a) Departmental circulars to Deputy Commissioners, Extra-Assistant Commissioners and other Executive Officers informing them that it is the duty of those officers to organize District Committees of the Board to carry out its activities in the district.
- (b) Departmental circular from all heads of departments asking all subordinate officers to co-operate in the District Committee activities by making it possible for all subordinates to join the Civic Guards and Service Activities.
- (c) (i) Departmental circulars from the Hon'ble Minister for Local Self-Government asking Municipal Committees, District Councils to co-operate with the District Committees and contribute whatever they can towards the recurring cost of the District Committees.
- (ii) Departmental circular informing that the Physical Training work of the District Council and the Municipality shall be under the technical supervision of the Central Uplift Board.
- (d) Circular from Education Department to all administrative officers, heads of institutions and local bodies to co-operate with the District Boards.
- (e) A Departmental circular informing that all the Physical Instructors in the Government Schools and Colleges and the supervision of all health activities shall be under the control of this New Department.

SECOND STAGE (NEXT YEAR)

1. To organize Physical Training for Primary Schools through the Municipalities and District Council and open Akhadas in villages in the Primary Schools and Vidya Mandirs.

2. To organize District Committee of the Uplift Board.
3. To appoint District Organizers.
4. To organize Rural Units of Civic Guards.
5. To organize Health Service Activities in villages.

For carrying out the plan of the Central Provinces

For carrying out the plan of the Central Committee, Municipal and District Committees will be organized. The functions of these Committees will be—

1. To carry out the instructions of the Central Physical Board and its Chief Organizers.
2. To maintain the required number of Gymnasiums and play-grounds and children parks.
3. To help the school Committee to carry out the compulsory Physical Training programme.

4. To arrange for Medical Inspection and make arrangements for treatment and nutrition for those who need and cannot afford.

5. To organize a Unit of Civic Guards.

6. To raise funds for the activities of the District and Municipal Unit of the Centre Board of Physical Uplift.

Personnel of the Municipal Unit shall be—

1. President of the Municipal Committee.

2. Person nominated by the Local Government.

3. Civil Surgeon of the District.

4. Health Officer.

5 and 6. Nominated by Municipal Committee.

7. Nominated to represent by the Sporting Clubs and Gymnasiums.

District Council.

1. Chairman of the District Council—(*Chairman*).

2. Deputy Commissioner.

3. Civil Surgeon.

4. Nominated by Local Government.

5 and 6. Nominated by District Council.

7. Nominated to represent by Clubs and Gymnastic Institutions in District.

FINANCIAL IMPLICATION FOR THE SECOND STAGE

1. Four instructors will continue to conduct classes. $50 \times 4 \times 12 = 2,400$

2. Eighteen District Organizers
Grade—Rs. 75—5—100—Rs. 25
fixed allowance. $100 \times 18 \times 12 = 21,600$

Total ... 24,000

Local Government may give some grants for the organization of the National Guards.

Rs. 500, each district committee ... } 16,000
Rs. 300, each municipal committee ... }

Total ... 40,000

Owing the increments in the salaries of the permanent officers of the Board there will be an annual increase of about Rs. 1,000 in the expenditure in successive years.

REPORT OF THE SYLLABUS COMMITTEE

1. A Committee consisting of the following members was constituted by the order of the Government of the Central Provinces and Berar, Education Department, *vide* Notification No. 536, dated the 17th March 1938 :—

- (1) Dr. Zakir Hussain, M.A., Ph.D.—*Chairman*.
- (2) Mr. L. G. D'Silva, B.A., Officer on Special Duty, Education Department, Central Provinces and Berar.
- (3) Mrs. Sushilabai Mohoni, B.A., B.T., Lady Superintendent, Bhide Girls' High School, Nagpur.
- (4) The Superintendent, Government School of Handicrafts, Akola.
- (5) Dr. Mohammad Ashraf, M.A., LL.B., Ph.D., Allahabad.
- (6) Mr. E. W. Aryanayakam, B.Ed. (Edin.), Dip. Edn. (Cantab.), B.D., F.R.S.A., Wardha.
- (7) The Superintendent, Normal School for Men, Wardha.
- (8) Thakur Chhedilal, Bar-at-Law, M.L.A., Bilaspur.
- (9) Dr. V. S. Jha, B.A., Ph.D., Inspector of Schools, Chhattisgarh Circle, Raipur.—*Secretary*.

2. The terms of reference of the Committee were—

- (i) to revise the syllabi for primary as well as vernacular middle schools in the district council and municipal areas in these provinces;
- (ii) to prepare a syllabus for the Vidya Mandirs;
- (iii) to adjust the syllabi of the primary and vernacular middle schools to suit the continuation classes after the present primary stage;
- (iv) to prepare a syllabus for the training of teachers according to the new syllabus.

These syllabi shall be prepared in accordance with resolution No. 8 of the Haripura Indian National Congress, relating to the Wardha and Vidya Mandir Schemes.

3. The Committee commenced its work on the 25th March 1938 at 3 p.m. in the Hon'ble the Education Minister's room in the Secretariat. The Hon'ble Pandit Ravi Shanker Shukla, Minister for Education, inaugurated the proceedings of the Committee. In his opening speech the Hon'ble the Minister indicated the definite nature of the task before the Committee and emphasized the need of the national objective in curriculum

construction. To explain the full implications of national education, the Hon'ble the Minister further defined the aims of education in the following words :—

“National education should enable our children to become efficient and helpful citizens of a united and free India. It should aim at developing in them character and discipline which is necessary to achieve the independence of the mother-land. Besides these general objectives which all sound education aim at it should be the first concern of our national system of education to inculcate love of the mother-land, reverence for its past and belief in its future destiny as the home of a united co-operative society based on love, truth and justice.”

The Hon'ble the Minister requested the Committee to keep the above aim steadily in view in framing syllabi for various educational institutions mentioned in the terms of reference.

4. The Committee assembled for the first time on the 26th, 27th, 29th and 30th March 1938, to prepare the various syllabi. All members were present, except that sometimes Thakur Chhedilal was called away for work in the Legislative Assembly. On the 27th March 1938, the Committee appointed a sub-committee consisting of Mr. D'Silva (Convener), Mrs. Mohoni, Mr. Aryana-yakam and Mr. Wanmalwar, for the purpose of revising the Wardha Scheme in the light of the special requirements of these provinces and of the departmental syllabi, and for suggesting courses of instruction in other basic crafts which are especially suited to the requirements of the typical areas of these provinces. The sub-committee presented their report on the 29th March 1938. This report constituted the subject of discussion at the subsequent meetings of the Committee. On the 31st March, the Committee considered and signed the final draft of the report.

5. In the time at the disposal of the Committee only the following syllabi could be prepared :—

- (1) A syllabus of studies for the seven years' course of basic education for these provinces.
- (2) A syllabus of studies for a four years' course to be imparted in the Vidya Mandirs.
- (3) A syllabus of studies for a short course of training for the Vidya Mandir teachers.

6. The Committee requested Dr. Jha to prepare a syllabus for the continuation classes as mentioned in paragraph 2 (iii) of the terms of reference for its consideration at a subsequent meeting.

7. The Committee appointed a sub-committee consisting of the following members to prepare a detailed syllabus for the full course of training of teachers according to the new syllabus :—

- (1) Mr. E. W. Aryana-yakam—*Convener*.
- (2) Dr. Zakir Hussain.

8. The Committee assembled again at Wardha on the 26th and 27th August 1938 to consider the remaining items of the terms of reference. Dr. Zakir Husain and Thakur Chhedilal were unable to attend the meeting and the Committee proceeded with its deliberations under the presidency of Mr. Aryanayakam. On the 26th August the Committee discussed the syllabus for the training of teachers prepared by Mr. Aryanayakam and Dr. Zakir Husain, and decided that the course for the training of teachers should be of two years' duration and that a few more subjects should be included in the syllabus than were suggested in the Sub-Committee Report. The Committee also considered it essential that two years of service in schools should intervene between the 1st and 2nd year's training in the training institutions and in view of this consideration the period of training of three years was reduced to two. A sub-committee consisting of—

- (1) Mr. E. W. Aryanayakam,
- (2) Dr. V. S. Jha,
- (3) Mr. U. S. Tomar

was appointed to revise the draft in the light of the Committee's suggestions and to prepare syllabi for the new subjects proposed by the Committee. The Sub-Committee met on the 27th August 1938 in the morning and prepared its report. In preparing the syllabi for Music, Art and Physical Education the Sub-Committee took the assistance of Messrs. G. R. Mishra, S. S. Kulkarni and Dr. L. J. Kokardekar. On the same day in the evening the Committee unanimously adopted the syllabi for the training of teachers according to the new syllabus and continuation classes, which are embodied in this report. The Committee assembled again on the 29th August 1938 at Nagpur in the Secretariat to sign the report. Dr. Ashraf was unable to be present. Thakur Chhedilal joined the meeting at this stage.

9. After preliminary discussions regarding the nature of the new syllabus for basic education, we come to the conclusion that the syllabus prepared by the Wardha Education Committee be taken as the basis of discussion and the necessary changes required by local conditions be incorporated in it. Members of the Committee, who were not connected with the Education Department of the Province, had an opportunity of studying for themselves and discussing with their other colleagues the efforts which have been made in recent years to bring the educational system into line with modern educational practice and in touch with the life of the people. They have nothing but admiration for the work that has been done and they sincerely feel that the active interest generated by recent educational changes in these provinces will help to a considerable degree in making introduction of the syllabi we have proposed here easier than many other places.

10. It is not necessary to enter into a discussion of the principles which have guided us in the construction of the syllabus. It should be sufficient to point out that we have aimed at making the syllabus a means of adjusting the child to his environment and have, therefore, selected three inherently connected centres as factors for the curriculum, viz., the physical environment of the child, the social environment and craft work

which is their natural meeting point. We have kept in view the necessity of carrying on teaching of a child through a real life situation assimilated into his growing activity.

11. As will be seen from the syllabi herewith presented we have been guided by the principle that basic education does not require, nor permit, of great variations. The age period covered by the basic education of seven years is not one of marked differentiation. The problem of differentiated syllabi and differentiated schools is essentially one of education higher than the basic. The syllabus we have constructed will, therefore, in the main, be the same for rural and urban as well as for boys' and girls' schools.

12. The choice of the basic craft, which is one of the chief centres round which the syllabus is constructed, can, of course, differ in the rural and urban areas. This difference will reflect the differences of the environment in which the schools are situated. In the case of boys and girls, we feel that no material difference in basic education is necessary. Usually the introduction of what is called "Domestic Science" is intended to meet the needs of girls' education. The syllabus we have prepared, being a closely co-ordinated unity, it has not been thought necessary to add a special subject for girls. A good deal of the subject matter usually taught as "Domestic Science" is included in our general science syllabus. We have further made provision for a course in sewing for girls in classes V, VI and VII. The course is the same as prescribed in the Central Provinces Middle School syllabus, for 1937. The time for this will be found by dropping compulsory agriculture in class V and by reducing the time devoted to the basic craft in classes VI and VII. Instruction in sewing shall be for two periods of 40 minutes each every week.

13. The terms of references Nos. (i) and (ii) require us to revise the syllabi for primary as well as vernacular middle schools in the district council and municipal areas of these provinces and to prepare a syllabus for the Vidya Mandirs.

As will be seen, we have prepared a seven years' syllabus of basic education and have recommended the syllabus for the first four years with minor alterations for adoption in the Vidya Mandirs. We have done so, in view of the Haripura Congress Resolution, according to which we think that a seven years' basic education should be the national minimum. We do not wish to complicate and side track the issue by introducing the technical terms—primary and middle education. The unit of basic education should be a seven years' course. Whenever possible the seven years' course should be adopted. Where this is not possible, every effort should be made to make it so at the earliest opportunity. If, in the Vidya Mandirs and some other schools, it is proposed to give only a course of four years' duration, this should be considered a temporary measure necessitated by present financial circumstances. We hope all the schools imparting a four years' education will soon be able to extend their courses to seven years. During the period when this is not practicable—and we hope and trust it would be a brief period—arrangements for extending the periods of instruction, by instituting continuation classes should be made, a course for which

is submitted as asked for in the terms of reference. But we cannot sufficiently emphasise that we consider these measures to be temporary, to be replaced, at an early date, by a full-fledged seven years' course of basic education. This, we take it, is the nation's minimum demand.

14. We have made minor alterations in the first four years' basic course in order to adapt it to the needs of the Vidya Mandirs. We have, however, kept the course in social studies in tact, although, if we had contemplated the possibility of a Vidya Mandir pupil's education coming finally to an end after four years, we might have tried to round off the course a little. We suggest that, if even after two or three years from now, there is no expectation of extending the period of education at the Vidya Mandirs, the course in social studies for the fourth grade may be revised and instructions given to the teachers to cover some essential items from the subject matter now intended for the subsequently grades. We hope the contingency will not arise.

15. Craft work is one of the chief centres of the proposed syllabus and one of its most important elements. We have included detailed syllabi for agriculture, spinning and weaving and wood-work as basic crafts. The syllabus for wood-work has been prepared by an experienced expert. It was, however, suggested by some of our members that some portions of the syllabus may prove difficult in the lower classes. We are of opinion that the syllabus, as it is here given, may be tried and changes, if any, be made in the light of actual experience.

We should not be understood to imply that a list of possible basic crafts for our educational work is exhausted by the three crafts mentioned above. We understand that there is a wealth of craft activity in the various parts of these provinces which can be made use of for educational purposes and we are anxious to see that this is done. In making the choice of a basic craft for a school, it should, however, be borne in mind that the craft chosen is rich in educative possibilities and "has natural points of correlation with important human activities and interests".

In view of the local conditions and of the raw materials available in certain compact areas of these provinces, we recommend the adoption of the following as basic craft in schools situated in the appropriate areas : —

Gur-making, kosa silk, bamboo work, clay work, leather work, paper-making and utilization of bone.

The Department of Education may be requested to get detailed syllabi for these crafts prepared with the assistance of experts.

16. We gave considerable thought to the principle of basing instruction in the mother-tongue on a well selected and standardized vocabulary. The work done in this respect in the Central Provinces for primary schools indicates rich possibilities and we approve of the principle of founding instruction in language on a standardized vocabulary suited to pupils of different grades. We, however, hope that work in vocabulary construction will be extended and adjusted to the characteristic requirements of the principles of basic education. We also suggest that the principle we here approve will guide the preparation of text books especially designed for the needs of the new scheme of education.

17. The Wardha Committee Report was based upon the assumption that the number of working days in a school will be 288 each year. Some of us have felt that this number is excessive and offers no respite to the overworked teacher. On the other hand, we have noticed a tendency unreasonably to increase the number of holidays allowed in the course of the year. We feel that the number of working days, which is 192 at present, could certainly be increased without causing much hardship. After a full consideration of the various demands, we have reached the conclusion that the total number of holidays in the year should not exceed 90, and we hope this number will meet all needs.

18. It would appear that the courses of instruction we have suggested for the short course of the training of Vidya Mandir teachers are not as full of detailed content as they might have been. This omission, if at all, is deliberate. The novelty of the new type of training as well as the exigency of an extremely limited duration of the course require considerable scope for minor adjustments of details and we are of opinion that a comparatively free hand should be allowed in the matter to the organizers of the course. For the same reason we have purposely refrained from recommending text-books for use in the normal schools. We desire to give the teachers in the normal schools fullest opportunity for making the best use of the brief time at their disposal, and we fear, that any attempt to be rigid in this respect might hamper their task.

ZAKIR HUSAIN.

E. W. ARYANAYAKAM.

LEONARD G. D'SILVA.

K. R. WANMALWAR.

P. B. DIXIT.

S. MOHONI.

V. S. JHA.

T. C. LAL.

MOHD. ASHRAF.

A SHORT NOTE BY DR. ZAKIR HUSAIN

Owing to my unavoidable absence from the last meeting of the Committee I was not able to discuss with my colleagues certain matters which may have a very far-reaching effect on the success which the syllabus, we have suggested, will achieve in realizing the objects for which it is intended. I wish, therefore, to record my personal view for the information of the Government.

The name Vidya Mandir which is proposed to be given to some of the schools in the province has been a subject of keen

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Addendum to the Report of the Syllabus Committee, 1939

No. 1, dated Nagpur, the 30th May 1939.

PAGE 7

Insert the following below the short note by Dr. ZAKIR Husain:—

"This note was written by Dr. Zakir Husain when the agitation regarding the name of Vidya Mandir was being carried on in the province. Subsequently a conference of Muslim M. L. As. with the Prime Minister was held on the 7th and 8th February 1939 at which Nawabzada Liaqatali Khan, Secretary, the All-India Muslim League, was also present. As a result of this the agitation against the name of Vidya Mandir was dropped."

G. G. R. HUNTER,
Secy. to Govt., C. P. & Berar,
Education Department.

ZAKIR HUSAIN.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
SYLLABUS COMMITTEE

With Syllabus for (1) Basic National Education, (2) Vidya Mandirs, (3) Training of Teachers according to new syllabus of Basic National Education, (4) Training of Teachers of Vidya Mandirs, and (5) Continuation Classes

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1939

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- (3) Mr. U. S. Tomar

was appointed to revise the draft in the light of the Committee's suggestions and to prepare syllabi for the new subjects proposed by the Committee. The Sub-Committee met on the 27th August 1938 in the morning and prepared its report. In preparing the syllabi for Music, Art and Physical Education the Sub-Committee took the assistance of Messrs. G. R. Mishra, S. S. Kulkarni and Dr. L. J. Kokardekar. On the same day in the evening the Committee unanimously adopted the syllabi for the training of teachers according to the new syllabus and continuation classes, which are embodied in this report. The Committee assembled again on the 29th August 1938 at Nagpur in the Secretariat to sign the report. Dr. Ashraf was unable to be present. Thakur Chhedilal joined the meeting at this stage.

9. After preliminary discussions regarding the nature of the new syllabus for basic education, we come to the conclusion that the syllabus prepared by the Wardha Education Committee be taken as the basis of discussion and the necessary changes required by local conditions be incorporated in it. Members of the Committee, who were not connected with the Education Department of the Province, had an opportunity of studying for themselves and discussing with their other colleagues the efforts which have been made in recent years to bring the educational system into line with modern educational practice and in touch with the life of the people. They have nothing but admiration for the work that has been done and they sincerely feel that the active interest generated by recent educational changes in these provinces will help to a considerable degree in making introduction of the syllabi we have proposed here easier than many other places.

10. It is not necessary to enter into a discussion of the principles which have guided us in the construction of the syllabus. It should be sufficient to point out that we have aimed at making the syllabus a means of adjusting the child to his environment and have, therefore, selected three inherently connected centres as factors for the curriculum, *viz.*, the physical environment of the child, the social environment and craft work

which is their natural meeting point. We have kept in view the necessity of carrying on teaching of a child through a real life situation assimilated into his growing activity.

11. As will be seen from the syllabi herewith presented we have been guided by the principle that basic education does not require, nor permit, of great variations. The age period covered by the basic education of seven years is not one of marked differentiation. The problem of differentiated syllabi and differentiated schools is essentially one of education higher than the basic. The syllabus we have constructed will, therefore, in the main, be the same for rural and urban as well as for boys' and girls' schools.

12. The choice of the basic craft, which is one of the chief centres round which the syllabus is constructed, can, of course, differ in the rural and urban areas. This difference will reflect the differences of the environment in which the schools are situated. In the case of boys and girls, we feel that no material difference in basic education is necessary. Usually the introduction of what is called "Domestic Science" is intended to meet the needs of girls' education. The syllabus we have prepared, being a closely co-ordinated unity, it has not been thought necessary to add a special subject for girls. A good deal of the subject matter usually taught as "Domestic Science" is included in our general science syllabus. We have further made provision for a course in sewing for girls in classes V, VI and VII. The course is the same as prescribed in the Central Provinces Middle School syllabus, for 1937. The time for this will be found by dropping compulsory agriculture in class V and by reducing the time devoted to the basic craft in classes VI and VII. Instruction in sewing shall be for two periods of 40 minutes each every week.

13. The terms of references Nos. (i) and (ii) require us to revise the syllabi for primary as well as vernacular middle schools in the district council and municipal areas of these provinces and to prepare a syllabus for the Vidya Mandirs.

As will be seen, we have prepared a seven years' syllabus of basic education and have recommended the syllabus for the first four years with minor alterations for adoption in the Vidya Mandirs. We have done so, in view of the Haripura Congress Resolution, according to which we think that a seven years' basic education should be the national minimum. We do not wish to complicate and side track the issue by introducing the technical terms—primary and middle education. The unit of basic education should be a seven years' course. Whenever possible the seven years' course should be adopted. Where this is not possible, every effort should be made to make it so at the earliest opportunity. If, in the Vidya Mandirs and some other schools, it is proposed to give only a course of four years' duration, this should be considered a temporary measure necessitated by present financial circumstances. We hope all the schools imparting a four years' education will soon be able to extend their courses to seven years. During the period when this is not practicable—and we hope and trust it would be a brief period—arrangements for extending the periods of instruction, by instituting continuation classes should be made, a course for which

is submitted as asked for in the terms of reference. But we cannot sufficiently emphasise that we consider these measures to be temporary, to be replaced, at an early date, by a full-fledged seven years' course of basic education. This, we take it, is the nation's minimum demand.

14. We have made minor alterations in the first four years' basic course in order to adapt it to the needs of the Vidya Mandirs. We have, however, kept the course in social studies in tact, although, if we had contemplated the possibility of a Vidya Mandir pupil's education coming finally to an end after four years, we might have tried to round off the course a little. We suggest that, if even after two or three years from now, there is no expectation of extending the period of education at the Vidya Mandirs, the course in social studies for the fourth grade may be revised and instructions given to the teachers to cover some essential items from the subject matter now intended for the subsequently grades. We hope the contingency will not arise.

15. Craft work is one of the chief centres of the proposed syllabus and one of its most important elements. We have included detailed syllabi for agriculture, spinning and weaving and wood-work as basic crafts. The syllabus for wood-work has been prepared by an experienced expert. It was, however, suggested by some of our members that some portions of the syllabus may prove difficult in the lower classes. We are of opinion that the syllabus, as it is here given, may be tried and changes, if any, be made in the light of actual experience.

We should not be understood to imply that a list of possible basic crafts for our educational work is exhausted by the three crafts mentioned above. We understand that there is a wealth of craft activity in the various parts of these provinces which can be made use of for educational purposes and we are anxious to see that this is done. In making the choice of a basic craft for a school, it should, however, be borne in mind that the craft chosen is rich in educative possibilities and "has natural points of correlation with important human activities and interests".

In view of the local conditions and of the raw materials available in certain compact areas of these provinces, we recommend the adoption of the following as basic craft in schools situated in the appropriate areas: —

Gur-making, kosa silk, bamboo work, clay work, leather work, paper-making and utilization of bone.

The Department of Education may be requested to get detailed syllabi for these crafts prepared with the assistance of experts.

16. We gave considerable thought to the principle of basing instruction in the mother-tongue on a well selected and standardized vocabulary. The work done in this respect in the Central Provinces for primary schools indicates rich possibilities and we approve of the principle of founding instruction in language on a standardized vocabulary suited to pupils of different grades. We, however, hope that work in vocabulary construction will be extended and adjusted to the characteristic requirements of the principles of basic education. We also suggest that the principle we here approve will guide the preparation of text books especially designed for the needs of the new scheme of education.

17. The Wardha Committee Report was based upon the assumption that the number of working days in a school will be 288 each year. Some of us have felt that this number is excessive and offers no respite to the overworked teacher. On the other hand, we have noticed a tendency unreasonably to increase the number of holidays allowed in the course of the year. We feel that the number of working days, which is 192 at present, could certainly be increased without causing much hardship. After a full consideration of the various demands, we have reached the conclusion that the total number of holidays in the year should not exceed 90, and we hope this number will meet all needs.

18. It would appear that the courses of instruction we have suggested for the short course of the training of Vidya Mandir teachers are not as full of detailed content as they might have been. This omission, if at all, is deliberate. The novelty of the new type of training as well as the exigency of an extremely limited duration of the course require considerable scope for minor adjustments of details and we are of opinion that a comparatively free hand should be allowed in the matter to the organizers of the course. For the same reason we have purposely refrained from recommending text-books for use in the normal schools. We desire to give the teachers in the normal schools fullest opportunity for making the best use of the brief time at their disposal, and we fear, that any attempt to be rigid in this respect might hamper their task.

ZAKIR HUSAIN.*

E. W. ARYANAYAKAM.

LEONARD G. D'SILVA.

K. R. WANMALWAR.

P. B. DIXIT.

S. MOHONI.

V. S. JHA.

T. C. LAL.

MOHD. ASHRAF.

*Subject to a short note herewith appended.

A SHORT NOTE BY DR. ZAKIR HUSAIN

Owing to my unavoidable absence from the last meeting of the Committee I was not able to discuss with my colleagues certain matters which may have a very far-reaching effect on the success which the syllabus, we have suggested, will achieve in realizing the objects for which it is intended. I wish, therefore, to record my personal view for the information of the Government.

The name Vidya Mandir which is proposed to be given to some of the schools in the province has been a subject of keen controversy for months. Without wishing to enter into the merits of the question I wish to point out that there is a strong feeling against the use of this name among a section of the people in as well as outside the province. I have taken pains to assure myself that the feeling is genuine and sincere. It would be unfortunate, indeed, if the insistence on a new name should be allowed to thwart the central idea which the Committee steadily had in view throughout their labours, namely, the framing of a syllabus of basic national education which should help the pupils to become, in the words of the Hon'ble the Education Minister, "helpful citizens of a United India" believing in the future destiny of their motherland as "the home of a united co-operative society based on love, truth and justice". No syllabus can serve this purpose in an atmosphere surcharged with suspicion and distrust. The ultimate success of any new educational effort will depend on removing the distrust. Besides the name, it should, in my opinion, be made plain beyond the shadow of a doubt, that in putting the new syllabus into operation, in the preparation, for instance, of new text-books, in the provision of facilities regarding the medium of instruction for the various language groups, every attempt will be made to see that the interests of no section of the people are neglected. It should also be made unmistakably clear that the establishment of some schools to be supported from the income of lands given as gift for their maintenance does not by any means imply that educational facilities will not be provided by the Government in places where such an arrangement is not possible. Only when people are reassured on these points could the new syllabus, the Committee have suggested, have a fair chance of success. I am sure it will be given that chance.

ZAKIR HUSAIN.

Syllabus for Basic National Education

SYLLABUS FOR BASIC NATIONAL EDUCATION

The following subjects shall be taught in the schools for Basic National Education :—

- (1) Agriculture.
- * (2) Basic craft—
Spinning and weaving, or card board and wood-work, or any other craft approved by Government.
- (3) Mother-tongue.
- (4) Mathematics.
- † (5) Social Studies.
- (6) General Science.
- (7) Music.

2. The detailed courses of instruction in the above subjects are given below :—

1.—BASIC CRAFT

N. B.—The time allotted to the basic craft is not meant to be spent only on the mechanical practice of the craft but oral work, drawing and expression work naturally connected with it as well as instruction in the why and wherefore of the processes involved, *i. e.*, their scientific and intelligent understanding, which is one important educative aspect of craft work, will also be given during this time. This is clearly implied in our scheme of three-centred co-ordination. The time indicated against each basic craft in the syllabus is intended to give general guidance.

(a) AGRICULTURE

The syllabus has two distinct parts. The first relates to the period beginning from grade 1 to grade V, when agriculture will not be taken up as a basic craft. During this period the aim will be to provide a suitable course to interest and instruct the pupils in the fundamental principles of soil management and plant growth.

*Other basic crafts suggested by the Committee in view of the requirements of the Province are—

- (1) Gur-making, kosa silk, bamboo work, clay work, leather work, paper-making and utilization of bone.

Government may get syllabi based on these crafts prepared with the help of experts.

- (2) Girls will take the course of Sewing in classes V, VI and VII. The course will be the same as prescribed in the Middle School Syllabus, 1937 Edition. The time for teaching will be found out by dropping compulsory agriculture in class V and by reducing the time allowed to craft work in classes VI and VII. Instruction in this subject shall be given for 2 hours each week.

†One aspect of instruction in this subject is practical physical training. Every day 40 minutes shall be devoted to physical and health education. The period shall not be split up into units smaller than of 15 minutes' duration at each time.

The nature of instructions in various exercises, games, drills and sports shall be according to the syllabus suggested by the Central Board of Physical Welfare which is proposed to be constituted by the Central Provinces Government.

The second relates to the period of grades VI and VII, when the pupils may take agriculture as the basic craft. The practical and theoretical courses for each year are so correlated that while practising the first the second could very easily be explained to and assimilated by the pupils.

Grade I

N. B.—Pupils in this class will be ordinarily of the age of 6. Garden work only will be done on a small portion of the demonstration plot. Pupils will use only very small khurpies and watering cans. The first half year will be spent entirely in observation. Practical work as suggested below would begin in the next half year.

TIME—HALF AN HOUR EACH WEEK

Practical.

1. Sowing of seeds in the nursery.
2. Watering the nursery.
3. Care of seedlings and plants (garden)—
 - (a) Watering.
 - (b) Weeding.
 - (c) Mulching.
 - (d) Picketing insects.
 - (e) Manuring the nursery and small garden plants with fertilizers.
4. Collection of seeds of flower plants and vegetables in the garden.
5. Animal husbandry.
 - Feeding domestic birds and animals.
 - Taking care of the young of pets.

Observational.

1. Recognition of a plant and its different parts—Roots, stems, leaves, flowers and fruit.
2. How a plant develops from the seed—Seed, root, stem, leaves, flowers and fruit.
3. What the plant needs for its growth—Soil, water, food, light and air.
4. Uses of birds and animals.

N. B.—In addition to the above, the pupils will be taken round the fields in the village for observational purposes.

Grade II

Practical.

1. Sowing of seeds.
2. Preparation of small seed beds in boxes.
3. Preparing areas to take seedlings—garden beds of small sizes—
 - (a) Digging.
 - (b) Manuring.
 - (c) Khurpi work.

4. Transplanting of vegetable and flower seedlings—
 - (a) Spacing.
 - (b) Handling.
 - (c) Planting.
 - (d) Watering.
 - (e) Protection.
5. Mulching and weeding with khurpies.
6. Manuring—
 - (a) Top-dressing.
 - (b) Mixing.
7. Picking insects and spraying the diseased parts of plants.
8. Propagation other than by means of seed.
Use of cuttings—how performed—results to be noted later.
9. Animal husbandry—
Keeping pets and observing their habits.
10. Art and craft—
Preparing designs in the garden based on certain geometrical figures. Preparation of bouquets and garlands. Making hanging pots for flower plants and creepers from bamboo chips.

Observational.

1. How the site for a nursery should be selected and a nursery made.
 2. Kind of soil and manure required.
 3. Recognition of good and bad seed.
 4. Effect of the quality of seed on germination.
 5. Functions of different parts of the plant—
 - (a) *Root*.—Fixation in the soil—absorption of food.
 - (b) *Stem*.—Absorption—carrying the food and sustaining the upper growth.
- N. B.*—Red ink experiment may be performed in the class room to show how the absorbed material rises through the channel.
6. *Time of planting*.—Late in the afternoon.
Watering.—Early in the morning and late in the afternoon.
 7. *Collection of seed*.—Where and how to collect.
- N. B.*—The pupils will be taken round the farm when important operations are in progress, for purposes of observation.

Grade III

Practical.

N. B.—In this class, all the operations in the flower and vegetable garden will be done by the pupils. They will be able to handle and work with small sized spades, forks, kudalies and other hand tools.

1. All operations done in the two previous classes to be repeated.
2. Potting the plants.

3. Preparation of leaf mould and compost for pots.
4. Propagation of plants by layering. Results to be noted later.
5. Rearing of caterpillars to see the four stages.
6. Mulching of flower and vegetable beds during breaks.
7. The use of manured and unmanured pots to observe the difference in the growth of plants.
8. Animal husbandry.
Tending the animals.

Observational.

1. Study of germinated seeds—
 - (a) Embryo.
 - (b) Cotyledons.
 Embryo grows into plumule and radical.
 Contents of cotyledons. Growth of plumule upwards, and of radical downwards. Fate of cotyledons as a plant grows.
2. Study of roots—
 - (a) Tap root.
 - (b) Fibrous root.
3. Study of stem, division into bark and wood, nodes, internodes, buds, branches and leaves. Difference between a root and a stem.
4. Life history of a butterfly and grasshopper.
5. *Crop pests*—Stem and shoot borer. Control measures.
6. Pot filling—
 - (a) Material required for filling the pots.
 - (b) Qualities of a good leaf mould and the proportion in compost.
7. Necessity of manures and their functions.
The use of artificial manures.
8. Disposal of night-soil. Its value as manure.
9. Knowledge of the different dairy products.

Grade IV

Practical.

1. Growing of rainy season vegetables in the garden plots. Cucurbits, beans, brinjals, etc. (according to locality).
2. Preparation of land in the garden for transplanting the seedlings.
3. Manuring the land.
4. Laying out the land for irrigation and irrigating the crops after transplanting and thereafter.
5. Top-dressing of vegetable crops with different fertilizers. Ammonium sulphate, nicifos and nitrate of soda.

6. Percolation and capillary experiments with and without mixture of manure, lime and sand.

7. Study of different ploughs—

(a) Wooden.

(b) Iron ploughs—monsoon, J. A. T., Kokan and Ridging.

Their functions by observation while they are being worked in the fields.

8. Visits to the neighbouring hills where possible to demonstrate the formation of the soil.

9. Poultry-farming.

Feeding, cleaning the sheds and the runs; collecting eggs; hatching; care of chickens.

Observational.

1. Recognition of field crops. Division into two main groups according to the time of sowing. Rabi and Kharif.

2. Study of soil—

(a) Formation of soil.

(b) Agencies which bring about the weathering and tearing of rocks—

(i) Air.

(ii) Water.

(iii) Heat.

3. Recognition of soils of the locality.

4. Their classification into sandy, loamy and clay.

5. Recognition by—

(a) Feel, granulation, colour, weight.

(b) Mechanical analysis of each.

(c) Physical characters of each.

(d) Correlation between texture and structure of a soil. Presence of air and its effect on absorption, percolation and capillary rise.

(e) To deduce from above the suitability of soils for kharif, rabi and garden crops.

6. Forms of soil moisture.

7. The control of soil moisture.

8. Necessity of manures and their functions.

When, how, and in what quantities artificial manures should be applied.

Grade V

Practical.

1. Weeds and weeding.

2. Wooden and iron ploughs. Their functions by observation during their use in the field.

3. Bakharing or harrowing.

Difference between ploughing and bakharing to be observed.

4. Cultivation of vegetables. In addition to rainy season vegetables, cold weather vegetables, such as cauliflower, lettuce, cabbage, knolkol, french beans, tomatoes and peas will also be grown on the plot.

5. Study of roots of cotton, jowar, tur and gram.

6. Planting of the pieces of the roots of radish and carrot, and of the stems of potatoes, arun, and ginger for the recognition of roots and stem.

7. Pupils to collect many kinds of leaves and to divide them first according to veins and later on into simple and compound leaves.

8. Pupils to observe and to note the time of opening of flowers in their garden.

9. Compost making from weeds and other vegetable matter collected in the garden.

10. Field experiments to be carried out in special small plots, set aside in the garden for observation purposes to note the effects of manuring, weeding and mulching—

(a) Manured *versus* unmanured plots with the same crop and uniform treatment in other respects.

(b) Weeded *versus* unweeded plot.

(c) Crop weeded and hoed *versus* weeded only.

Theoretical.

1. Kinds of weeds.

2. Necessity of weeding. When and how to weed.

3. Effect of cultivation on weeds—

(a) Deep for perennials.

(b) Shallow for annuals.

4. Utility of mulching during and after rains. The effect on—

(a) Absorption and retention of soil moisture for rabi crops.

(b) Weeds.

5. Country and iron ploughs to be compared. Difference in—

(a) Make.

(b) Work.

(c) Advantages of monsoon plough over the country plough.

6. Kind of work a bakhar does. The difference between the working of a plough and a bakhar. Effect of bakharing rabi lands during breaks in rains.

7. Formation of roots and their division into two root systems. Tap and fibrous.

8. Modification of the roots and stems.

9. Observation of roots such as the radish, sweet potato and carrot, and stems such as potato, arun, ginger, and their distinguishing characters.

10. Adventitious roots such as on banyan tree, jowar, wheat and creepers.

11. Study of flowers, as regards the arrangement of parts, colour, smell and the time of opening.

12. Method of preparing manures. Cow-dung manure and urine earth.

N. B.—Pupils will be required to work in the fields, and carry out all operations in growing crops.

Practical.

1. Yoking bullocks to bakhar and ploughs, and straight driving.

2. Growing of suitable crops of the tract. Cultivation in detail from preparation of the land to threshing and cleaning of grain of some of the locally grown rabi and kharif crops.

3. Working of all necessary implements used in raising field and garden crops. Hoes, seed-drills, ridging-ploughs and cultivators.

4. Cultivation of garden crops—chillies, sugar-cane, potato, arun, ginger, turmeric, peas, etc.

5. Storing of cow-dung in pits and conservation of urine by urine earth system.

6. Growing sann hemp for green manuring.

7. Manuring the fields with cow-dung and urine earth.

8. Green manuring with sann hemp for garden crops and rice if locally grown.

9. Use of liquid manures.

10. Rotation practised on the farm to be demonstrated.

11. Collection of flowers and their classification according to parts.

Observation of which insects visit the flower and what they do there

12. Horticulture—Propagation of plants—

(a) Guavas by "Ghootee".

(b) Oranges and roses by "budding".

(c) Mangoes by "enarching" and "grafting".

13. Planting of propagated plants—

(a) Lay out;

(b) digging of pits;

(c) filling and manuring of pits;

(d) planting of plants;

(e) spacing of plants according to size;

(f) irrigation;

(g) pruning of fruit trees and shrubs.

14. Field experiments to be carried out in special small plots set aside in the garden, and observations noted down in each case.

(a) *Rotational.*—(i) Same crop to be grown continuously in the same plot; (ii) same crop to be grown in rotation with suitable crop.

- (b) *Cultivated and bakhared versus cultivated and trampled plots in black soil.*—Observation to be made during rains. To explain absorption and importance of frequent stirring during rains and conservation of moisture at the end of the season for rabi crops.
- (c) Growth of plants to be observed in surface and sub-soils, plants to be grown in pots filled with both soils.

Theoretical.

1. Storing of seed.
2. Test of good seeds—
 - (a) Gravitation.
 - (b) Germination percentage.
3. Preparation of seed-bed according to the size of the seed—
 - (a) Fine for fine seeds.
 - (b) Coarse for big seeds.
4. Methods of irrigation—
 - (a) Preparing beds.
 - (b) Flood.
 - (c) Principles to be kept in mind according to the texture and situation of the soil.
5. *Soils*—Comparison of surface and sub-soil—
 - (a) Depth at which separation occurs.
 - (b) Feel, granulation and colour.
 - (c) Stickiness and wetness.
 - (d) Amount of organic matter present.
 - (e) Difference in the fertility of the surface and sub-soil.
 - (f) Care to be taken while ploughing not to bring the sub-soil to the surface.
6. Necessity of ploughing—
 - (a) Destruction of weeds and insects.
 - (b) Clearing the fields.
 - (c) Turning the soil.
 - (d) Formation of plant food.
 - (e) Retentive capacity of cultivated and uncultivated land.
 - (f) Effect on rabi crops.
 - (g) Necessity of moonsoon ploughing and constant bakharing during breaks in the rains.
7. Study of farm crops—
 - (a) Recognition of crops grown in the locality, attention to be drawn to—
 - (i) Time and method of sowing.
 - (ii) Seed rate per acre.
 - (iii) Distance between the rows.
 - (iv) Various operations performed during its growth. How and why?
 - (v) Harvesting time.
 - (vi) Outturn per acre.

8. Ploughs and bakhar to be studied—
 - (a) Their various parts and the work done by each.
 - (b) Comparison of working of a bakhar and disc harrow.
 - (c) When the disc harrow is used—to crush the clods and prepare tilth to simplify the working of a bakhar in weedy land.
9. Study of other harrows—their work and purpose.
10. General principles to be given in the class room regarding the ways, methods, and time of plant-propagation, oranges, mangoes and guavas.
11. Cultivation of fruit trees to be taken in details—
 - (a) Oranges.
 - (b) Lemons.
 - (c) Guavas.
 - (d) Other fruit trees.
12. Rotation of crops—
 - (a) Its necessity.
 - (b) Purpose.
 - (c) Effect on fertility.
 - (d) How to arrange it.
13. Detailed study of sugarcane crop.
14. Manures in details with classifications—
 - (a) Plant is built up of gaseous matter and ashes. Where does each come from?
 - (b) The main ingredients of a manure—nitrogen, potash and phosphorus.
 - (c) Effect of each on the plant growth.
 - (d) Bulky and concentrated manures.
 - (e) What crops can be used for green manuring? Time for green manuring.
15. Other methods of preserving the fertility of soil—rotation, judicious cultivation.
16. Detailed study of field and garden crops continued.
17. Plans and estimates for the construction of simple sheds and stables with practical training wherever possible.
18. Practice in the elements of smithy and carpentry necessary for mending agricultural implements.

Grade VII

Practical.

1. Threshing, winnowing and cleaning of crops raised after harvesting them. Fitting of a winnowing machine to clean different crops.
2. (a) The pupils to study the pests on the crops they have grown.
- (b) Preparation of insecticides and spraying.
3. Study of flowers (continued).
4. Raising of crops to be continued—field, garden and fruit.

5. Preparation of guc.
6. Experiments to be performed to show that plants give out oxygen in assimilation.
7. Dismantling and re-fitting of sugarcane crushing mill.
8. Turnwrest and Sabul ploughing. Dismantling and re-fitting the above two ploughs.
9. *Animal husbandry*.—Care of animals—Better housing, cleanliness, proper feeding, when at light or hard work.
10. *Dairying*.—Milking and preparing products from milk. How to judge good milkers?

Chief points to be remembered and demonstrated.

11. Cattle diseases—
 - (a) Treatment of ordinary cases such as wounds, inflammations skin-diseases, etc.
 - (b) *Contagious diseases*.—Observations of such animals and their treatment.
12. If possible, the pupils may run a co-operative shop in the school.
13. *Farm accounts*.—The boys to keep complete account of the school farm, to work out profit and loss per crop as well as for the whole farm on prescribed registers.
14. Field experiments to be carried out in special small-sized plots set aside in the garden and observations noted down in each case periodically, and conclusions drawn at the end of the trial—
 - (a) Thick planting *versus* proper planting.
 - (b) Crop grown in plot exposed to sunlight *versus* crop shaded from sunlight.
 - (c) Observation of plant growth and water holding capacity in sandy soil *versus* sandy soil manured with humus, heavy soil *versus* heavy soil manured with humus.
 - (d) Observation of effect of exposure to weather of soil cultivated when wet or dry.

Theoretical.

1. (a) Seed drills.
(b) Threshing machine Olpad.
(c) Winnower.
2. Pests—
 - (a) What are pests?
 - (b) Natural and artificial means of checking them.
 - (c) Harmful and beneficial insects.
3. Flowers and fruits—
 - (a) Flowers studied in detail with reference to male and female elements.
 - (b) Pollination as a means of fertilization and the agencies of pollination.
 - (c) Division of fruit into dehiscent, indehiscent, dry and pulpy.
 - (d) Means of seed dispersal.

4. Exhalation of oxygen from the leaves—
 - (a) Nutrition.
 - (b) Green colour and the effect of sunlight. Transpiration—Means of decreasing and increasing transpiration.
5. Implements—
 - (a) Sugarcane crushing mill.
 - (b) Fodder cutter. Cost, outturn and working expenses of each.
6. Special method of eradicating—
 - (a) “Kans”—bunding the fields, uprooting in rains by deep ploughing followed by constant bakharing during breaks in rains and after.
 - (b) “Nagarmotha”—by growing sann crop in the field.
 - (c) “Dub”—by deep ploughing in hot weather and constant bakharing during breaks in rains and after.
7. Effect of deep and shallow ploughing on perennial weeds and insects. Deep and shallow ploughing according to the soil and season. When and with what purposes the spring and spike tooth harrows are used.
8. *Cattle-breeding*.—Principles of breeding and rearing of cattle. Selections of good bull, suitable cows; cross-and in-breeding and proper selections.
9. *Cattle diseases*—
 - (a) To distinguish a sick animal from a healthy one.
 - (b) Segregation of sick animals.
 - (c) Care of sick animals. Housing and feeding. General precautions to be taken to protect one’s herd from contagious diseases.
10. Detailed study of field and garden crops (continued).
11. *Co-operation*—
 - (a) Instruction in principles of co-operation in a village.
 - (b) Its advantages.
12. *Farm account*—
 - (a) Stock book.
 - (b) Classified contingent register.
 - (c) Cash book.
 - (d) Diary.
 - (e) Muster-roll, weekly and monthly.
 - (f) Ledger.
13. Preparation of final yearly accounts and how to work out profit and loss.

N. B.—Revision of the portions taught in the previous classes in soils, cultivation, manures, crops, etc. The pupils would continue to work in the field throughout the year in crops grown by them.

(b) SPINNING AND WEAVING**Grade I—First Term**

1. The following processes should be taught during this term :—

- (a) Cleaning cotton.
- (b) Spinning on the takli.
- (c) Winding yarn on to the winder.

2. The speed at the end of six months, including winding, should be $1\frac{1}{2}$ lattis (hanks of 160 rounds) of 10 counts yarn in three hours.

3. The average daily speed for the six months should be $\frac{3}{4}$ latti of 10 counts yarn, *i.e.*, the total production of 144 days is 27 goondis (hanks of 640 rounds), weighing 1 seer $1\frac{1}{2}$ pows.

Grade I—Second Term

1. In this term, carding should be taught.

2. At the end of six months, the speed of carding (including the making of slivers) should reach $2\frac{1}{2}$ tolas an hour.

3. At the end of six months, the speed of spinning on the takli, including winding, should be 2 lattis of 10 counts yarn in three hours.

4. The average speed of spinning on the takli for this term, including carding, should be $1\frac{1}{4}$ lattis of 10 counts yarn in three hours. The total production will be 45 goondis weighing $2\frac{1}{4}$ seers.

Problems connected with the mechanics of spinning on the takli.

1. If a greater amount of yarn is wound on the takli, why is the rate of revolution of the takli reduced?

2. If the yarn is loosely wound on the takli, why does the rate of revolution of the takli decrease?

3. Why do we apply ash while spinning in order to increase the rate of revolution of the takli?

Grade II—First Term.*Spinning.*

The following processes should be taught during this term :—

- (a) Preparing slivers from carded cotton.
- (b) Piecing.
- (c) Spinning on the takli with the left hand but the twist to be as the right hand twist. Spinning with the fingers—on the leg above knee and on the leg below the knee.
- (d) Ginning should be taught in this term.

2. Spinning on the takli should be taught alternatively with the right and the left hands.

3. At first ginning should be taught with a wooden plan and a steel rod. When the speed has reached one chatak in half an hour the village ginning charkhas should be introduced.

4. The speed of ginning at the end of six months should reach 20 tolas of cotton in half an hour.

5. The speed of carding (including the preparation of slivers) at the end of the term should reach 3 tolas per hour.

6. The speed of spinning on the takli (including winding) at the end of the term should reach $2\frac{1}{4}$ lattis of 10 counts yarn in three hours.

7. The daily average of spinning on the takli (including carding) for the term should reach $1\frac{1}{4}$ lattis of 12 counts yarn in three hours. The total production will be 63 goondis weighing 2 seers 10 chataks.

Grade II—Second Term

1. Spinning on the takli to be continued.

2. The speed of carding (including the making of slivers) at the end of the term should reach $3\frac{1}{2}$ tolas per hour.

3. The speed of spinning on the takli (including winding) at the end of the term should reach $2\frac{1}{4}$ lattis of 12 counts yarn in three hours.

4. During this term, the processes of calculating the count of the yarn produced should be taught. The child should be able to do the work both practically and with intelligent understanding.

5. The daily average speed of spinning (including carding) for the term, on the charkha, should be $2\frac{1}{2}$ lattis of 14 counts $3\frac{1}{2}$ chataks.

Grade III—First Term

1. In this term students should be taught spinning on the Yeravda charkha, with double-handed spindle-holders (Modias).

2. Spinning on this charkha should be taught with the right and left hands alternately.

3. The speed of spinning on the charkha (including winding) at the end of this term should reach $3\frac{1}{4}$ lattis of 16 counts yarn in three hours.

4. In this term, the students should be taught to recognize the different types of cotton. They should also learn to estimate the length of fibre and to understand the count of yarn which can be produced from each different type of cotton.

5. At the end of the term, the rate of carding (including the preparation of slivers) should reach 4 tolas an hour.

6. At the end of the term, the speed of spinning on the takli (including winding) should reach $2\frac{1}{2}$ lattis of 12 counts yarn in three hours.

7. At the end of the term, the speed of spinning on the charkha (including winding) should reach $3\frac{1}{4}$ lattis of 20 counts yarn in three hours.

8. The daily average speed of spinning (including carding) of the term will be $2\frac{1}{2}$ lattis of 20 counts yarn in three hours. The total production will be 90 goondis weighing $2\frac{1}{2}$ seers.

Grade III—Second Term

1. At the end of the term, the speed of spinning on the takli (including winding) should reach $2\frac{1}{2}$ lattis of 12 counts yarn in three hours.

2. At the end of the term, the speed of spinning on the charkha (including winding) should reach $4\frac{1}{2}$ lattis of 24 counts yarn in three hours.

3. The daily average speed of spinning for the term (including carding) will be $3\frac{1}{2}$ lattis of 20 counts yarn in three hours. The total production will be 117 goondis weighing 2 seers $14\frac{1}{2}$ chataks.

Problems connected with the mechanics of spinning on the charkha.

1. The advantages and disadvantages of keeping the spindle of the charkha parallel to the ground or at an angle.

2. What should be done in order that the pulley may revolve exactly in the middle of the modia?

3. Where should the charkha be oiled?

4. Why should the charkha be oiled?

5. Why does the charkha move more smoothly after oiling?

Here the principle of friction should be explained to the children. Also, they should notice the effect of oiling the hinges of a door, a swing, and the pulley for drawing water from a well.

6. What is the advantage of the moving modia?

7. What is the reason of slippage? And how should it be prevented?

8. What is the effect on carding of a tightly or loosely strung gut on the carding bow?

9. What are the uses of the springs in the Yeravda charkha?

Grade IV—First Term

1. During this term, the students should be taught the following subjects with the correlated theoretical knowledge—

(a) How to find the strength and evenness of the yarn.

(b) How to calculate the resultant speed by the formula S/C where S is speed and C is count.

2. In this term the student should learn to repair the hand-gin and the carding bow.

3. At the end of six months the speed of spinning on the charkha (including winding) should reach $4\frac{1}{2}$ lattis of 24 counts yarn in three hours.

4. The daily average speed of spinning (including carding) for this term should reach $3\frac{1}{2}$ lattis of 24 counts yarn in three hours. The total production will be 126 goondis weighing 2 seers 10 chataks. Wages at Rs. 2-14-0 per seer (including carding) will be Rs. 7-8-9.

Grade IV—Second Term

1. In this term the students should be taught the following subjects :—

- (a) A knowledge of the different parts of the Yeravda charkha and how to repair it.
- (b) The preparation of bamboo taklis.

2. At the end of the term, the speed of spinning on the takli (including winding) should reach 3 lattis of 14 counts yarn in three hours.

3. At the end of the term, the speed of spinning on the charkha (including winding) should reach 5 lattis of 28 counts yarn in three hours.

4. The daily average speed of spinning (including carding) for the term should be $3\frac{1}{2}$ lattis of 28 counts yarn in 3 hours. The total production will be 126 goondis weighing $2\frac{1}{4}$ seers. Wages at Rs. 3-10-0 per seer will be Rs. 8-2-6.

Problems connected with the mechanics of spinning.

1. The speed of spinning is increased by a pulley of a smaller diameter. But why is it more difficult to wind the yarn?

2. What should be the distance between the centres of the two wheels of the Yeravda charkha?

3. Why is the actual number of revolutions less than the calculated number of revolutions?

(Slippage.)

Grade V—First Term

Spinning.

1. In this term the students should be taught the Andhra method of ginning and carding and spinning yarn to 40 counts; but the spinning should continue to be on the Yeravda charkha.

2. At the end of the term the speed of spinning (including winding) should reach 2 lattis of 40 counts yarn in 2 hours.

3. In this term the students should also be taught to spin on the Magan charkha.

4. The speed of spinning on the Magan charkha (including winding) at the end of the term should reach $2\frac{1}{2}$ lattis of 24 counts yarn in an hour.

5. The daily average speed of spinning (including ginning and carding) for the term on the Yeravda charkha should reach $1\frac{1}{4}$ lattis of 40 counts yarn in 2 hours, and on the Magan charkha (including carding) $1\frac{1}{2}$ lattis of 24 counts yarn in 1 hour.

6. The total production for six months will be 45 goondis of 40 counts yarn weighing 9 chataks and 54 goondis of 24 counts yarn weighing 1 seer 2 chataks.

7. The wages for 40 counts yarn at Rs. 6-4-0 per seer will be Rs. 3-8-3, and for 24 counts yarn at Rs. 2-14-0 per seer (including carding) will be Rs. 3-3-9. The total earnings for this term will be Rs. 6-12-0.

Grade V—Second Term

1. In this term the student should be taught to spin yarn to 60 counts.

2. The following subjects should be taught with the correlated theoretical knowledge:—

(a) The length of yarn necessary to produce 1 yard of cloth.

(b) The necessary twist required in one inch of yarn for a particular count.

(c) The ratio of the revolution of the spindle to the revolution of the wheel.

3. In this term the students should also be taught how to straighten the spindle.

4. During this term the students should also gain a comparative knowledge of the different types of charkha, such as the Yeravda charkha, the Magan charkha and the Savli charkha.

5. At the end of the term the speed of spinning on the takli (including winding) should reach 3 lattis of 16 counts yarn in three hours.

6. At the end of the term the speed of spinning (including ginning and carding) 60 counts yarn should reach 2 lattis in 2 hours, and the speed of spinning (including carding) 28 counts yarn on the Magan charkha should reach 3 lattis in one hour.

7. The daily average speed of spinning during this term will be $1\frac{1}{4}$ lattis of 60 counts yarn and 2 lattis of 28 counts yarn. The total production will be 45 goondis of 60 counts yarn weighing 6 chataks and 72 goondis of 28 counts yarn weighing 1 seer $4\frac{1}{2}$ chataks.

8. The wages for 60 counts yarn at Rs. 11-4-0 per seer will be Rs. 4-3-6, and the wages for 28 counts yarn at Rs. 3-10-0 per seer will be Rs. 4-10-3. The total earnings will be Rs. 8-13-9.

Problems connected with the mechanics of spinning.

1. Why does the pulley lean on the slanting side of the spindle.

2. If the rate of revolution of the spindle is to be increased, which should be increased the diameter of the driving wheel or of the intermediate wheel?

3. Uses of the different kinds of mal (cotton, gut and leather). Principle of belting.

4. Uses of jyotar.

5. Where should the handle of the carding-bow be fixed? Principle of balance.

6. The advantage of keeping the two mals of the Savli charkha parallel.

7. Where should the handle be kept in the wheel of the Yeravda charkha, according to the grain of the wood?

8. What is the effect and difference in the friction of wood on wood and wood on iron?

9. Where should the pulley be set in the spindle?

10. The differing effect of brass, ball iron and wood bearings on the axle of the wheel, from the point of view of friction, with regard to iron axles and wooden axles.

Income per student for five years.

		Rs.	a.	p.
First year	...	3	9	0
Second year	...	9	5	3
Third year	...	11	9	9
Fourth year	...	15	11	3
Fifth year	...	15	9	9
Total income for five years	...	55	13	0

Reckoning a deduction of 25 per cent the total income for five years stands at Rs. 41-13-9.

Grades VI and VII

Weaving section.

1. The craft of weaving is so wide in scope that it is not possible to give the students a complete training in this craft in two years. Two alternative courses have been suggested. A school may provide for both the courses allowing the student to choose one. In either case, however, the course of two years will serve only as an introduction, and a student who wishes to have a complete knowledge of this handicraft should continue his training after this period.

2. At this stage the student will be only 13-14 years old. The course described is, therefore, of an elementary nature.

3. At the end of five years the student should have a fairly high knowledge of spinning. It has, therefore, not been included in the school time-table, but the students should continue to spin at home, and the school should make the necessary arrangements for the students to get the proper value of yarn produced at home—either in money or in cloth.

Grade VI—First Year

Weavers.

1. The course of weaving has not been divided into half-yearly terms, but in two terms of a year each, in consideration of the special nature of the craft of weaving.

2. The following processes should be taught to the student in the first year :—

- (a) Winding.
- (b) Reeling.
- (c) Piecing.
- (d) Warping (on the warping frame).
- (e) (i) Spreading and distributing.
- (ii) Sizing.
- (f) Double-warp weaving (on the hand-loom).

3. At the end of the year the speed in the above processes should be as follows :—

- (a) Winding—5 goondis in an hour.
 (b) Reeling—3 goondis in an hour.
 (c) Piecing—2½ punjams (60 holes of a reed) in an hour.
 (d) Warping—2½ punjams (60 holes of a reed) in an hour.
 (e) (i) Spreading and Distributing... } Both the processes
 (ii) Sizing ... } in 3 hours.
 (f) Weaving (with filled bobbins)—2 yards in 3 hours.

4. In a year the total length of cloth woven by each student with all the processes should be 108 yards.

5. Wages at the rate of Re. 0-12-6 per piece of 10 yards will be Rs. 8-7-0.

Second Year

1. In this year, too, the student should continue the training of double-warp weaving—but he should also be taught pattern-weaving such as honey-comb towels, coloured coatings, etc.

2. During this year, the student should learn to calculate, with the correlated theoretical knowledge, the particular count of yarn necessary for a particular type of punjam.

3. The speed of weaving at the end of the year (on the fly-shuttle loom with filled bobbins) should be 3½ yards in three hours.

4. The total amount of cloth woven in the year by each student should be 216 yards. Wages at the rate of Re. 0-1-3 per yard will be Rs. 16-14-0.

The income per student for two years.

		Rs. a. p.
First year	...	8 7 0
Second year	...	16 14 0
		25 5 0
Total	...	25 5 0

Deducting 25 per cent, the income for two years amounts to Rs. 18-15-9.

TAPE AND DUREE WEAVING

First year

1. In this department the students should be taught the following processes :—

Twisting the yarn.

Rope-making.

Preparing the warp.

Preparing the heddle.

Weaving tapes, durees, asans, and carpets of different designs.

2. In the first year, the students should be taught to weave white and coloured tapes, lace, white and coloured asans, and white durees.

3. Different rates of wages are paid for the weaving of tapes, asans and durees, and the wages are higher than the wages for the weaving of ordinary cloth. However, for the purpose of calculation, the wages for weaving for this year have been reckoned as Rs. 8-7-0.

Second year

1. During this year the students should be taught how to weave coloured durees and carpets. The whole year will be devoted to this work as the durees and carpets will be of different designs.

2. The wages per student for the year have been reckoned as being the same as the wages for ordinary weaving, *i.e.*, Rs. 16-14-0.

Problems connected with the mechanics of spinning and weaving.

1. The principles of lever.

The uses of the different kinds of levers should be explained by practical work in connection with the handloom.

The uses of the lever in the loom for shedding motion.

2. Principles of wedge and corkscrew, practically, in connection with the ginning machine.

3. What will be the effect on the count of yarn and speed of spinning, if the spindle of the takli be made of wood instead of iron?

4. What will be the effect on the speed of spinning if the disc of the takli is light or heavy?

5. What is the relation, and proportion in size and length, of the spindle and the disc?

6. What should be the position of the disc on the takli?

7. Advantages and disadvantages of the U and V shaped pulleys.

8. Necessary information regarding deflection of beams. What is the effect of graining on strength of wood?

9. Principle of crank in connection with the Magan charkha

General mechanics.

1. The advantage of supporting the upper wheel of the grinding mill on the central pin. A lever can be used for increasing or decreasing the pressure on the lower wheel.

2. The pulley used for drawing water from the well is a kind of lever.

3. What is the difference in strength between horizontal, upright and sloping pillars?

4. The pendulum of the clock.

5. Resultant of forces—to be taught by practical application.

A SEVEN YEARS' COURSE OF CARD-BOARD, WOOD AND METAL WORK AS THE BASIC CRAFT

The course has been divided into two parts—

- (a) A course of card-board work.
- (b) A course of wood and metal work.

1. As children under nine are not able to handle hard materials such as wood or metal, or the more difficult tools necessary for wood or metal work, card-board work should be taught as the basic craft for the first two grades of the course.

2. Wood work should begin in grade III and work with metals used in connection with wood work should be introduced in grade V.

3. In grades VI and VII the pupil may choose either wood or metal work, according to his natural inclination.

4. There is also an optional course of wood and metal work as basic craft for grades VI and VII, and an optional course of card-board work for three months in grades VI and VII.

5. In order to draw the fullest educative value from card-board, wood and metal work as a basic craft, the following conditions must be fulfilled:—

(i) The system of instruction to be employed should be methodical, and must be imparted by trained teachers in a systematic way. Skilled artisans cannot be expected to convey to the students the fullest educative value and implication of the training in handicraft.

(ii) A well-chosen pedagogical series of models of exercises should be furnished as a guide for instruction. These models must be useful objects which can be used in daily life, but they must also be simple and beautiful from the aesthetic point of view. Therefore, this series of models must, from its very nature, vary and be elastic in the light of its utility in rural and industrial areas.

CARD-BOARD WORK

Grade I

TIME REQUIRED—2 HOURS PER DAY

Practical.

1. A series of exercises which involve the modification of materials such as card-board, paper and cloth, by means of one or more tools or instruments in a prescribed way and for a particular end. Thus the method embraces say 20 models, of which at least eight must be made by every pupil during the first year of schooling:—

- (1) Routine board (for school or class use).
- (2) Box for collection of specimens (nature study work).
- (3) Simple albums for—
 - (a) History work.
 - (b) Nature study work.

(4) Blotting pad—

- (a) Simple,
- (b) Double,

for use at school and also for sale.

(5) Portfolio.

(6) Note-book binding.

(7) Book-carrier.

(8) An extra model.

Theoretical.

2. (1) Tools and their uses.

(2) Simple measurements involving the use of—

(a) inch, foot and the metric system;

(b) weights—seers, chhataks and tolas.

(3) Counting—simple problems in addition and subtraction.

(4) Recognition of simple geometrical forms.

Grade II

TIME REQUIRED—2½ HOURS PER DAY

Drawing.

Introduction; necessity for drawings; method of preparing such drawings. Use of the following instruments: Rule, set-square, compass. Parallel, perpendicular, oblique lines. Projection Plans, elevation, section, plotting out and lining in. Circle—centre, radius, circumference. Square, quadrangle, sexagon, octagon. Graphical representation of the children's own work.

Practical.

1. Colour decorations on hand-made paper for mounting. Each child should make at least half a dozen sheets of paper.

2. Execution of any eight of the following models:—

(a) Sliding box—for keeping brushes, pencils, pens, etc.

(b) Slanting quadrangular tray—for keeping nibs, pencils, pens, etc.

(c) Sexagonal tray—for the same purpose; paper mounting.

(d) Sexagonal box with cover (cloth mounting).

N. B.—Models of (c) and (d) should be given to the pupils to serve as models in his future private activities.

(e) Box with hinged cover.

(f) Sexagonal box with hinged cover.

(g) Blotting pad.

(h) Portfolio—

(a) Simple.

(b) Complex.

(i) Round box.

(j) Two boxes of different kinds.

(k) Album, simple, with pad, leather covering

WOOD-WORK

Grade III

TIME REQUIRED— $3\frac{1}{2}$ HOURS, WITH AN INTERVAL OF TEN MINUTES

Theoretical and practical work combined.

1. Tools and their uses.
2. Execution of at least seven exercises (selection must be the child's—design to be supplied).
3. Two extra models from the child's own design.

N. B.—In schools belonging to rural areas, the following models are suggested:—

- (a) Handle of khurpi.
 - (b) Ladder.
 - (c) Small stool for water vessel.
 - (d) Stand for filtering water.
 - (e) A small desk for writing and reading.
 - (f) (i) A small bookshelf (open), (ii) rack for keeping clothes, (iii) alna, (iv) wall rack.
 - (g) A corner shelf for keeping household things.
 - (h) A simple wooden cot.
 - (i) A wooden box according to requirements.
4. Sawing, planing, method of sizing, boring, grooving, simple joinings. All these should be taught through making the objects or exercises of the pedagogical series.

Grade IV

TIME— $3\frac{1}{2}$ HOURS DAILY, WITH AN INTERVAL OF TEN MINUTES

Practical.

1. (a) Ten models to be executed.
- (b) Two additional models from the pupils' own drawing.
- (c) Four kinds of joinings.
2. *Drawings and graphic representations of the exercises.*—
 - (a) How to draw lines.
 - (b) The use of the set-square.
 - (c) Erecting perpendiculars.
 - (d) How to obtain various angles.
 - (e) Method of setting the compass.
 - (f) Use of the compass and drawing board.
 - (g) Use of rubber.
 - (h) Use of T-square.
3. *Orthographical projection.*—(a) The dihedral angles.
- (b) Analysis of models.
- (c) Definition of the following: Point, line, angle, square, circle (centre, radius, circumference).

Theoretical.

1. *Growth of trees.*—(a) Notes dealing with seasoning, shrinkage.

- (b) Parts of growing trees.
- (c) Seeds, germination.
- (d) Roots and their functions.
- (e) Root food in soluble form.
- (f) Ascending sap.
- (g) Evaporation from leaves.
- (h) Carbon extracted from air.
- (i) Life-period of trees.
- (j) Time for felling.

Practical demonstration.

Transverse section of a tree—

- (a) Annual ring.
- (b) Cause of visibility of rings
- (c) Composition of rings.
- (d) Heart wood.
- (e) Sap wood.
- (f) Bark and its use.
- (g) Growth of bark and pith.

Mechanics of wood work—

- (a) Matter.
- (b) Measurement.
- (c) Metric system: (i) fractions, (ii) rule of three.
- (d) Weight. (Indian system as well as International and English.)
- (e) Density.
- (f) Specific gravity.
- (g) Force and work.
- (h) Graphic representation.
- (i) Parallelogram of forces.
- (j) Resolution of forces.
- (k) Mechanical devices.
- (l) Levers.

Geography of wood.

Kinds of indigenous wood—

- (a) Soft wood. Hard wood.
- (b) Reeds and bamboos.
- (c) Wood-growing provinces of India.
- (d) National income from wood.
- (e) Export and import.

N. B.—The theoretical instruction should be imparted as much as possible through the practical performance of the work. The theoretical terms should be pointed out only while drawing after the execution of a model.

Grade V

TIME—3½ HOURS DAILY, WITH AN INTERVAL OF TEN MINUTES

Practical.

1. Execution of ten models or exercises.
2. Two extra models from the student's own design.
3. Colouring. High polishing.
4. Preparation of polish.

Theoretical.

1. Structure of wood—
 - (a) Carbon (c).
 - (b) Oxygen (o).
 - (c) Nitrogen (n).
 - (d) Hydrogen (h).
 - (e) Sulphur (s).
 - (f) Protoplasm.
 - (g) Charcoal.
2. Proper introduction of metals used in connection with wood-work—
 - (a) Iron—The ore, smelting. Nature of cast iron (experiment and test). Wrought iron. Conversion of cast iron into wrought iron. Steel. Experiments. Conversion of iron into steel. Properties of steel. Hardening and tempering.
 - (b) Brass—An alloy, zinc 1 part, copper 2 parts by weight. What is an alloy? Properties of brass.
 - (c) Copper—The ore. Process of extraction.
 - (d) Zinc—The ore. Process of extraction.

Grade VI

TIME REQUIRED—3½ HOURS DAILY, WITH AN INTERVAL OF TEN MINUTES

During this year, the pupils must work mainly on a productive basis, and can choose one of the two basic crafts—wood or metal.

WOOD-WORK

Execution of articles (useful objects which must be saleable in the market).

Theoretical.

1. Notes on the parts of tools and how they are made.
2. Notes on seasoning timber—
 - (a) Tree containing sap.
 - (b) Condition of wood after cutting.
 - (c) Evaporation and shrinkage.
 - (d) Necessity for seasoning.
 - (e) Different methods of seasoning—
 - (i) Natural seasoning.
 - (ii) Artificial seasoning. Hot water, running stream, smoke drying.
3. Elementary knowledge of costing of the articles

Grade VII

TIME REQUIRED— $3\frac{1}{2}$ HOURS DAILY, WITH AN INTERVAL
OF TEN MINUTES

Practical.

1. Manufacture of articles saleable in the market and execution of commodities against local orders, if forthcoming. Each pupil should be made so efficient as to earn Rs. 5 per mensem.

2. High polishing.
3. Carving.
4. Designing.
5. Keeping accounts. Method of costing.

Theoretical.

The usefulness of wood in general.

PROPOSED PLANNED MODEL OR EXERCISE SERIES

GROUP A

1. Wall-rack.
2. Propeller—(a) simple, (b) for actual use.
3. Sliding box for pencil, pen, brush, etc.
4. Stools of different kinds.
5. Writing desk.
6. Pot stand.
- 7. Flag stand.
8. Book stand.
9. Alms of different kinds.
10. Mallet.
11. Wooden trays of different shapes.
12. (a) Table, (b) Axe handle, (c) Knife handle, etc.
13. Cot.
14. Corner shelf.
15. Small almirahs with doors.

Extra models as planned by students.

GROUP B

1. Spoons of various shapes.
 2. Wooden trays out of one piece of wood.
 3. (a) File carriers. (b) Wall-rack for lamp.
 4. Candle stands of various shapes.
 5. Stands of various shapes.
 6. Simple writing table.
 7. Portable folding table.
 8. Boxes of different kinds and of different types of joining
- Extra models as planned by the pupils.

GROUP C

Small boat.

Chair.

Tables.

Clock frames.

Ladder.

Extra models as planned by the pupils.

The above lists are tentative suggestions. The models executed will vary according to local conditions and requirements.

SYLLABUS IN METAL WORK FOR GRADES VI AND VII

The underlying principles of introducing light metal work are the same as those for other work, *viz.*, the modification of materials such as iron, copper, brass, zinc, or any other alloy by means of one or more tools in a prescribed way, for a particular end or object.

List of some of the models to be executed.

1. Simple door lock.
2. Chain lock.
3. Hinges.
4. Khurpi.
5. Various stands for iron.
6. Paper-boring instruments.
7. Calipper.
8. Soldering instrument.
9. Screw-drivers.
10. Compass.
11. Chisel.
12. Farm knife.
13. Candle-stands.
14. Book-stand.
15. Wall candle-stand.
16. Stands (of various sizes) for keeping utensils.
17. Fruit plucker.
18. Trays of different shapes and sizes.
19. Boxes.
20. Farm rake.
21. Sun-dial.

At least fifteen of the above and extra two additional objects which must be of the pupil's own design, must be executed. They must be useful objects.

Theoretical and practical work combined.

- (a) Oxidising.
- (b) Filling.
- (c) Hardening and tempering.
- (d) Blackening process.
- (e) Cleaning and polishing.

AN OPTIONAL COURSE IN CARD-BOARD WORK FOR THE STUDENTS
OF GRADE VII

Those who have already taken card-board work during the first two years of the basic course should be given an opportunity of repeating the work in card-board, and of applying the higher technique acquired through their training in wood and metal work. Those who have taken other basic crafts, *viz.*, spinning and weaving, should also have an opportunity of learning something of card-board work.

A THREE MONTHS' COURSE IN CARD-BOARD WORK

Practical.

Series of exercises, pedagogically selected, of objects required in school, office and at home—

1. Routine board.
2. Pencil tray.
3. Pencil box.
4. Sexagonal tray.
5. Blotting pad and writing board (simple)
6. Blotting pad with case for paper.
7. Letter carrier.
8. Card-board box (standing).
9. Portfolio—
 - (a) Simple.
 - (b) Complex.
10. Boxes of different shapes
11. Note-book binding.
12. Album.

Theoretical.

1. Point, line, angle, perpendicular, parallel lines, square, circle (centre, radius, circumference).
2. Graphical representations of works or models made.
3. *Measurement.*—Inch, foot, the metric system.

AN OPTIONAL COURSE IN WOOD OR METAL WORK DURING THE
LAST TWO YEARS OF THE BASIC COURSE

Grades VI and VII

TIME REQUIRED— $3\frac{1}{2}$ HOURS DAILY, WITH AN INTERVAL
OF TEN MINUTES

1. *Introduction to tools*—Their use and how to handle them.
2. *Introduction to drawing instruments*—Their use and how to handle them.
3. *Demonstration of the use of drawing instruments on—*Parallel, perpendicular, oblique lines. Method of setting the compass. Projection—Plans, elevation, and section. Circles—Centre, radius, circumference. Square, quadrangle, hexagon octagon, etc.
4. Graphical representation of one's own work.

Practical.

1. At least 15 models to be executed by each pupil.
2. Through models, eight different kinds of joinings.
3. Polishing.
4. Colouring.

Theoretical and practical demonstration in the following:—

1. Matter.
2. Measurement.
3. Metric system—(a) fractions, (b) rule of three.
4. Weight (Indian system as well as International and English).
5. Density.
6. Specific gravity.
7. Force and work.
8. Graphic representation.
9. Parallelogram of forces
10. Resolution of forces.
11. Mechanical devices.
12. Lever.

MOTHER-TONGUE AND HINDUSTANI

Grade I

1. *Oral self-expression.*—Conversation centering round names and description of different parts of the human body, clothes, class-room, equipment and processes in craft work, natural phenomena, events in daily life.

2. *Stories*.—(a) Myths and legends.
- (b) Folk-tales.
- (c) Nature myths.
- (d) Fables and stories of animal life.
- (e) Stories of life in different lands.
- (f) Tales of primitive man and life in ancient times.
- (g) Stories of school life and family life.

N. B.—Items (e), (f) and (g) will also cover the syllabus in social studies.

3. Recitation of simple poems.
4. Dramatisation.
5. Ability to read simple words and sentences.

The work in mother-tongue will be entirely oral during the pupil's first six months in school.

Grade II

1. *Oral self-expression*.—(a) Extension of the child's vocabulary, recapitulation of new words and expressions learnt by the children in their craft work, mathematics, nature-study and social studies.

(b) Descriptive self-expression—describing objects, people and happenings within the child's environment; describing the different village crafts and occupations, fairs, festivals, etc.

2. *Recitation and Dramatisation*.

3. *Stories*.—A continuation of the syllabus outlined in Grade I.

4. *Reading*.—Simple books which should contain lessons on the following:—

- (a) Life of nature.
- (b) The child's social environment, his home, school and village.
- (c) Health and hygiene.
- (d) Local agencies of community welfare.
- (e) Crafts.
- (f) Festivals.
- (g) Stories and legends.
- (h) Life of children in other lands.

5. *Writing*.—Simple words and sentences.

Grade III

1. *Oral self-expression*.—Continuation of the work detailed in Grade II, telling of simple stories.

2. *Reading*.—Simple books whose material should be on the same lines as those outlined in the syllabus for Grade II together with life stories of some great benefactors of mankind, e.g., Buddha, Christ, Mohammad—

- (a) Reading aloud, with special attention to clearness of pronunciation and expression.
- (b) Silent reading of easy passages.

3. *Writing*—

- (a) Writing of short sentences from dictation.
- (b) Writing of simple letters, descriptions and stories.
- (c) Daily record of weather observations.

4. *Recitation and Dramatisation*.

Grade IV

1. *Oral self-expression.*—In addition to work outlined in Grades I, II and III—

- (a) Making of short speeches on a given subject in connection with craft work, social studies and general science.
- (b) Taking part in discussions on subjects of living interest.

N.B.—The above two purposes can be fulfilled by starting a discussion group or a debating club for the members of Grades IV and V.

2. *Reading.*—The reading material in Grade IV, in addition to the topics already outlined in Grade III, should contain the following:—

- (a) Stories of village crafts and craftsmen. Stories of important arts and crafts in different lands and ages, e.g., building, cloth-making, pottery, etc.
- (b) Stories of great inventors and inventions.
- (c) Stories of great discoverers and discoveries. (See the syllabus in Social Studies.)
- (d) Life of people in certain typical regions of the world.
- (e) Stories of some great benefactors and liberators of mankind, e.g., Zoraster, Socrates, Husain, Lincoln, Pasteur, Davy, Franklin, Florence Nightingale, Tolstoy, Booker Washington, Sun Yat Sen, Gandhi (to be covered in Grades IV and V).

N. B.—All these topics will be closely correlated with work in Social Studies.

3. *Writing.*—(a) Creative writing—Stories, original compositions.

- (b) Writing from dictation.
- (c) Writing of simple and business letters.
- (d) Preparing notices, announcements and advertisements.
- (e) Filling up business forms.
- (f) Writing letters of social utility, invitation, condolence, apology, etc.
- (g) Keeping a daily and monthly record of individual and class progress in the basic craft, and other interesting experience.

4. Contribution to a magazine for junior pupils (Grades IV and V) and preparing a news bulletin.

N. B.—Amongst other topics, this magazine should include the following:—

- (a) A monthly record of the progress of the class in the basic handicraft,
- (b) Daily and monthly weather reports.
- (c) Health reports of class, family and village.
- (d) Reports of geographical and social survey.
- (e) Current events.

Grade V

In addition to the work—oral, written and reading—outlined in the syllabus for Grade IV which will be continued, the following new items will be introduced:—

- (1) A simple and practical knowledge of the construction of the mother-tongue and the function of words.
- (2) The use of the dictionary, the list of contents and the index, etc.
- (3) An introduction to basic Hindustani, and its relation to the child's own language. Learning of the Urdu or Hindi script whichever is not known to the child (in Hindustani speaking areas) or one of them at his or her option (in other areas). Simple conversation—Primer and first reader in Hindustani.

Grade VI

1. *General reading*.—Individual reading on general subjects under the guidance of the teacher, of simple books, pamphlets and articles dealing with topics outlined for Grades IV and V together with the following:—

- (a) Recent geographical expeditions, e.g., Everest, North Pole.
- (b) Work of community welfare and community hygiene, including illustrations from other countries.
- (c) Agriculture in India and in other lands. The life of the farmer in India and in other lands.

2. *Study of literature*.—(a) A representative collection of selections from the literature in the mother-tongue.

(b) Selections from the masterpieces of various Indian literatures. (Literary translations in the child's own language.)

3. A more advanced study of the structure of the child's own language—

Formation of words.

Formation of sentences.

Symmetry of structure—elements of a good style.

4. *Self-expression—Oral and written*.—In addition to the syllabus outlined for Grades IV and V—

(a) Preparing a daily news-sheet.

(b) Editing a senior school magazine, for Grades VI and VII.

(c) Ability to give a short speech or to take part in a discussion on a given subject.

5. *A more advanced study of basic Hindustani*.—Second Reader. Writing. Simple conversation.

Grade VII

1. *General reading* as outlined in the syllabus of Grade VI.
2. *Study of literature.*—(a) A more advanced selection from the best writers in the child's mother-tongue, arranged chronologically and with a simple presentation of the history of the literature of the mother-tongue.

(b) A more advanced selection from the masterpieces of various Indian literatures, translated into the child's mother-tongue.

(c) A selection from the masterpieces of world literature, translated into the child's mother-tongue.

N. B.—These text books should also include—

(a) A few passages of advanced literature for intensive study.

(b) Extracts from the scriptures and religious writings of the principal world religions.

3. A more advanced study of the structure of the child's own language with an elementary study of the history of that language and its relation to the other languages of India.

4. *Self-expression in speech and writing.*—(a) Continuation of the work outlined in the syllabus for Grade VI.

(b) Preparing reports of completed work, such as health campaigns, village sanitation projects, etc.

(c) Preparing plans or instructions for a proposed piece of work.

(d) Preparing a small pamphlet on any subject chosen by the student himself.

(e) The senior students (thirteen to fourteen years) will organize their own discussion groups and dramatic clubs like the juniors (ten to twelve years). These discussions and entertainments should be more intimately related to the life of the village, and should make an attempt at attracting the adult population of the village.

During the last two years, the students will be expected to organize programmes of socially useful work in the villages, such as adult education, health campaigns, the celebration of national and cultural festivals, etc. These should provide occasions for the students to give short and simple talks to the villagers on practical subjects.

5. *A more advanced study of Hindustani.*—(a) Ability to make short speeches and to carry on conversation in Hindustani

(b) Writing simple, personal and business letters.

(c) Reading simple books, periodicals and newspapers.

MATHEMATICS

Grade I

First Term.

1. Counting up to 100 (with concrete objects); giving an idea that our system of counting is based upon units of ten.
2. Counting by tens, fives and twos up to 100.
3. Recognition of big and small numbers at sight.

Second Term.

1. Counting up to 160 (with concrete objects)—extension of the idea of the decimal system in counting.
2. Mental addition and subtraction of numbers not exceeding ten. Thorough mastery of addition and subtraction tables up to 10 is necessary.
3. Meaning of signs + and -.
4. Simple problems in addition and subtraction up to 10.
5. Writing of numbers up to 160.
6. Simple measurements involving the use of—
 - (a) yard, foot, inch and hath (18");
 - (b) seers, chhataks and tolas.
7. Recognition of simple Geometrical forms—
Straight lines; curved lines; a straight line as the shortest distance between two given points.

Grade II

1. Numeration and notation up to 999.
2. Addition and subtraction tables up to 20.
3. Addition of two and three figure numbers in vertical and in horizontal columns, the sum not exceeding 999.
4. Subtraction from any two or three figure numbers.
5. Multiplication tables up to 10 by 10; meaning of signs \times and \div .
6. Simple multiplication of numbers, the result not exceeding three digits.
7. Short division of numbers up to three digits by numbers up to 9.
8. Practice in measuring length and weight—Tables of money: Rupee, anna, pice and pie. Tables of weight: Panseri, seer, chhatak and tola or corresponding local measure. Tables of length: Yard, foot, inch, hath, goondi, latti, kalli, etc.
9. Recognition of common geometrical figures—square, rectangle, triangle and circle.

Grade III

1. Addition and subtraction to be continued. Practice in the processes and in problems of every day occurrence.
2. Multiplication tables up to 16 by 16.
3. Multiplication long; the multiplier and multiplicand should not exceed 3 digits.
4. Long division, by numbers up to 3 digits.
5. Reduction (ascending and descending) in measures of money, length and weight—
 - (a) Rupee, anna, pice, pie.
 - (b) Yard, foot, inch.
 - (c) Seer, chhatak, tola.

6. Simple problems in compound addition and subtraction.
7. Compound multiplication and division.
8. Indian system of writing—Rs. as. p. and mds. seers and chs.
9. Idea of fractions $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$.
10. Construction by manipulation of concrete object and earning of the fractional tables of $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$ up to 20.
11. Recognition of angles—acute, obtuse and right.
12. Recognition of common solids—Cylinder, cone, sphere, cube.
13. Tables of weight, length, capacity and time—Seer, panneri, maund, kandi. Yard, pole, furlong, mile. Local measures of capacity. Second, minute, hour, day, week, month, year.

Grade IV

1. Rekha Chinna, *i.e.*, addition, subtraction, multiplication, and division of Rs. as. p. and mds. seers and chs. by the quarter system.

N. B.—The division must be by a whole number and not by a fraction.

2. Simple fractions of denominators, 10, 12, 14, 16 and 20.
3. L. C. M. by factors of the above.
4. Addition and subtraction of fractions of denominators given above.
5. Comparison of British and Indian measures of weight, pound, seer, ton, kandi.
6. Gurs (formulae for calculation) in connexion with tables of measures learnt in the third and fourth years.
7. Mahajani Hisab including that relating to the crafts.
8. Square measure, area of a square and rectangle. In this connexion students will learn how to draw—
 - (a) Perpendicular to a given line.
 - (b) A parallel line to a given straight line.

Grade V

1. Revision work in the four fundamental rules, simple and compound.
2. L. C. M. and H. C. F.
3. Vulgar fractions complete (complex fractions to be avoided).
4. Simple and compound practice.
5. Unitary Method.

Book-keeping.

1. Book keeping. Keeping of stock book for individual craft work.
2. Budgeting (home, farm and festivals).
3. Keeping of stock and record books (for individual and class work).

4. Cash book and Ledger. (Cash transactions of goods and money relating to craft, school and home.)
5. Monthly statements of accounts. (Receipts and disbursement.)
6. Profit and loss account, where no stock is left at the end of the year.

Practical Geometry.

1. Calculation of areas—
Triangle, parrallelogram.
2. Circle, ratio of the circumference to diameter, area of a circle.
3. Field work, drawing areas to scale. Bigha and acre compared.
In this connection the student will learn how to make—
(a) an angle equal to a given angle,
(b) a triangle equal to a given triangle, rectangle or parallelogram, and
(c) to find the centre of a circle or an arc.

Grade VI

1. Reading and writing of decimal fractions.
2. Addition, subtraction, multiplication and division of decimal fractions.
3. The idea of approximation.
4. Percentages.
5. Simple Interest.
6. Profit and Loss.

Book-keeping.

1. Continuation of the work of Grade V.
2. Transactions on credit and havalas.
3. Trial Balance.

Practical Geometry.

1. Calculation of areas, continued from the work of Grade V. Field work in connection with patwari measurements of fields, etc.
2. Calculations of volumes of—Cube, cuboid, cylinder.
N. B.—This is to be taken in connection with earthwork, making of walls, digging wells, etc.

Grade VII

1. Revision and extension of previous work.
2. Ratio and proportion—rule of three.
3. Time, work and speed.
4. Simple equations representing rules and gurs for the calculation of areas, volumes, interest, etc.
5. Graphs.
6. Square root.

Book-keeping.

1. Trading account.
2. Profit and loss account.
3. Balance sheet.

Practical Geometry.

1. Revision of previous work.
2. Formulæ for the calculation of areas, volumes.
3. Drawing of areas to scale.

SOCIAL STUDIES

Grade I

1. *The story of primitive man.*—How he satisfied his wants and developed the rudiments of civilized life—

- (a) His shelter (caves, trees, lake-dwelling, etc.).
- (b) His clothing or natural protection—use of leaves, barks and skins, etc., leading gradually to wool, cotton and silk.
- (c) His means of livelihood—hunting, pastoral life and primitive agriculture.
- (d) His weapons and tools—wood, stone, bronze and iron.
- (e) His means of self-expression—speech, primitive writing and drawing.
- (f) His companions and help-mates—horse, cow, dog, etc.

N. B.—This account of the life of primitive man should be given in the form of stories and activities likely to appeal to children's imagination.

2. *Life of man in ancient times.*—Ancient Egypt, Ancient China and Ancient India, to be given in the form of stories, *e.g.*—

- (a) The story of a common slave building the pyramids of Egypt.
- (b) The story of the first five Chinese Emperors.
- (c) The story of a boy in Mahenjo Daro.
- (d) The story of Shunah Shepa (Vedic-period).

3. *Life of man in distant lands.*—Arab Bedouins, Eskimos, African Pygmies, Red Indians.

N. B.—Much of the work can be done orally in the time allotted to the Mother-Tongue, in the forms of stories and dramatisation.

4. *Training for civic life*—(i) *Life of the child in the school.*—Civic training will be imparted through practical training aiming at the development of the following attitudes and habits :—

- (a) *Cleanliness and sanitation.*—(i) Personal cleanliness (refer to the syllabus of General Science).
- (ii) Cleanliness of clothes.
- (iii) Proper use of latrines and urinals.
- (iv) Proper use of waste-paper basket and dustbin.
- (v) Keeping the class-room and the school cupboards clean.
- (vi) Care and proper use of the school drinking water.

- (b) *Social responsibilities*.—(i) Proper greeting of teachers and school-fellows.
 (ii) Using of clean language.
 (iii) Asking and answering questions politely.
 (iv) Waiting for one's turn in speaking.
 (v) Making use of the queue system.
- (c) *Craft work*.—(i) Proper use of craft materials and equipment.
 (ii) Sharing materials and equipment with others.
 (iii) Working in groups.
 (iv) Waiting for one's turn.
 (v) Leaving the class-room clean and replacing the material and equipment in proper order after work.
- (d) *Games*.—(i) Fair play. (To refrain from cheating and deceiving.)
 (ii) To refrain from taking advantage of the weak.
 (iii) Importance of truthfulness above all gain or victory.
- (e) *Discharge of responsibilities*.—Besides the above-mentioned practical training every child should have some definite responsibility in the school life, either individually or as a member of a group. The following responsibilities are suggested for groups of children, between seven and nine years of age—
 (i) Cleanliness of class-room.
 (ii) Cleanliness of the school compound.
 (iii) Care of the school drinking water.
 (iv) Collection of leaves, flowers, stones, feathers, bark, wood, etc., for the school museum.
 (v) Helping to decorate the school for festivals, etc.
 (vi) Entertaining the school and the village.
 (vii) Helping new students.

(2) *The life of the child in his home*.—(a) The home as an ordered community, and the part played by every member in this unit.

The place of father and mother in the home.

The place of brothers, sister and cousins in the home.

The place of other relations in the home.

The place of the servants in the home.

(b) The child's place in the family, and his responsibilities towards the elder and younger members.

(c) The proper discharge of particular duties assigned to him in the home.

Grade II

1. *Primitive life in modern times*, e.g., African aboriginals, Australian Bushmen, Ceylon Veddas, Indian aboriginal tribes.

2. *Life of man in ancient times*.—Ancient Hebrews, Ancient Romans, Ancient India (the period of the Upanishads). To be given in the form of stories, e.g.—

The story of Moses, the story of Abraham, the story of Marcus Aurelius and of Regulus, the Roman, the story of Nachiketa and Gargi.

3. *Life of man in distant Lands.*—The life of an Afridi boy. The life of a boy in a Swiss village. The life of a boy in Persia. The life of a boy in Japan.

N. B.—Much of the work under headings 1 and 2 should be included with the work in the Mother Tongue in the form of stories, reading material and dramatisation.

4. *Training for civic life—Observation of life in the village.*—Food, clothing, housing, occupations, water-supply, the village bazar, places of worship, entertainments, fairs and festivals.

5. *Practical.*—Practical civic training under the following heads:—

- (a) The child in his school.
- (b) The child in his home.

Under these two heads there will be a continuation of the work outlined in the syllabus of Grade I.

(c) The child and his village—

- (i) Keeping the immediate neighbourhood of the home clean.
- (ii) Keeping the village roads clean (if possible, the children should put up simple dust-bins in different parts of the village, and persuade their family and friends to use them).
- (iii) Refraining from dirtying the village well.
- (iv) Entertaining the village by participating in school celebrations.
- (v) Kindness to animals.

Grade III

1. *Life of man in ancient times.*—Ancient India (Buddhist period), Ancient Persia. Ancient Greece.

To be given in the form of stories, *e.g.*—

Buddhist India—

The story of Buddha.

The story of Ashoka.

The story of Mahendra and Sanghamitra.

The story of a Buddhist Missionary in Central Asia or China.

The story of a student of Nalanda.

Ancient Persia—

The story of Kava, the blacksmith.

The story of the battle of Thermopylae.

The story of an Indian physician at the court of Darius The Great.

Ancient Greece—

The story of a Greek slave.

The story of Socrates.

The story of a young man taking part in the Olympic games.

The story of Pheidippides (Marathan race).

The story of Alexander.

The story of Megasthenes.

2. *Life of man in distant lands.*—The story of a boy in New York. The story of a boy in China. The story of a boy in a Russian Kokhoz or collective farm. The story of a boy in an Indian tea plantation.

N. B.—Much of the work under headings 1 and 2 will be included with the work in the Mother-Tongue in the form of stories, reading material and dramatisation.

3. *Study of the district* (including a guided tour of the district, if possible) with reference to—Relief, general features, climate, crops, industries, local historic monuments, means of communication, places of worship.

N. B.—During this tour, the work should be elementary and general. It should be carried further and made more precise during the industrial survey of the district to be carried out during the fourth year.

Practical work.

(a) Important features to be filled in an outline map of the district.

(b) *Making of Plans.*—Making plans of the class-room, the school building, the school-compound.

4. *Study of the globe.*—Shape of the Earth. Land and water spheres.

5. *A study of the village community.*—(a) The village and its administration. The village officers. The village panchayat. Its function.

(b) Village amenities—market, dispensary, post office, cattle-pound, roads, play-ground, nearest railway station.

6. *Practical work.*—(a) Organization of a School Panchayat on the lines of the village panchayat

(b) Organization of social service groups (boys and girls between the ages of 9 and 12) for the following *Civic Activities* :—

- (i) Protection and cleanliness of streets and wells.
- (ii) Protection of crops from destructive animals.
- (iii) Organization of games and amusement for children under 9.
- (iv) Organization of entertainments for the children and adult population of the village.
- (v) Participation in national and seasonal festivals.
- (vi) Preparations of posters, signs, etc.
- (vii) Volunteer-work in village fairs, festivals, etc.

Grade IV

I *The story of Ancient Times.*—Ancient India, Buddhist China, Greater India, Early Christians.

- (i) *The story of Ancient Times*—(a) *Ancient India.*—The stories of Samudragupta, Kalidas, Aryabhatta, an Arab merchant trading in India, an Indian trader carrying his merchandise to foreign countries Harsharvardhana, Prithviraj, an Indian physician a Harun-ur-Rashid's court

(b) *Buddhist China*.—The story of the Chinese pilgrims, Fahien and Hiuen Tsang.

(c) *Greater India*.—The story of an Indian merchant or artist sailing to Java or Siam and settling down there for his work.

(d) The story of Christ and the Early Christians.

II. *Study of man's geographical environments*.—1. An Industrial Survey of the District.

Practical.

Preparation of a map of the industries of the district. Preparation of a "guide book" as a co-operative effort.

2. *Geography of the province*.—With reference to its natural divisions, climate, agriculture, industries, communications.

3. *Distribution of hunting, fishing and forest occupations in the world*.

Practical work.

A relief map of the province in clay or mud, as a co-operative effort; making of maps, charts, plans and diagrams.

4. *The story of the explorations of the world*.—Marco Polo, Vasco da Gama, Columbus.

5. *Principal sea-routes of the world*.—India to Far East, India to Europe, India to Australia, India to Arabia and Africa, Europe to America.

6. *The various methods of Ginning and Carding used at different times and in different countries (where spinning is the basic crafts)*.

III. *Training for Civic Life*.—1. *A study of the town as an organized community*, with reference to the following points:—

(a) Relation to the village, their mutual interdependence, migration from village to town.

(b) The administration of the town, municipality, rights and duties of citizens, taxes, police, law courts.

(c) Social services, hospitals, child-welfare centres, libraries and reading rooms, post office, water-works, street lighting, play-grounds, akharas.

(d) Places of worship. Respect for all places of worship.

(e) Amusements and entertainment. Treatres, cinemas.

(f) Centres of education—University, Colleges and Schools, Industrial Schools.

Practical work.

A guided trip to the nearest town if possible.

2. *Study of Current Events* through the daily reading of newspapers in reading circles, correlated with map-study in geography and with work in the Mother-Tongue.

3. *Practical.*—(a) Organization of self-governing units in the school on the principles of local self-government.

(b) Organization of social service groups with activities outlined in the syllabus for grade III.

(c) Celebration of national, religious or seasonal festivals.

(d) Organization of newspaper-reading circles, and discussion groups on current subjects.

4. *Civil Activities.*—Continuation of work outlined for Grade III.

Grade V

1. *The story of Muslim civilization in India and the World.*—(a) Life story of Prophet Muhammad with the social and geographical background of Arabia.

(b) Some heroes of early Islamic history: Omar, Ali, Husain, Caliph Abdul Aziz.

(c) The beginning of Muslim contact with India; Muslim travellers and merchants—Mohammad bin Kassim, Khwaja Moinuddin Chishti.

(d) The story of the development of Indo-Muslim culture (illustrated through concrete examples)—

(i) Interaction of the Hindu and Muslim religions, through the story of Amir Khusro, Kabir, Guru Nanak, Akbar and Dara Shikoh.

(ii) Development of a common social life: Food, dress, amusements, common festivals, social customs and etiquette.

(iii) Development of common political life and administrative system: Sher Shah, Akbar, Todar Mull.

(iv) Language and literature: Persian as literary and court language; Hindu writers and scholars of Persian, and Muslim writers and scholars of Sanskrit and Hindi; patronage of Sanskrit, Hindi and Bengali, etc., by Muslims; development of Hindustani as a common language.

(v) Arts, Music, Development of Indo-Muslim music: Amir Khusro, Tan Sen. Painting: Mughul, Rajput and Kangra Schools of Painting. Architecture: Kutub Minar, Fatehpur Sikri, Taj Mahal. Calligraphy and illumination of manuscripts.

(vi) Handicrafts: weaving, dyeing and printing, gold and silver smithy, lace-work, carpet-making, gardening.

(c) Life stories of the following personalities with special reference to the social conditions of their times:—

Alberuni, Ibn-i-Batuta, Feroz Shah Tughlak, Babar, Chand Bibi, Nur Jehan, and some mystics and saints, such as Dadu, Kavir, Nanak, Baba Farid.

(f) Contribution of Islamic civilization to the world: Ali (as a man and as a scholar); Balal (the negro democracy); Haroon-ur-Rashid (patronage of learning); Salahuddin (representative of Muslim chivalry); Abdur Rahman III (Moorish culture in Spain); Extent of the Muslim empire in the world (in correlation with Geography).

II. Study of Man's Geographical Environment.—1. Geography of India, with reference to its natural divisions, relief, climate, natural vegetation, crops, means of communication, industries, trade, population, political divisions and linguistic areas.

Practical work.

(i) Maps, charts and diagrams showing different features of the Geography of India.

(ii) Map of the world showing the extent of the Muslim Empire.

2. A study of the different regions of the World with reference to the following occupations: Commerce, agriculture and industries.

Practical work.—Maps, charts and diagrams.

3. Story of the discovery of the world: Livingstone; Cook, Peary, Shackleton.

4. A history of the spinning technique in India and other countries (to be taken during the craft period). Oral information, discussion and written composition.

III. Training for Civic Life.—1. Study of Current Events through—

(a) Group reading of newspapers.

(b) Editing a daily news-sheet.

(To be taken in the language period).

2. A study of the district under the following heads:—

(a) District and local boards and the public utility services as organized and controlled by them: agriculture, irrigation, co-operative organizations, sanitation, and public health, medicine and education.

(b) Administration: Administrative sub-divisions; the district officials and their duties; law courts and the police.

(c) Agencies of social service.

(d) Means for entertainment and popular education.

3. Civic Activities.—Continuation of the work outlined in Grade IV.

Grade VI

1. History of India, with special reference to the modern period:—

(a) The story of the disintegration of the Moghul Empire. Shivaji and the rise of the Marathas.

(b) The decline of Indo-Muslim culture.

(c) The story of the early European merchants, traders, soldiers and missionaries in India.

(d) The story of the British occupation of India.

(e) Ranjit Singh and the rise of the Sikhs.

2. The influence of the civilization of the West on Indian culture to be studied with reference to the following aspects :—

- (a) Religion.
- (b) Social Life.
- (c) Political and economic life.
- (d) Language and literature.
- (e) Education.
- (f) Industries, Arts and Handicrafts.

N. B.—The approach to this study should be concrete, *i.e.*, through actual examples, not theoretical or philosophic.

3. A History of the Indian National Movement.

4. A History of the Textile Industry in India, its decay (to be taken in connection with the craft work).

II. *Study of Man's Geographical Environment.*—1. An outline geography of the main regions of the world with fuller treatment of Eurasia (to show the reaction of geographical conditions on the life and occupations of the people).

2. Recent explorations—Everest Expeditions, Russian Expedition to the North Pole.

III. *Training for Civic Life.*—1. A detailed survey of the religious, social, economic and cultural life of the village, to be carried out by the students under the guidance of the teacher.

2. *Practical Work.*—As the practical expression of the survey, the organization of a senior social service group, consisting of boys between the ages of 12—14 with the following activities as possible basic work :—

- (a) The systematic study of the region in the light of the economic and cultural needs of the people.
- (b) Sanitary and hygienic inspection of dwellings, village roads and wells, protection and cleanliness of the village drinking water, and village roads.
- (c) Protection against flies, bed-bugs, malarial mosquitoes and other parasites.
- (d) Gathering of medicinal herbs and their cultivation for local distribution.
- (e) Organization of popular lectures on health and hygiene.
- (f) Propaganda for preventive measures against infectious disease.
- (g) Organization of adult education in the villages—reading of journals and newspapers, organization of kirtans, kathas and popular lectures. Spread of literacy.
- (h) Care of forests, groves and other natural beauty spots, care of old mosques, temples and other historical monuments.
- (i) Propaganda against all forms of injustice in the village.
- (j) Organizing centres of craft training for the adult population of the village.
- (k) Organizing national and religious festivals. Organizing entertainments and games for the children and adult population of the village.

Grade VII

The study of the Modern World.—1. Science in modern life—conquest of the forces of nature through scientific inventions and discoveries and their application to life :—

- (i) Development of the rapid means of locomotion—railways, motor cars, steamships, aeroplanes.
 - (ii) Development of the rapid means of communication of ideas—press, telephone, telegraph, radio, television.
 - (iii) Development of modern industry—The industrial Revolution.
 - (iv) Science and Public Health.
 - (v) Science and Agriculture.
 - (vi) Science in everyday life—food, clothing, lighting, building.
 - (vii) Science and modern warfare; the misuse of power over nature.
- (This aspect of modern history will be closely correlated with work in General Science.)

2. *The story of industrialism and imperialism in modern world.*—(i) Growth of industrialism and capitalism in the countries of the West and the growth of the industrial civilization.

(ii) Growth of imperialism as a result of industrial civilization. Exploitation of the races of Asia and Africa by the industrial nations of the West and by Japan.

(iii) The World War (1914—18).

(iv) The story of socialism as a world force, its development as a reaction against capitalism and imperialism. The story of the U. S. S. R. as an experiment in industrial and socialist civilization.

3. *Democracy in the modern world.*—(i) The meaning of democracy.

(ii) Democratic institutions and communities in Ancient and Mediaeval India.

(iii) The story of the American Republic.

(iv) The story of the French Revolution.

(v) The development of present Indian constitution in outline—its limitations.

(vi) The story of the suppression of democracy in Europe

N. B.—These topics should be presented, and studied in simple and broad outline with the object of giving the student a proper orientation towards the modern world.

2. *Current Events*—(a) The present international situation (in broad outline).

(b) Forces working for international justice and peace—

(i) The League of Nations, its activities and its failures.

(ii) Peace organizations.

(iii) The Satyagraha movement as a world force.

3. *Outstanding Problems of Modern Indian Life.*—(a) *Social.*—Rural Reconstruction. The problem of untouchability and the Harijan Movement. Social Reform amongst Muslims. The position of women in modern India.

(b) *Political.*—The history of the National Movement (continued). Indians overseas.

(c) *Economic.*—Decline of handicrafts and industries under British rule. The problem of poverty in India. Revival of Handicrafts under the Swadeshi and the Village Industries movements. The beginnings of industrialization in India.

(d) *Language.*—Multiplicity of languages in India. The importance of Hindustani as the national language.

(e) *Cultural.*—Movements for the revival of Indian culture and national education.

4. An elementary knowledge of the economic geography of the world, with special reference to the countries with which India has economic relations.

(To be initiated by the study of the village bazar or the district fair.)

5. History of the technique of weaving in India and in other lands (in correlation with the craft of spinning and weaving).

6. *Practical activities.*—Continuation of the work laid down for Grade VI.

GENERAL SCIENCE

Grade I

1. Naming and recognition of principal crops, trees, animals and birds in the neighbourhood.

2. Direction finding with reference to the sun; the seasons of the year; observation of changes due to change of season; effect on trees, plants, birds, insects, reptiles and man—

(a) The colour of trees at different times of the year; the falling of leaves; chief parts of a plant; recognizing the difference between a leaf, a root and a stem; the bulbs as store-house of future nourishment; potato, onion.

(b) Insects fewer in winter than in spring and rain. Snakes during the rainy season. Where do they go in winter?

(c) Change in the clothing of man; how does clothing protect against cold?

3. We are surrounded by air at all times; air is a real substance; man breathes and lives in air; the air is in motion in the winds and in the school-room.

4. Sources of water (river, spring, tank, well); circulation of water; evaporation, sun, clouds, dew and rain. Observations of loss of water through evaporation.

5. Fire must have air to burn; be careful with fire; don't run if clothing catches fire.

6. Developing habits of cleanliness; cleaning of the body; cleaning of the face, hands, nails and teeth; use of the datoon; cleaning of clothes; washing with various materials available in the villages.

7. Stories of how from the earliest time the world over, man has been observing the sun, the moon and the stars and utilizing this knowledge for calculating time and finding out direction.

Stories about farmers, travellers, sailors and Generals of armies; how they have profitted by the knowledge of astronomy.

The rising and setting of the sun and moon. The child is to be encouraged to observe that the same stars that set in the morning are to be seen to rise a little after sunset in the evening.

Phases of the moon; the bright and the dark half of the month; what they actually mean.

Observation of the exact points of sunrise and sunset and the rays of light as they fall from the window on the wall opposite; the winter solstice and the summer solstice. (22nd December and 22nd June.)

Finding the northern point by observing the Pole Star and the Great Bear.

Observation of the eclipses of the sun and moon if there are any during the year.

(Insist on observation by the pupils. Organize frequent excursions. Prepare pupils beforehand for possible observations.)

Grade II

1. Recognition of—

(a) General form and size.

(b) General form of the stem and bark.

(c) General form of the leaf.

(d) General form, size and colour of the flower.

(e) General form and size of the fruit and seed of at least five common trees of the neighbourhood.

2. Recognition as in (a)—(e) above of at least 10 vegetables and crops grown in the neighbourhood; knowledge of the time of sowing and harvesting and the period of germination.

3. General appearance, mode of locomotion, food, and the call or cry of at least four domestic and three wild animals of the neighbourhood. Pond life; the frog and the fish; how they breathe; from the tadpole to the frog.

4. Birds; general form, size, colour; mode of flight, nesting and feeding; breeding season, size, form and colour of eggs of at least five birds usually found in the neighbourhood; making a bird-fountain and a bird-table in the school-yard.

5. Observation that there is dust in the air; haze due to dust on a summer day; the dust-storm; beam of sunlight in a semi-darkened room; diseases caused by dust; how to minimize dangers due to dust.

6. *Water*.—Its importance to plant, animal and human life; pure and impure water; common infections carried by water; the village-well.

(In 1—6 insist on direct observation; direct the pupil's attention to what he has to observe.)

7. Practical directions as regards breathing through the nose; value of fresh air; healthy habits of sleep.

8. The day, the month and the year are not arbitrary units but they depend on natural astronomical phenomena.

The day caused by the earth's rotation round its axis; division of a day into 24 hours or 60 ghatīs, the latter being a more natural unit.

The month caused by the moon's circling round the earth from full moon to full moon or from new moon to new moon, the month being made up of nearly 30 days.

The seasons: winter, spring, summer, rains, autumn.

The eclipses of the sun and the moon. What causes them?

Grade III

1. Plants require food, water and sunlight.

Comparative produce of equal plots with different manure, water and light provision.

Water dissolves substances; food of plants in solution; function of roots, stems, leaves, flowers and seeds.

2. Seeds and germination; at least 3 seeds, one from each of the following groups:—

(a) maize, wheat, barley,

(b) pea, cotton, pulses,

(c) neem, castor.

(to show the difference between dicot and monocot seeds and that between hypogeal and epigeal cotyledons.)

How seeds are scattered: by wind, animals, by force from the fruit, by water.

3. At least three domestic animals in more detail: the cow, the cat, the dog; how they care for their young.

Interdependence in nature; animals dependent on plants; man dependent on plants and animals.

4. Spiders and insects in the neighbourhood; recognition; their food, home and habits; house-fly; from eggs, larva or maggot; pupa to the fly; the breeding places of the fly; fly the reporter of dirt and the carrier of disease; how to get rid of the flies that infest the homes.

5. Experiments to show the difference between air breathed in and air breathed out; nature of combustion; importance of ventilation.

6. Pure and impure water; how to purify water, decantation, filtration, and boiling.

7. Cleanliness at home; disposal of night-soil, cow-dung and filth; their value as manures.

8. Wholesome food and healthy eating habits; proper sleep and exercises.

9. (Extended over Grades III and IV.)

As in No. 7 of Grade I and No. 8 of Grade II, but in greater detail.

The most important and characteristic constellations and their fancied shapes.

The students should be encouraged to observe and draw the figures of the constellations. They should be asked to make their own groupings of the stars.

Grade IV

1. Plant physiology: leaves as organs of transpiration, respiration, and carbon assimilation.

Roots and their functions; root hairs, how water passes into the roots.

2. The village pond; water-birds; their food, habits, songs; where and how they nest; their migration.

3. Insect life; the mosquito; from the wriggler to the mosquito; mosquito and health problems; where do mosquitoes breed; malaria and its prevention; loss to the village community due to malaria; the bee and the ant; the division of work and social organization.

4. Spiders, scorpions and snakes; the characteristics of spiders; how to distinguish them from insects; utility to man; destruction of harmful insects.

Recognition of poisonous and non-poisonous snakes; non-poisonous snakes as helpers of the agriculturists; first aid measures in case of scorpion and snake bite.

5. The three states of matter; water as solid, liquid and gas; distillation and condensation.

6. Experiments to show that air is a material, a gas occupying space; experiments to show that air has weight and causes pressure; experiments to show that gases, liquids and solids expand and contract with change in temperature; experiments to show how evaporation cools.

7. Human physiology: the respiratory and the circulatory system; common infections and contagious diseases: cholera, plague, smallpox and malaria; how produced; how to prevent their spreading.

8. See under No. 9 of Grade III.

Grade V

1. Continuation and recapitulation of plant and animals study with reference to—

- (a) flower, its parts and functions,
- (b) seed and fruit formation,
- (c) dispersal of fruits and seeds,
- (d) methods of vegetative propagation of plants (cutting, grafting, layering, etc.),
- (e) insects and birds that help in dispersal of seeds,
- (f) poisonous and non-poisonous snakes; symptoms of poisoning and first aid measures in case of snake and dog-bites.

2. Different kinds of food and their nutritive value; the digestion of food; the digestive system; what to eat; when to eat; the common drinking cup, its dangers.

3. Air: its composition; impurities; its purification; the function of trees in purifying air; air in a crowded room; methods of ventilation; draught; atmospheric pressure.

4. Water: composition, impurities; its purification; cholera, dysentery, typhoid and guinea-worm produced by impure water; precautions and safeguards.

Solution; solubility, saturated solutions, crystals.

5. Compass; magnetism, properties of a magnet.

6. Lightning and thunder, frictional electricity, simple voltaic cell.

7. Stories of eminent scientists, their search for truth.

8. The solar system: the nine planets; the comets, the planets, their satellites, the rings of Saturn, the zodiacal light.

Geography of the moon; days when the moon is nearest to the earth and the days when the earth is nearest to the sun.

Grades VI and VII

1. A thorough review of work done in previous grades.

2. A study of the acids, alkalis and salts with examples from every day life.

3. A comparatively thorough knowledge of the human body, its parts and their functions. The human body a fortress—

- (a) Outer wall: the skin.
- (b) Watchmen on the wall: sense organs: sight, sound, smell, taste, touch.
- (c) The Fort:
 - (i) Air—respiratory system.
 - (ii) Posters—circulatory system.
 - (iii) Food and its distribution—alimentary system.
 - (iv) Sewage—excretory system.—
 - (a) Skin.
 - (b) Kidneys.
 - (c) Breath.
 - (d) Bowels.
 - (v) Defence—Bacteria.
 - (vi) Officers and Intelligence—nervous system.

4. Health education to be particularly emphasised during these two years; preservation and improvement of health as against restoration; the preservation of health as an individual and social duty; purity of life as a preservative of health; causes of ill health: ignorance, carelessness, poverty, intemperance in food, drink, work and pleasure. Tuberculosis, leprosy: their causes, symptoms and prevention; the individual suffering and social loss involved; the need for individual alertness and social control to prevent diseases. (The pupils during these two years should undertake an active health campaign in the village.)

5. All pupils before leaving school should have acquired—

1. The daily bath habit.
2. The daily exercise habit.
3. The fresh air habit.
4. The moderation-in-all-things-habit.
5. The laughing habit.

6. The story of the Earth and the story of the evolution of life to be told in simple outline.

7. The story of man's conquest of nature briefly and simply told. The story of the control of diseases. The story of communications and industries.

8. Simple mechanical appliances in the home; levers, pulleys and screw appliances; pendulum, clock; work and working capacity; steam engine; internal combustion engines; acquaintance with magnetism and the magnetic field. The electric battery, the electric current, the electric bell.

9. First-aid to the injured: punctured wounds, cuts and bruises, burns, accidents to the nose, dog-bite, snake-bite, fractures and dislocations; application of splints and bandages; foreign bodies in eye, ear and nose; drowning; artificial respiration; transport of the injured.

10. Lives of at least 5 eminent scientists and their "Experiments with Truth."

11. The Law of gravitation illustrated by the motion of the moon round the earth. The transit of Venus. The falling stars. Nebulæ.

Astronomical distance—(light years)—distances of the stars. Stars of the first magnitude and their distances. What is the Milky Way? Shapes of the nebulæ.

The Calendar. The Solar and the Lunar systems of the calendar; intercalary month (Adhikmas); Pope Gregory's reform. The modern proposals for reform.

How to know the exact time of night or day by watching the position of the sun or the stars, the date by watching the phases of the moon, the month by watching the position of the moon in the constellations, and the season from the particular stars that rule the nights.

How to find the direction from the stars.

Modern achievements. What is spectrum analysis? The observatories at Ujjain, Jaipur, Sekanderabad and Kodaikanal, Greenwich, Mount Wilson. What is in the interior of the stars?

DRAWING

Grade I

Noting colours in relation to each other—red with green, yellow with black, recognising colour in flowers, trees, fruits and birds.

Correct names of the colours. Colouring of hectographed outlines.

Idea of form and relation.

Blue sky and green fields: with crayon and then cut in coloured paper.

Different shaped leaves to be traced and comparative form to be shown—pipal leaf, banana leaf, etc.

Form of common vegetables and fruits, usually a large size (pumpkin, brinjal, carrot, melon, mango).

Memory drawing of objects seen around them with coloured crayons.

NOTE.—Care should be taken to teach correct position and necessity for moving whole arm in drawing.

Grade II

Drawing of objects connected with daily lessons. Illustrative representation to be usually in black or brown crayola, if possible, with colours. Simple designs for borders with triangles, circles, semi-circles, simple flower units drawn or cut in coloured paper.

Landscape to be done with colour only—with river, trees, birds, etc.

Drawing and cutting tree form with foliage.

Animals with their colours; common vegetables with foliage.

Practice for free arm movement and correct position.

Grade III

Drawing of objects used in other lessons and in the home, from memory.

Scenes from home life.

Practice in drawing of trees, houses and animals, using action lines.

Designing of borders with squares, oblongs and circles, colouring them differently, *i.e.*, orange, green and purple.

Blending of colours—red and blue, blue and yellow, in two tones of gray.

Grade IV

Some landscapes, flowers, leaves and butterflies, in colours.

The near and far relations in nature and object drawing
The appearance of the near tree and the distant tree.

Drawing with the help of geometrical figures, flowers, leaves; in one colour and in several colours, complementary harmony and analogous harmony.

Decorative designs according to local tradition (*e.g.*, Rangoli, Alpona).

Mounting drawings on harmonising back ground.

Sketching of children and animals in action. Action may be shown by match-sticks.

Posters illustrating some lessons in social studies or general science for group work.

Grade V

Closer visual analysis and faithful execution should be insisted on here. Work done in previous grades might be repeated with greater thoroughness.

Proportion, arrangement, relation of objects, colour, values, massing, to be carefully studied.

Standard tints, shades; warm and cool colours, colour charts; colour scale in nature drawings made.

A leaf in different positions, sprays of leaves, pods, in pencil, ink and colour (by throwing shadows on the walls).

Landscape for book covers, outlining masses with black.

Illustration of history, science and literature lessons.

Pose drawing from children in action, and from animals studied.

Poster for a "school day".

Grade VI

Continue work in object drawing and designing.

Make an animal book for children of Grade I to be presented to them on the occasion of some festival.

Make posters for some social service campaign in the village (Group work).

Scale drawing; making of plane scales; the use of scales in the construction; reducing, enlarging and copying of plane figures.

Grade VII

Continue work in object drawing and designing.

Make a book of four landscapes for children of Grade II, decorating the title page with a coloured design.

Make posters for some social service campaign in the village.

Plans, elevation, and sections of solids in simple position.

Drawings and sections of objects to be made in the craft class.

The students of Grades I, II and III, should use only colours as far as possible; black and white may be introduced afterwards. Tracing from good pattern, and drawing pictures should be continued throughout the seven years (Grades I to VII).

POSSIBLE CORRELATIONS WITH THE BASIC CRAFT OF SPINNING AND WEAVING

The elements of the curriculum which we have recommended are closely correlated with one another because we have made an attempt to relate them integrally to the life and environment of the child. By making the craft the centre of education, we are anxious to make the whole process of education real for the child by providing concrete learning situations for him. Therefore, the three central points round which we have built up the curriculum are the child's social environment, the child's physical environment, and the basic craft which connects him to both. We indicate below the possibilities of correlating the various items of the curriculum with the basic craft in each grade to show that a considerable amount of the subject matter to be learnt can be integrally related to the craft-activities of the child.

The numbers within brackets in the following pages refer to items of the basic syllabus in the various grades.

It is unnecessary to point out correlations with the other two centres, *i.e.*, the social and the physical environment because they are obviously covered by the syllabuses in social studies and general science.

Grade I

Mathematics.

Counting of the number of rounds while winding the yarn on to the winder; counting of the slivers given out for spinning; the number of the accessories of spinning, such as taklis, winders.

An idea of the decimal system by counting the fingers of the hand, by arranging objects in groups of ten, *e.g.*, taklis, winders, hanks of yarn; by forming boys on drill in lines of ten each and by giving out slivers for spinning in bundles of ten.

Addition tables can be constructed by keeping scores at spinning competitions, counting different objects and performing the operation of addition by arranging them in heaps.

Subtraction tables by counting the slivers given over for spinning and left over after spinning is finished.

Measuring of thread and weighing of slivers given out for spinning will enable them to arrive at mathematical results, *e.g.*, units of measures, lines curved and straight.

N. B.—Counting and writing of numbers up to 160 is needed in spinning and winding as 160 rounds make a lati, 16 rounds a kali and 1 round equalling 4 feet a tar.

Social studies.

Clothing of the primitive man and woman—use of leaves, bark and skins, leading gradually to the use of wool, cotton and silk (*Ib*).

Dress of men and women in different lands—the Arab, the Eskimo, the African Pigmy. Dress in cold and warm countries. Cleanliness of clothes.

General Science.

Names and functions of different parts of the cotton plant, changes in the clothing of man with the change of seasons. How does clothing protect against cold and heat? Effect of humidity on carding and spinning. Morning time for the picking of cotton. Germination of the cotton seed.

Drawing.

Drawing of the cotton plant, cotton flower, cotton pod.

Mother tongue.

Naming the various tools used in the craft, describing the various processes of picking, carding and spinning with the takli; harvest songs and folk songs connected with spinning.

Grade II*Mathematics.*

Acquaintance with bigger numbers in spinning and winding exercises as 640 rounds make a goondi.

Addition and subtraction tables by practical work in spinning and winding, by counting exercises in preparation of slivers and thread. Easy problems in addition and subtraction from practical work in spinning and winding.

Exercises in measuring and weighing in connection with the basic craft to be continued to introduce them to measures of length, weight and money, commonly used in the locality.

Multiplication tables to be constructed by students when counting in groups of ten, five and two.

Social Studies.

Dress of primitive man and woman in modern times (1).

Dress in ancient times (2).

Dress in distant lands (3).

Clothing of different classes of people in the village (too little, too much, swadeshi, foreign), styles of dress.

General Science.

Form and size of the cotton plant (II); stem and bark of the cotton plant; form of the leaf of the cotton plant; form, size and colour of flower of the cotton plant; the seed of the cotton plant; time of sowing and harvesting and the period of germination (V). Cotton plug to prevent dust getting in.

Drawing.

Drawing the cotton plant, the cotton flower.

Mother tongue.

Oral description of processes involved in the craft work. Reading matter to be provided should contain lessons on items mentioned above under Social Studies and General Science.

Writing of the names (nouns) of instruments used in craft and the processes (verbs) involved; writing short sentences about them.

Grade III

Mathematics.

Numeration and notation in connection with—

- (a) statistics of the produce of cotton in the village, district, province and country, and figures of export of cotton and of import and export of cotton cloth;
- (b) population of the village, the district, the province and India, engaged in the basic craft;
- (c) the areas under cultivation : of cotton, wheat, etc.

These will supply data for problems and exercises in addition and subtraction with bigger numbers.)

Multiplication and division as the shortest way of performing addition and subtraction of equal numbers to be taken up by the distribution and by taking back of slivers; taklis, winders and bundles of cotton, by calculating numbers of objects required for distribution and the numbers received from a heap by individual students.

Tables of weights and measures to be studied in actual exercises in weighing and measuring in the course of craft work.

A study of the charkha to gain familiarity with common solids, *i.e.*, cylinder, cone, sphere, etc.

The ideas of quarter, half and three quarters to be given to children practically, by making heaps of cotton, or cotton seeds.

Exercises in reduction (ascending and descending) can be taught by practical work in calculating wages of spinning per child, per class and per length of yarn spun per class.

Social studies.

1. Dress in Buddhist India (dress of Bhikthus).

Ancient Persia and Ancient Greece. Beauty and simplicity of dress in ancient times (No. 1).

2. Description and significance of dress (under No. 2, dress for work, leisure and sleep).

3. Production of cloth in the village—approximate consumption per head—quantity produced in the village and imported from outside (No. 3.)

General Science.

Experiments with the cotton plants to illustrate germination of the cotton seed (No. I).

Dispersal of the cotton seed (No. II).

Dependence of man on cotton plant (No. III).

How to keep clothes clean—washing with various materials available in the village.

Drawing.

Drawing of dresses of primitive people.

Mother tongue.

Oral description and discussion of craft process; silent reading of written instructions about the craft work.

Relevant reading material in the text.

Keeping a daily record of work done in craft.

Grade IV*Mathematics.*

The bigger numbers to be taken from figures of the occupational census and from statistics of production, export and import, etc.

Calculation of wages earned in craft work will introduce the pupils to compound multiplication.

Simple book-keeping in connection with work in basic craft, keeping an account of materials used and goods sold.

Social studies.

Indian trade in cloth in olden times (No. 1).

More detailed information about production, consumption of cloth in the village and the district (No. II:1).

Centres of cloth-production in the district (No. II:2).

The role played by cloth trade in Indian history; importance of trade routes from India to the West; the urge to find a sea-route (II:5).

The number of producers of cloth in the village, in the district; number necessary to produce all the cloth required; variations of this number with the variations in the methods of production; textile mills, the migration from village to town, its extent; its dangers, need for planning (III:a).

General Science.

Experiment with cotton plant to illustrate N.1.

Experiment with cotton to show that air occupies the space between the fibres; carded cotton, increased volume of air in the intervening space, air, non-conductor of heat; lihaf and razai. (IV).

Drawing.

Posters and charts to represent graphically information relating to crafts under Social Studies.

Mother tongue.

Oral presentation and discussion of relevant information under social studies given above. Relevant reading material in the text book and in the books for supplementary reading (II:a).

Writing about relevant facts under Social Studies; descriptions of processes in craft and experiment in General Science writing simple letters to elicit information from relevant centres like the A. I. S. A., A. I. V. I. A.; the District Council or Village Panchayat (III:c).

Keeping a daily or monthly record of individual and class progress in the basic craft (III:d).

Grade V

Mathematics.

Practical problems in the calculation of wages, quantities of yarn spun, and yearly produce and expenses.

Practice method of calculation with reference to prices of yarn, cloth and wages.

Book-keeping to be continued by keeping detailed accounts of the work in the basic craft and the school co-operative shop.

Social studies.

The simple dress of the Prophet of Islam; how cloth was produced in Arabia at that time (I, a).

Indo-Muslim dress (I, d, ii). Improvement in cloth-production; weaving, dyeing and printing, carpet-making (I, d, vi). Chief centres of cloth trade (I) with a study of their climatic and geographical conditions; state protection and patronage; the land and sea-routes of cloth-trade; flourishing trade with the West; privately-owned and State factories.

The study of the different regions of the world with reference to the production of cloth, cotton and wool areas (II, 4).

The whole of No. III.

Possibilities of organizing sale of khadi-cloth on a co-operative basis; the organization of its production and sale in the district; importance of khadi in the present economic life of India.

General Science.

Study of the cotton plant in greater detail as required under No. I.

Drawing.

Drawing of illustration for relevant information under Social Studies and General Science given above.

Careful study of the cotton leaf and pod in general, pencil, ink and colour.

Mother tongue and Hindustani.

A good deal of relevant reading matter can be provided in the text book, and in books for supplementary reading.

Letters to different organizations to illicit information about khadi production and sales, about possibilities of co-operative organization.

The keeping of necessary records of craft work.

Hindustani names of instruments and processes involved in the craft.

Grade VI

Mathematics.

Work in the school-shop as an introduction to problems of profit and loss.

Percentages of waste in the craft work.

Calculations of the volume of wood required for making charkhas, etc. Volumes of cubes, cuboids and cylinder. Calculation of areas.

Social studies.

The importance of cotton to the West; the whole story of the British occupation of India; the cost of cloth required for durries; cost of making dresses.

The causes of the origin of the East Indies Trade; first trade concessions; relation of European companies and the workers; the East India Company and the Indian merchants; the exploitation of the Indian peasant, worker and trader; the Industrial Revolution; competition with Indian trade; protection in England against Indian textiles (I, c, d).

The story of the Indian national movement; the Swadeshi Movement; Swadeshi under Gandhiji; charkha and khadi as symbols of Indian freedom; the economics of khadi (I:3). The whole of I, 4.

Organizing centres of craft training for the adult population of the village.

Different kinds of cotton and its geographical distribution in the world; map work and collection of specimens of different kinds of cotton; climatic conditions favourable to the growth of cotton, e.g., soil, humidity, temperature; the idea of geographic control; import and export figures relating to Indian cotton; cotton exports and imports from and to different cotton-manufacturing and cloth-producing countries of the world (II).

The scramble for markets and raw materials; correlation with current events, e.g., the conquest of Abyssinia, Manchuria, China.

General Science.

Physical properties of water; its chemical composition and the mechanical devices for irrigation may be studied in connection with the geography of cotton; study of (I) with reference to cotton: insect pests; study of useful and harmful insects.

Drawing.

Posters for a campaign to popularise the use of khadi; scale drawing in relation with craft work.

Mother tongue and Hindustani.

A good deal of very instructive and interesting reading material can be provided in the text book and the books for supplementary reading dealing with topics mentioned above under Social Studies and General Science. Composition work should also be closely correlated with the interests generated in connection with their craft and other work.

Grade VII .*Mathematics.*

The children should learn to understand the rates of interest charged and the method of the calculation of interest. Running of School Savings Bank will make the need of these calculations more important. Practical problems in time, speed and work with reference to the basic craft.

Graphs in connection with the progress made by students in craft work and in other school subjects. Square root calculations in the making of cloth. The mutual relation of warp, weft, poonjam and hank.

Social studies.

The effect of the Industrial Revolution on the textile industry (No. I, 1, iii).

Effect of scientific and technical developments on clothing (No. I, 1, iv).

The story of industrialism and imperial expansion as illustrated by the scramble for cotton growing areas and marks for textiles (No. 2, i and 2, ii).

The World War (2, iii).

Development of cotton areas. World production of cotton, cloth imports and exports (IV).

Different methods of producing cotton; individual and collective farming; land tenure systems (2, iv). Cotton growing in Egypt and the United States of America with reference to areas in the South, its association with slavery. The Civil War (3, iii).

History of the technique of weaving in India and other countries (No. V).

General Science.

Bleaching, dyeing and printing of cloth. Relevant portions about mechanical appliance with reference to the development of the spinning and weaving technique (No. VIII).

Drawing.

Drawings and sections of objects to be made in the craft class.

Mother tongue and Hindustani.

As in Grade VI.

Syllabus of Studies for Vidya Mandirs

SYLLABUS OF STUDIES FOR VIDYA MANDIRS

The committee is of opinion that the syllabus of studies in the four classes of Vidya Mandirs shall be the same as for the first four classes of the seven years' course of studies of basic education proposed by the committee, with suitable modifications to meet the special needs of the Vidya Mandirs. These modifications, are embodied in the syllabus of studies enclosed herewith. The committee has proceeded on the assumption that in due course the Vidya Mandirs would develop into schools imparting seven years' course, *i.e.*, instruction in the full course of basic education.

The following subjects shall be taught in the Vidya Mandirs :—

- (1) Agriculture.
- * (2) Basic craft—
Spinning and weaving, or card-board and wood-work,
or any other craft approved by Government.
- (3) Mother-tongue.
- (4) Mathematics.
- † (5) Social Studies.
- (6) General Science.
- (7) Music.

*Other basis crafts suggested by the Committee in view of the requirements of the province are—

- (1) Gur-making, kosa silk, bamboo work, clay work, leather work, paper making and utilization of bone.
Government may get syllabi based on these crafts prepared with the help of experts.
- (2) Girls will take the course of Sewing in classes V, VI and VII. The course will be the same as prescribed in the Middle School Syllabus, 1937 Edition. The time for teaching will be found out by dropping compulsory agriculture in class V and by reducing the time allowed to craft work in classes VI and VII. Instruction in this subject shall be given for 2 hours each week.

†One aspect of instruction in this subject is practical physical training. Every day 40 minutes shall be devoted to physical and health education. The period shall not be split up into units smaller than of 15 minutes' duration at each time

The nature of instructions in various exercises, games, drills and sports shall be according to the syllabus suggested by the Central Board of Physical Welfare which is proposed to be constituted by Government.

2. The detailed courses of instruction in the above subjects are given below :—

1. BASIC CRAFT

N. B.—The time allotted to the basic craft is not meant to be spent only on the mechanical practice of the craft but oral work, drawing and expression work naturally connected with it as well as instruction in the why and wherefore of the processes involved, *i.e.*, their scientific and intelligent understanding, which is one important educative aspect of craft work, will also be given during this time. This is clearly implied in our scheme of three-centred co-ordination. The time indicated against each basic craft in the syllabus is intended to give general guidance.

(a) AGRICULTURE

The aim of teaching agriculture during this period will be to provide a suitable course to interest and instruct the pupils in the fundamental principles of soil management and plant growth.

Grade I

N. B.—Boys in this class will be ordinarily of age of 6. Garden work only will be done on a small portion of the demonstration plot. Boys will use only very small khurpies and watering cans. The first half year will be spent entirely in observation. Practical work as suggested below would begin in the next half year

TIME—HALF AN HOUR DAILY

NOTE.—The time for extra work in Agriculture specially proposed for Vidy Mandirs should be found from that devoted for basic craft in all grades.

Practical.

1. • Sowing of seeds in the nursery.
2. Watering the nursery.
3. Care of seedlings and plants (garden)—
 - (a) watering,
 - (b) weeding,
 - (c) mulching,
 - (d) picking insects, and
 - (e) manuring the nursery and small garden plants with fertilizers.
4. Collection of seeds of flower plants and vegetables in the garden.
5. Animal husbandry—Feeding domestic birds and animals. Taking care of the young of pets.

Observational.

- (1) Recognition of a plant and its different parts—roots, stems, leaves, flowers and fruit.
- (2) How a plant develops from the seed—seed, root, stem, leaves, flowers and fruit.
- (3) What the plant needs for its growth—soil, water, food, light and air.
- (4) Uses of birds and animals.

N. B.—In addition to the above, the boys will be taken round the fields in the village for observational purposes.

Grade II

TIME—HALF AN HOUR DAILY

Practical.

- (1) Sowing of seeds.
- (2) Preparation of small seed beds in boxes.
- (3) Preparing areas to take seedlings—garden beds of small sizes—
 - (a) digging,
 - (b) manuring, and
 - (c) khurpi work.
- (4) Transplanting of vegetable and flower seedlings—
 - (a) spacing,
 - (b) handling,
 - (c) planting,
 - (d) watering,
 - (e) protection.
- (5) Mulching and weeding by khurpies.
- (6) Manuring—
 - (a) top-dressing, and
 - (b) mixing.
- (7) Picking insects and spraying the diseased parts of plants.
- (8) Propagation other than by means of seed. Use of cuttings. How performed. Results to be noted later.
- (9) Animal husbandry—feeding pets and observing their habits.
- (10) Art and craft—preparing designs in the garden based on certain geometrical figures. Preparation of bouquets and garlands. Making hanging pots for flower plants and creepers from bamboo chips.

Observational.

- (1) How the site for a nursery should be selected and a nursery made.
- (2) Kind of soil and manure required.
- (3) Recognition of good and bad seed.
- (4) Effect of the quality of seed on germination.
- (5) Functions of different parts of the plant—
 - (a) Root—fixation in the soil—absorption of food, and
 - (b) Stem—absorption—carrying the food and sustaining the upper growth.

N. B.—Red ink experiment may be performed in the class room to show how the absorbed material rises through the channel.

(6) Time of planting—late in the afternoon. Watering early in the morning and late in the afternoon.

(7) Collection of seed. Where and how to collect.

N. B.—The boys will be taken round the farm when important operations are in progress, for purposes of observation.

Grade III

TIME—HALF AN HOUR DAILY

Practical.

N. B.—In this class, all the operations in the flower and vegetable garden will be done by the boys. They will be able to handle and work with small sized spades, forks, kudalies and other hand tools.

(1) All operations done in the two previous classes to be repeated.

(2) Potting the plants.

(3) Preparation of leaf mould and compost for pots.

(4) Propagation of plants by layering. Results to be noted later.

(5) Rearing of caterpillars to see the four stages.

(6) Mulching of flower and vegetable beds during breaks.

(7) Pupils to grow manured and unmanured pots to show the difference in the growth of plants.

(8) Animal husbandry—tending the animals.

Observational.

(1) Study of germinated seeds—

(a) embryo, and

(b) cotyledons.

Embryo grows into plumule and radical. Contents of cotyledons. Growth of plumule upwards and of radical downwards. Fate of cotyledons as a plant grows.

(2) Study of roots—

(a) tap root, and

(b) fibrous root.

(3) Study of stem—division into bark and wood, nodes, internodes, buds, branches and leaves. Difference between a root and a stem.

(4) Life history of a butterfly and grasshopper.

(5) Crop pests—stem and shoot borer. Control measures.

(6) Pot filling—

(a) material required for filling the pots, and

(b) qualities of a good leaf mould and the proportion in compost.

(7) Necessity of manures and their functions. The use of artificial manures.

(8) Disposal of nightsoil. Its value as manure.

(9) Knowledge of the different dairy products.

Grade IV

TIME—HALF AN HOUR DAILY

Practical.

(1) Growing of rainy season vegetables in the garden plots—cucurbits, beans, brinjals, etc. (according to locality).

(2) Preparation of land in the garden for transplanting the seedlings.

(3) Manuring the land.

(4) Laying out the land for irrigation and irrigating the crops after transplanting and thereafter.

(5) Top-dressing of vegetable crops with different fertilizers, ammonium sulphate, nicifos and nitrate of soda.

(6) Percolation and capillary experiments with and without mixture of manure, lime and sand.

(7) Study of different ploughs—

(a) wooden, and

(b) iron ploughs—monsoon, *J. T. Kokan* and Ridging.
Their functions by observation while they are being worked in the fields.

(8) Visits to the neighbouring hills to demonstrate the formation of the soil.

(9) Poultry-farming—feeding, cleaning the sheds and the runs, collecting eggs; hatching; care of chickens.

Observational.

(1) Recognition of fields crops. Division into two main groups according to the time of sowing. Rabi and kharif.

(2) Study of soil—(1) formation of soil. (2) Agencies which bring about the weathering and tearing of rocks—

(a) air,

(b) water, and

(c) heat.

(3) Recognition of soils of the locality.

(4) Their classification into sandy loamy and clay.

(5) Recognition by—

(a) feel, granulation, colour, weight,

(b) mechanical analysis of each,

(c) physical characters of each,

(d) correlation between texture and structure of a soil.
Presence of air and its effect on absorption, percolation and capillary rise, and

(e) to deduce from above the suitability of soils for kharif and rabi and garden crops.

(6) Forms of soil moisture.

(7) The control of soil moisture.

(8) Necessity of manures and their functions. When, how and in what quantities artificial manures should be applied.

BASIC CRAFT—SPINNING AND WEAVING

Grade I—First Term

(1) The following processes should be taught during this term :—

- (a) Cleaning cotton.
- (b) Spinning on the takli.
- (c) Winding yarn on to the winder.

(2) The speed at the end of six months, including winding, should be $1\frac{1}{2}$ lattis (hanks of 160 rounds) of 10 counts yarn in three hours.

(3) The average daily speed for the six months should be $\frac{3}{4}$ lattis of 10 counts yarn, i.e., the total production for 144 days is 27 goondis (hank of 640 rounds), weighing 1 seer $1\frac{1}{2}$ pows.

Grade I—Second Term

(1) In this term, carding should be taught.

(2) At the end of six months, the speed of carding (including the making of slivers) should reach $2\frac{1}{2}$ tolas an hour.

(3) At the end of six months, the speed of spinning on the takli, including winding, should be 2 lattis of 10 counts yarn in three hours.

(4) The average speed of spinning on the takli for this term, including carding, should be $1\frac{1}{4}$ lattis of 10 counts yarn in three hours. The total production will be 45 goondis weighing $2\frac{1}{4}$ seers.

Problems connected with the mechanics of spinning on the takli.

(1) If a greater amount of yarn is wound on to the takli, why is the rate of revolution of the takli reduced?

(2) If the yarn is loosely wound on to the takli, why does the rate of revolution of the takli decrease?

(3) Why do we apply ash while spinning in order to increase the rate of revolution of the takli?

Grade II—First Term

Spinning.

(1) The following processes should be taught during this term :—

- (a) Preparing slivers from carded cotton.
- (b) Piecing.
- (c) Spinning on the takli with the left hand but the twist to be as the right hand twist. Spinning with the fingers—on the leg above knee—on the leg below the knee.
- (d) Ginning should be taught in this term.

(2) Spinning on the takli should be taught alternatively with the right and the left hands.

(3) At first ginning should be taught with a wooden plank and a steel rod. When the speed has reached one chatak in half an hour the village ginning charkhas should be introduced.

(4) The speed of ginning at the end of six months should reach 20 tolas of cotton in half an hour.

5. The speed of carding (including the preparation of slivers, at the end of the term should reach 3 tolas per hour.

6. The speed of spinning on the takli (including winding) at the end of the term should reach $2\frac{1}{4}$ lattis of 10 counts yarn in three hours.

Grade II—Second Term

(1) Spinning on the takli to be continued.

(2) The speed of carding (including the making of slivers) at the end of the term should reach $3\frac{1}{2}$ tolas per hour.

(3) The speed of spinning on the takli (including winding) at the end of the term should reach $2\frac{1}{4}$ lattis of 12 counts yarn in three hours.

(4) During this term, the processes, of calculating the count of the yarn produced should be taught. The child should be able to do the work both practically and with intelligent understanding.

(5) The daily average speed of spinning (including carding) for the term, on the charkha, should be $2\frac{1}{2}$ lattis of 14 counts $3\frac{1}{2}$ chataks.

Grade III—First Term

(1) In this term students should be taught spinning on the Yeravda charkha, with double-handed spindle-holders (modias).

(2) Spinning on this charkha should be taught with the right and left hands alternately.

(3) The speed of spinning on the charkha (including winding) at the end of this term should reach $3\frac{3}{4}$ lattis of 16 counts yarn in three hours.

(4) In this term, the students should be taught to recognize the different types of cotton. They should also learn to estimate the length of fibre and to understand the count of yarn which can be produced from different types of cotton.

(5) At the end of the term, the rate of carding (including the preparation of slivers) should reach 4 tolas an hour.

(6) At the end of the term, the speed of spinning on the takli (including winding) should reach $2\frac{1}{2}$ lattis of 12 counts yarn in three hours.

(7) At the end of the term, the speed of spinning on the charkha (including winding) should reach $3\frac{3}{4}$ lattis of 20 counts yarn in three hours.

(8) The daily average speed of spinning (including carding) of the term will be $2\frac{1}{2}$ lattis of 20 counts yarn in three hours. The total production will be 90 goondis weighing $2\frac{1}{2}$ seers.

Grade III—Second Term

(1) At the end of the term, the speed of spinning on the takli (including winding) should reach $2\frac{3}{4}$ lattis of 12 counts yarn in three hours.

(2) At the end of the term, the speed of spinning on the charkha (including winding) should reach $4\frac{1}{2}$ lattis of 24 counts yarn in three hours.

(3) The daily average speed of spinning for the term (including carding) will be $3\frac{1}{2}$ lattis of 20 counts yarn in three hours. The total production will be 117 goondis weighing 2 seers $14\frac{1}{2}$ chataks.

Problems connected with the mechanics of spinning on the charkha.

(1) The advantages and disadvantages of keeping the spindle of the charkha parallel to the ground or at an angle.

(2) What should be done in order that the pulley may revolve exactly in the middle of the modia?

(3) Where should the charkha be oiled?

(4) Why should the charkha be oiled?

(5) Why does the charkha move more smoothly after oiling?

Here the principle of friction should be explained to the children. Also, they should notice the effect of oiling the hinges of a door, a swing, and the pulley for drawing water from a well.

(6) What is the advantage of the moving modia? .

(7) What is the reason of slippage? And how should it be prevented?

(8) What is the effect on carding of a tightly or loosely strung gut on the carding bow?

(9) What are the uses of the springs in the Yeravda charkha?

Grade IV—First Term

(1) During this term, the students should be taught the following subjects with the correlated theoretical knowledge:—

(a) How to find the strength and evenness of the yarn?

(b) How to calculate the resultant speed by the formula?

S/C where S is speed and C is count.

(2) In this term, the student should learn to repair the ginning charkha and the carding bow.

(3) At the end of six months, the speed of spinning on the charkha (including winding) should reach $4\frac{1}{2}$ lattis of 20 counts yarn in three hours.

(4) The daily average of speed of spinning (including carding) for this term should reach $3\frac{1}{2}$ lattis of 24 counts yarn. The total production will be 126 goondis, weighing 2 seers 10 chhataks.

Grade IV—Second Term

(1) In this term the students should be taught the following subjects :—

(a) A knowledge of the different parts of the Yeravda charkha, and how to repair it.

(b) The preparation of bamboo taklis.

(2) At the end of the term, the speed of spinning on the takli (including winding) should reach 3 lattis of 14 counts yarn in three hours.

(3) At the end of the term, the speed of spinning on the charkha (including winding) should reach 5 lattis of 28 counts yarn in three hours.

(4) The daily average speed of spinning (including carding) for the term should be $3\frac{1}{2}$ lattis of 28 counts yarn in three hours. The total production will be 126 goondis, weighing $2\frac{1}{2}$ seers.

(5) Weaving of tapes and niwars shall be introduced.

Problems connected with the mechanics of spinning.

(1) The speed of spinning is increased by a policy of a smaller diameter. But why is it more difficult to wind the yarn?

(2) What should be the distance between the centres of the two wheels of the Yeravda charkha?

(3) Why is the actual number of revolutions less than the calculated number of revolutions? (Friction).

CARD BOARD WORK

Grade I

TIME REQUIRED—2 HOURS PER DAY

Practical.

A series of exercises which mean the modification of materials such as card board, paper and cloth, by means of one or more tools or instruments in a prescribed way and for a particular end. Thus the method embraces, say, 20 models, of which at least eight must be made by every scholar during the first year of schooling :—

(1) Routine board (for school or class use).

(2) Box for collection of specimens (Nature study work).

(3) Simple albums for (a) history work, and (b) nature study work.

(4) Blotting-pad—(a) simple and (b) double (for use of schools and also for sale).

(5) Portfolio (for sale).

(6) Note-book binding (for school use and for sale).

(7) Book-carrier (for sale).

(8) An extra model.

Theoretical.

- (1) Tools and their uses.
- (2) Simple measurements involving use of—
 - (a) inch, foot and the metric system, and
 - (b) weights—seers, chataks and tolas.
- (3) Counting—simple problems in addition and subtraction.
- (4) Recognition of simple geometrical forms.

Grade II

TIME REQUIRED—2½ HOURS PER DAY

Drawing.

Introduction; necessity for drawings; method of preparing such drawings.

Use of the following instruments: Rule, set-square, compass.

Parallel, perpendicular, oblique lines.

Projection—Plans, elevation, section. Plotting out and lining in.

Circle—Centre, radius, circumference.

Square—Quadrangle, hexagon, octagon.

Graphical representation of the children's own work.

Practical.

(1) Colour decorations on hand-made paper for mounting. Each child should make at least half a dozen sheets of paper.

(2) Execution of any eight of the following models:—

- (a) Sliding box for keeping brushes, pencils, pens, etc., for school use and sale.
- (b) Slanting quadrangular tray for keeping nib, pencil, pen, etc., for school use and sale.
- (c) Hexagonal tray for the same purpose; paper mounting;
- (d) Hexagonal box with cover (cloth mounting).

N. B.—Models (c) and (d) should be given to the student to serve as a model in his future private activities.

- (e) Box with hinged cover for sale.
- (f) Hexagonal box with hinged cover for sale.
- (g) Blotting-pad for sale.
- (h) Portfolio, simple and complex for sale.
- (i) Round box for sale.
- (j) Two boxes of different kinds for sale.
- (k) Album, simple, with pad-leather covering.

WOOD-WORK

Grade III

TIME REQUIRED— $3\frac{1}{2}$ HOURS WITH AN INTERVAL OF TEN MINUTES

Theoretical and practical work combined.

- (1) Tools and their use.
- (2) Execution of at least seven exercises (selection must be the child's design to be supplied).

(3) Two extra models from the student's own design.

N. B.—In schools belonging to rural areas the following models are suggested :—

- (a) Handle of khurpi.
- (b) Ladder.
- (c) Small stool for water vessel.
- (d) Stand for filtering water.
- (e) A small desk for writing and reading.
- (f) (i) a small bookshelf (open), (ii) rack for keeping clothes, (iii) wall rack and (iv) alna.
- (g) A corner shelf for keeping household things.
- (h) A simple wooden cot.
- (i) A wooden box according to requirements.

(4) Sawing, planing, method of sizing, boring, grooving, simple joinings. All these should be taught through making the objects or exercises of pedagogical series.

Grade IV

TIME— $3\frac{1}{2}$ HOURS DAILY WITH AN INTERVAL OF TEN MINUTES

Practical.

- (1) (a) Ten models to be executed.
- (b) Two additional models from the student's own drawing.
- (c) Four kinds of joinings.
- (2) Drawing and graphic representations of the exercises—
 - (a) How to draw lines.
 - (b) The use of the set squares.
 - (c) Erecting perpendiculars.
 - (d) How to obtain various angles.
 - (e) Method of setting the compass.
 - (f) Use of the compass and drawing board.
 - (g) Use of rubber.
 - (h) Use of T-square.
- (3) Orthographical projection—
 - (a) The dihedral angles.
 - (b) Analysis of models.
 - (c) Definition of the following :—
Point, line, angle, square, circle (centre, radius, circumference).

Theoretical.

(1) Growth of trees—

- (a) Notes dealing with seasoning, shrinkage.
- (b) Parts of growing trees.
- (c) Seeds, germination.
- (d) Roots and their functions.
- (e) Root food in soluble form.
- (f) Ascending sap.
- (g) Evaporation from leaves.
- (h) Carbon extracted from air.
- (i) Life period of trees.
- (j) Time for felling.

Practical demonstration.

Transverse section of a tree—

- (a) Annual ring.
- (b) Cause of visibility of rings.
- (c) Composition of rings.
- (d) Heart wood.
- (e) Sap wood.
- (f) Bark and its use.
- (g) Growth of bark and pith.

Manual training—

- (a) Matter.
- (b) Measurement.
- (c) Metric system—(i) fractions, and (ii) rule of three.
- (d) Weight. (Indian system as well as International and English.)
- (e) Density.
- (f) Specific gravity.
- (g) Force and work.
- (h) Graphic representation.
- (i) Parallelogram of forces.
- (j) Resolution of forces.
- (k) Mechanical devices.
- (l) Levers.

GEOGRAPHY OF WOOD

Kinds of indigenous wood—

- (a) Soft wood, hard wood.
- (b) Reeds and bamboos.
- (c) Wood-growing provinces of India.
- (d) National income from wood.
- (e) Export and import.

N. B.—The theoretical instruction should be imparted as much as possible through the practical performance of the work. The theoretical terms should be pointed out only while drawing after the execution of a model.

MOTHER-TONGUE

Grade I

(1) *Oral self-expression*.—Conversation centering round names and description of different parts of the human body, clothes, class room, equipment and processes in craft work natural phenomena and events in daily life.

(2) Stories—

(a) Myths and legends.

(b) Folk tales.

(c) Nature myths.

(d) Fables and stories of animal life.

(e) Stories of life in different lands.

(f) Tales of primitive man and life in ancient times.

(g) Stories of school life and family life.

N. B.—Items (e), (f) and (g) will also cover the syllabus in social studies.

(3) Recitation of simple poems.

(4) Dramatization.

(5) Ability to read simple words and sentences. The work in mother-tongue will be entirely oral during the pupil's first six months in school.

Grade II

(1) (a) *Oral self-expression*.—The extension of the child's vocabulary—recapitulation of new words and expressions learnt by the children in their craft work, mathematics, nature study and social studies.

(b) *Descriptive self-expression*—describing objects, people and happenings within the child's environment, describing the different village crafts and occupations, fairs, festivals, etc.

(2) Recitation and dramatization.

(3) *Stories*.—Continuation of the syllabus outlined in Grade I.

(4) *Reading*.—Simple books which should contain lessons on the following :—

(a) Life of nature.

(b) The child's social environment, his home, school and village.

(c) Health and hygiene.

(d) Local agencies of community welfare.

(e) Crafts.

(f) Festivals.

(g) Stories and legends.

(h) Life of children in other lands.

(i) Poems.

(5) *Writing*.—Simple words and sentences.

Grade III

(1) *Oral self-expression*.—Continuation of the work detailed in Grade II, telling of simple stories.

(2) *Reading*.—Simple books whose material should be on the same lines as those outlined in the syllabus for Grade II together with life stories of some great benefactors of mankind, e.g., Buddha, Christ, Mohammad—

- (a) Reading aloud, with special attention to clearness of pronunciation and expression.
- (b) Silent reading of easy passages.

(3) *Writing*—

- (a) Writing of short sentences from dictation.
- (b) Writing of simple letters, descriptions and stories.
- (c) Daily record of craft work.
- (d) Daily record of weather observations.

(4) Recitation and dramatization.

Grade IV

(1) *Oral self-expression*.—The following in addition to work outlined in Grades I, II and III :—

- (a) Making of short speeches on a given subject in connection with craft work, social studies and general science.
- (b) Taking part in discussions on subjects of living interest.

N. B.—The above two purposes can be fulfilled by starting a discussion group or debating club for the members of Grade IV.

(2) *Reading*.—The reading material in Grade IV, in addition to the topics already outlined in Grade III, should contain the following :—

- (a) Stories of village crafts and craftsmen, stories of important arts and crafts in different lands and ages, building, cloth making, pottery, etc.
- (b) Stories of great inventors and inventions.
- (c) Stories of great discoverers and discoveries. (See the syllabus in social studies.)
- (d) Life of peoples in certain typical regions of the world.
- (e) Stories of some great benefactors and liberators of mankind, e.g., Zoraster, Socrates, Garibaldi, Husain, Lincoln, Pasteur, Davy, Franklin, Joan of Arc, Florence Nightingale, Tolstoy, Booker, Washington (Negro Leader), Sun Yat Sen, Mustafa Kamal, Gandhi.

N. B.—All these topics will be closely correlated with work in social studies.

(3) *Writing*—

- (a) Creative, writing stories, original compositions.
- (b) Writing from dictation.
- (c) Writing of simple and business letters.
- (d) Preparing notices, announcements and advertisements.
- (e) Filling up business forms.
- (f) Writing letters of social utility, invitation, condolence, apology, etc.
- (g) Keeping a daily and monthly record of individual and class progress in the basic craft and other interesting experiences.

(4) Contribution to a magazine for junior pupils and preparing a news bulletin.

N. B.—Amongst other topics, this magazine should include the following :—

- (a) A monthly record of the progress of the class in the basic handicraft.
- (b) Daily and monthly weather reports.
- (c) Health reports of class, family and village.
- (d) Report of geographical and social survey.
- (e) Current events.

MATHEMATICS

Grade I—First Term

- (1) Counting up to 100 (with concrete objects), giving an idea that our system of counting is based upon units of tens.
- (2) Counting by tens, fives and twos up to 100.
- (3) Recognition of big and small numbers at sight.

Grade I—Second Term

- (1) Counting up to 160 (with concrete objects), extension of the idea of the decimal system in counting.
- (2) Mental addition and subtraction. The answer should not exceed twenty. Thorough mastery of addition and subtraction tables up to 10 is necessary.
- (3) Meaning of signs + and -.
- (4) Simple problems in addition and subtraction up to 10
- (5) Writing of numbers up to 160.
- (6) Simple measurements involving the use of—
 - (a) yard, foot, inch and hath (18"), and
 - (b) seers, chataks and tolas.
- (7) Recognition of simple geometrical forms—straight lines, curved lines. A straight line as the shortest distance between two given points.

Grade II

- (1) Numeration and notation up to 999.
- (2) Addition and subtraction tables up to 20.
- (3) Addition of two and three figure numbers in vertical and in horizontal columns, the sum not exceeding 999.
- (4) Subtraction from any two or three figures numbers.
- (5) Multiplication tables up to 10×10 ; meaning of signs \times and \div .
- (6) Simple multiplication of numbers; the result not exceeding three digits.
- (7) Short division of numbers up to three digits by numbers up to 9.
- (8) Practice in measuring length and weight—Tables of money, rupee, anna, pice and pie; Tables of weight, panseri, seer, chatak and tola or corresponding local measures. Table of length, yard, foot, inch, hath, gondi, lathi, kali, tar.
- (9) Recognition of common polygon, square, rectangle and circle.

Grade III

- (1) Addition and subtraction to be continued. Practice in the processes and in problems of every day occurrence.
- (2) Multiplication tables up to 16×16 .
- (3) Multiplication long; the multiplier and multiplicand should not exceed three digits.
- (4) Long division by numbers up to three digits.
- (5) Reduction (ascending and descending) in measures of money, length and weight—
 - (a) Rupee, anna, pie.
 - (b) Yard, foot, inch.
 - (c) Seer, chatak, tola.
- (6) Simple problems in compound addition and subtraction.
- (7) Compound multiplication and division.
- (8) Indian system of writing—Rupees, annas, pies and maunds, seers and chataks.
- (9) Idea of fractions $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$.
- (10) Construction by manipulation of concrete objects and learning of the fractional tables of $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$ up to 20.
- (11) Recognition of angles (acute, obtuse and right).
- (12) Recognition of common solids—Cylinder, cone, sphere, cube.
- (13) Tables of weight, length, capacity, and time—Seer, panneri, maund, khandi: Yard, pole, furlong, mile: Local measures of capacity: Second, minute, hour, day, week, month, year.

Grade IV

- (1) Rekha bhunna, addition, subtraction, multiplication and division of rupees, annas, pies and maunds, seers and chataks by the quarter system.

N. B.—The division must be by a whole number and not a fraction.
- (2) Simple fractions of denominators, 10, 12, 14, 16, 20.
- (3) L. C. M. by factors of the above.
- (4) Addition and subtraction of fraction of denominators given above.
- (5) Comparison of British and Indian measures of weight—Pounds, seer, ton and khandi.
- (6) Gurs (formulæ for calculation) in connection with tables of measures learnt in the third and fourth years.
- (7) Mahajani Hisab—including that relating to the crafts.
- (8) Square measure, area of a square and retangle. In this connection students will learn how to draw—(a) perpendicular to a given line and (b) a parallel line to a given straight line.

SOCIAL STUDIES

Grade I

I. *The story of the Primitive Man.*—How he satisfied his wants and developed the rudiments of civilized life—

- (a) His shelter (caves, trees, lake-dwellings, etc.)
- (b) His clothing or natural protection—use of leaves, barks and skins, etc., leading gradually to wool, cotton and silk.
- (c) His means of livelihood—hunting, pastoral life and primitive agriculture.
- (d) His weapons and tools—wood, stone, bronze and iron
- (e) His means of self-expression—speech, primitive writing and drawing.
- (f) His companions and help-mates—horse, cow, dog, etc.

N. B.—This account of the life of primitive man should be given in the form of stories likely to appeal to children's imagination.

II. *Life of man in ancient times.*—Ancient Egypt, ancient China and ancient India, to be given in the form of stories, e.g.—

- (a) The story of a common slave building the pyramids of Egypt.
- (b) The story of the first five Chinese Emperors.
- (c) The story of a boy in Mahenjo Daro.
- (d) The story of Shunah Shepa (Vedic period).

III. *Life of man in distant lands.*—Arab Bedouins, Eskimos, African Pygmies, Red Indians.

N. B.—Much of the work can be done orally in the time allotted to the Mother-tongue, in the forms of stories and dramatization.

IV. *Training for civic life.*—(1) Life of the child in the school—Civic training will be imparted by practical training aiming at the development of the following attitudes and habits

- (a) Cleanliness and sanitation—
 - (i) Personal cleanliness (refer to the syllabus of General Science).
 - (ii) Cleanliness of clothes.
 - (iii) Proper use of latrines and urinals.
 - (iv) Proper use of waste-paper basket and dust-bin.
 - (v) Keeping the class room and the school cup-boards clean.
 - (vi) Care and proper use of the school drinking water
- (b) Social Responsibilities—
 - (i) Proper greeting of teachers and school-fellows.
 - (ii) Using of clean language.
 - (iii) Asking and answering questions politely.
 - (iv) Waiting for one's turn in speaking.
 - (v) Making use of the queue system.
- (c) Craft work—
 - (i) Proper use of work materials and equipment.
 - (ii) Sharing materials and equipment with others
 - (iii) Working in groups.
 - (iv) Waiting for one's turn.
 - (v) Leaving the class room clean and replacing the material and equipment in proper order after work.

(d) Games—

- (i) Fair play (to refrain from cheating and deceiving,
- (ii) To refrain from taking advantage of the weak.
- (iii) Importance of truthfulness above all gain or victory

(e) Discharge of responsibilities.—Besides the above mentioned practical training every child should have some definite responsibility in the school life, either individually or as member of a group. The following responsibilities are suggested for groups of children, between seven and nine years of age :—

- (i) Cleanliness of class room.
- (ii) Cleanliness of the school compound.
- (iii) Care of the school drinking water.
- (iv) Collection of leaves, flowers, stones, feathers, bark, wood, etc., for the school museum.
- (v) Helping to decorate the school for festivals, etc.
- (vi) Entertaining the school and the village.
- (vii) Helping new students.

(2) The life of the child in his home—**(a) The home as an ordered community, and the part played by every member in this unit.**

The place of father and mother in the home.

The place of brothers, sisters and cousins in the home.

The place of other relations in the home.

The place of the servants in the home.

(b) The child's place in the family and his responsibilities towards the older and younger members.**(c) The proper discharge of particular duties assigned to him in the home.****Grade II**

(1) *Primitive life in modern times.*—African aborigines, Australian Bushmen, Ceylon Vaddas, Indian aborigines

(2) *Life of man in ancient times.*—Ancient Hebrews, ancient Romans, ancient Indians (the period of the Upanishads). To be given in the form of stories, *e.g.*, the story of Moses, the story of Abraham, the story of Marcus Aurelius and of Regulus the Roman and the story of Nachiketa and Gargi.

(3) *Life of man in distant lands.*—The life of an Afridi boy, the life of a boy in Tibet, the life of a boy in a Swiss village, the life of a boy in Persia and the life of a boy in Japan.

N. B.—Much of the work under headings 1, 2 and 3 should be included with the work in the Mother-tongue in the form of stories, reading material and dramatization.

(4) *Training for Civic life.*—Observation of life in the villages—Food, clothing, housing, occupations, water-supply, the village bazar, places of worship, village entertainments, fairs and festivals.

(5) *Practical.*—Practical civic training under the following heads :—

(a) The child in his school.

(b) The child in his home.

Under these two heads there will be a continuation of the work outlined in the syllabus of Grade I.

(6) *The child and his village*.—(i) Keeping the immediate neighbourhood of the home clean.

(ii) Keeping the village roads clean (if possible, the children) should put up simple dust-bins in different parts of the village and persuade their family and friends to use them.

(iii) Refraining from dirtying the village well.

(iv) Entertaining the village by participating in simple school celebrations.

(v) Kindness to animals.

Grade III

(1) *Life of man in ancient times*.—Ancient India (Buddhist period), ancient Persia, ancient Greece. To be given in the form of stories, *e.g.*—

Buddhist India.—The story of Buddha, the story of Ashoka, the story of Mehendra and Sanghamitra, the story of a Buddhist Missionary to Central Asia or China and the story of the student of Nalanda.

Ancient Persia.—The story of Kava, the blacksmith, the story of the battle of Thermopylae and the story of an Indian Physician at the court of Darius the Great.

Ancient Greece.—The story of a Greek slave, the story of Socrates, the story of a young man taking part in the Olympic games, the story of Alexander, the story of Megasthenes and the story of Pheidippides (Marathon race).

(2) *Life of man in distant lands*.—The story of a boy in New York, the story of a boy in China, the story of a boy in a Russian Kolhoz or collective farm and the story of a boy in an Indian tea plantation.

N. B.—Much of the work under headings 1 and 2 will be included with the work in the Mother-tongue in the form of stories, reading materials and dramatization.

(3) Story of the district including a guided tour of the district if possible, with reference to—Relief, general features, climate, crops, industries, local historic monuments, means of communication and places of worship.

N. B.—During this tour, the work should be elementary and general. It should be carried further and made more precise during the industrial survey of the district to be carried out during the fourth year.

Practical work.—(a) Important features to be filled in an outline map of the district.

(b) Making of plans—Making plans of the class room, the school building, the school compound.

(4) *Study of the Globe*.—Shape of the earth, land and water spheres and principal sea routes (to be studied on slate globe).

(5) *A study of the village community*.—(a) The village and its administration. The village officers. The village panchayat, its functions.

(b) Village amenities—Markets, dispensary, post office, cattle-pound, roads, play-grounds and nearest railway station.

(6) *Practical work.*—(a) Organization of the school panchayat on the lines of the village panchayat.

(b) Organization of social service groups (boys and girls between the ages of 9 and 12) for the following Civics activities :—

- (i) Protection and cleanliness of streets and wells.
- (ii) Protection of crops from destructive animals.
- (iii) Organization of games and amusement for children under 9.
- (iv) Organization of entertainments for the children and adult population of the village.
- (v) Participation in national and seasonal festivals.
- (vi) Preparation of posters, signs, etc.
- (vii) Volunteer work in village fairs, festivals, etc.

Grade IV

I. *Life of man in ancient times.*—Ancient India, Buddhist China, Greater India, Early Christians—

- (a) *Ancient India.*—The stories of Samudragupta, Kalidas, Aryabhata, an Arab merchant trading in India, an Indian trader carrying his merchandise to foreign countries, Harshavardhana and Prithiraj, an Indian Physician at Harun-ur-Rashid's Court.
- (b) *Buddhist China.*—The story of the Chinese pilgrims, Fahien and Hiuen Tsang.
- (c) *Greater India.*—The story of an Indian merchant or an artist sailing to Java or Siam and settling down there for his work.
- (d) The story of Christ and the early Christians—Syrian Christians.

II. *Study of men's geographical environments.*—(1) An industrial survey of the district—Practical—Preparation of a map of the industries of the district. Preparation of a "guide book" as a co-operative effort.

(2) Geography of the province—with reference to its natural divisions, climate, agriculture, industries and communications.

(3) Distribution—of hunting, fishing and forest occupations in the world.

Practical work.—A relief map of the province in clay or sand, as a co-operative effort; making of maps, charts, plans and diagrams.

(4) The story of the explorations of the world—Marco Polo, Vasco da Gama and Columbus.

(5) The various methods of ginning and carding used at different times and in different countries.

III. *Training for civic life.*—(1) A study of the town as an organized community, with reference to the following points :—

- (a) Relation to the village, their mutual interdependence, migration from village to town.
- (b) The administration of the town, municipality, rights and duties of citizens, taxes, police, law courts.

- (c) Social service, hospitals, child-welfare centres, libraries and reading rooms, post offices, water-works, street lighting, play-grounds, akhadas.
- (d) Places of worship—Respect for all places of worship.
- (e) Amusement and entertainment—Theatres and cinemas.
- (f) Centres of education—University, colleges and schools, Industrial schools.

Practical work.—A guided trip to the nearest town if possible.

(2) *Study of current events.*—Through the daily reading of newspapers in reading circles, correlated with map study in geography and with work in the Mother-tongue.

(3) *Practical.*—(a) Organization of self-governing units in the school on the principles of local self-government.

(b) Organization of school service groups with activities outlined in the syllabus for Grade III.

(c) Celebration of national, religious or seasonal festivals.

(d) Organization of newspaper reading circles and discussion groups on current subjects.

(4) *Civic activities.*—Continuation of work, outlines for Grade III.

GENERAL SCIENCE

Grade I

I. Naming and recognition of principal crops, trees, animals and birds in the neighbourhood.

II. Direction finding with reference to the sun; the seasons of the year; observation of changes due to change of season, effect on trees, plants, birds, insects, reptiles and man—

- (a) The colour of trees at different times of the year; the falling of leaves; chief parts of a plant; recognizing the difference between a leaf, a root and a stem; the bulbs as store-house of future nourishment; potato, onion.
- (b) Insects fewer in winter than in spring and rain. Snakes during the rainy season. Where do they go in winter?
- (c) Change in the clothing of man; how does clothing protect against cold?

III. We are surrounded by air, at all times; air is a real substance; man breathes and lives in air; the air is in motion in the winds and in the school room.

IV. Sources of water (river, spring, tank, well); circulation of water; evaporation, sun, clouds, dew and rain; observations of flow of water through evaporation.

V. Fire must have air to burn; be careful with fire; don't run if clothing catches fire.

VI. Developing habits of cleanliness; cleaning of the body, cleaning of the face, hands, nails and teeth; use of the datoon; cleaning of clothes, washing with various materials available in the villages.

N. B.—Insist on observation by the pupils. Organize frequent excursions. Prepare pupils beforehand for possible observations.

VII. Stories of how from the earliest time the world over man has been observing the sun, the moon and the stars and utilizing this knowledge for counting time and finding out direction.

Stories about farmers, travellers, sailors, and generals of armies; how they have profited by the knowledge of astronomy.

The rising and setting of the sun and moon. The child is to be encouraged to observe that the same stars that set in the morning are to be seen to rise a little after sunset in the evening.

Phases of the moon. The bright and the dark half of the month. What they actually mean.

Observation of the exact points of sunrise and sunset and the rays of light as they fall from the window on the wall opposite, the winter solstice and the summer solstice (22nd December and 22nd June).

Finding the northern point by observing the Pole Star and the Great Bear.

Observation of the eclipses of the sun and moon, if there are any, during the year.

VIII. Physical Education.—Posture drills.

- (a) Sitting—secure good posture;
- (b) Standing—secure good posture. Ease of movement when rising. Drill in quietness and ease of movement;
- (c) Breathing—head up, chest out, inhale, exhale through the nose; and
- (d) Dismissal—plan by which to save unnecessary waste of time, *e.g.*, give commands; rise, stand, march, all march in single file.

Grade II

I. Recognition of—(1) General form and size, (2) general form of the stem and bark, (3) general form of the leaf, (4) general form, size and colour of the flower and (5) general form and size of the fruit and seed, of at least five common trees of the neighbourhood.

II. Recognition as in (1) to (5) above of at least 10 vegetables and crops grown in the neighbourhood; knowledge of the time of sowing and harvesting and the period of germination.

III. General appearance, mode of locomotion, food and the call or cry of at least four domestic and three wild animals of the neighbourhood. Pond life; the frog and the fish; how do they breathe; from the tadpole to the frog.

IV. Birds—General form, size, colour, mode of flight, nesting and feeding; breeding season, size, form and colour of eggs of at least five birds usually found in the neighbourhood; making a bird fountain and bird table in the school yard.

V. Observation that there is dust in the air; haze due to dust on a summer day, the dust-storm; beam of sunlight in a semi-darkened room; diseases caused by dust; how to minimize dangers due to dust.

VI. Water :its importance to plant, animal and human life; pure and impure water; common infections carried by water; the village well.

N. B.—In I to VI insist on direct observation. Direct the pupil's attention to what he has to observe.

VII. Practical directions as regards breathing through the nose; value of fresh air; healthy habits of sleep.

VIII. The day, the months and the year are not arbitrary units but that they depend on natural astronomical phenomena.

The day caused by the earth's rotation round its axis. Division of a day into 24 hours or 60 ghatīs, the latter being a more natural unit.

The month caused by the moon's circling round the earth from full moon to full moon or from new moon to new moon. The month being made up of nearly thirty days.

The seasons; winter, spring, summer, rains, autumn.

The eclipses of the sun and the moon. What causes them.

IX. Physical education—As in Grade I.

Grade III

I. Plants require food, water and sunlight. Comparative produce of equal plots with different manure, water and light provision. Water dissolves substances; food of plants in solution. Function of roots, stems, leaves, flowers and seeds.

II. Seeds and germination; at least three seeds, one from each of the following groups :—

(a) Maize, wheat, barley,

(b) Pea, cotton, pulses,

(c) Neem and castor,

to show the difference between dicot and monocot seeds and what between hypogeal and epigeal cotyledons. How seeds are scattered: by wind, animals, by force from the fruit, by water.

III. At least three domestic animals in more detail; the cow, the cat, the dog, how they care for their young. Interdependence in nature; animals dependent on plants, man dependent on plants and animals.

IV. Spiders and insects in the neighbourhood; recognition, their food, home habits; house-fly: from eggs, larva or maggot, pupa to the fly; the breeding places of the fly; fly the reporter of dirt and the carrier of disease; how to get-rid of the flies that infest the homes.

V. Experiments to show the difference between air breathed in and air breathed out; nature of combustion; importance of ventilation.

VI. Pure and impure water. How to purify water, decantation, filtration and boiling.

VII. Cleanliness at home. Disposal of night-soil, cow-dung and filth. Their value as manures.

VIII. Wholesome food and healthy eating habits. Proper sleep and exercises.

IX. Extended over Grades III and IV. As in No. VII of Grade I and No. VIII of Grade II, but in greater detail.

The most important and characteristic constellations and their fancied shapes.

The students should be encouraged to observe and draw the figures of the constellations. They should be asked to make their own groupings of the stars.

Grade IV

I. *Plant physiology*.—Leaves as organs of transpiration, respiration and carbon assimilation. Roots and their functions. Root hairs, how water passes into the roots.

II. The village pond. Water birds; their food, habits, songs; where and how they nest; their migration.

III. *Insect life*.—*The mosquito*—From the wriggler to the mosquito; mosquito and health problems; where do mosquitos breed; malaria and its prevention; loss to the village community due to malaria. The bee and the ant; the division of work and social organization.

IV. *Spiders, scorpions and snakes*.—The characteristics of spiders; how to distinguish them from insects; utility to man; destruction of harmful insects. Recognition of poisonous and non-poisonous snakes. Non-poisonous snakes as helpers of the agriculturists. First-Aid measures in case of scorpion and snake-bite.

V. *The three states of matter*.—Water as solid, liquid, and gas; distillation and condensation.

VI. Experiments to show that air is a material, a gas occupying space; experiments to show that air has weight and causes pressure; experiments to show that gases, liquids and solids expand and contract with change in temperature; experiment to show how evaporation cools.

VII. *Human physiology*.—The respiratory and the circulatory system. Common infectious and contagious diseases—cholera, plague, smallpox and malaria: How produced: How to prevent their spreading.

VIII. See under No. IX of Grade III.

DRAWING

Grade I

Noting colours in relation to each other—Red with green; yellow with black; recognizing colours in flowers, trees, fruits and birds.

Correct names of the colours. Colouring of hectographed outlines. Idea of form and relation.

Blue sky and green fields, with crayon and then cut in coloured paper.

Different shaped leaves to be traced and comparative form be shown—pipal leaf, banana leaf, etc.

Form of common vegetables and fruits, usually large size (pumpkin, brinjal, carrot, melon, mango).

Memory drawing of objects seen around them with coloured crayons.

NOTE.—Care should be taken to teach correct position and necessity for moving whole arm in drawing.

Grade II

Drawing of objects connected with daily lessons. Illustrative representation to be usually in black or brown crayola, if possible with colours. Simple designs for borders with triangles, circles, semi-circles, simple flower units drawn or cut in coloured paper.

Landscape to be done with colour only—with rivers, trees, birds, etc.

Drawing and cutting tree form with foliage.

Animals with their colours; common vegetables with foliage.

Practice for free arm movement and correct position.

Grade III

Drawing of objects used in other lessons, and in the home from memory.

Scenes from home life.

Practice in drawing of trees, houses and animals using action lines.

Designing of borders with squares, oblongs and circles, colouring them differently, *i.e.*, orange, green and purple.

Blending of colour—red and blue, blue and yellow in two tones of gray.

Grade IV

Some landscapes, flowers, leaves and butter-flies in colours.

The near and far relations in nature and object-drawing.

The appearance of the near tree and the distant tree.

Drawing with the help of geometrical figures, flowers, leaves; in one colour and in several colours, complimentary harmony analogous harmony.

Decorative designs according to local tradition (*e.g.*, Rangoli, Alpona).

Mounting drawing on harmonising back-ground.

Sketching of children and animals in action. Action should be shown by match stick.

Posters illustrating some lessons in social studies or general science (for group work).

MUSIC

A course of choral singing, set to standard tunes and time with an elementary acquaintance with the principal Indian ragas and tal. The songs suitable for children should be carefully selected and should include national songs, folk songs, devotional songs, seasonal and festive songs. The selection should also include a few songs in simple, quick rhythm suitable for group singing in connection with their craft work and physical training.

**Syllabus of Studies for the Training of
Teachers (according to the new syllabus
of Basic National Education)**

SYLLABUS OF STUDIES FOR THE TRAINING OF TEACHERS

According to the new Syllabus of Basic National Education

The minimum qualification for admission to the course for the training of teachers shall be a pass in the High School Certificate Examination of the Board of High School Education, Central Provinces and Berar, or in an equivalent examination

2. The course for the training of teachers shall be of the duration of two academic years and shall be divided into two parts, Part I being for the first and Part II for the second year of the course. After completing Part I of the course the pupil-teachers shall leave the training institution, serve for two years as teachers in schools, and shall return to the training institution again to complete the second part of the course

3. Every candidate shall be taught, and examined in the following subjects :—

PART I (FOR THE FIRST YEAR)

- (1) Principles of Education.
- (2) Methods of Teaching—General.
- (3) School Organization and Management
- (4) Craft knowledge to enable the teacher to teach the first four grades of Basic National Education.
- (5) Thorough knowledge of the subject matter of the courses of instruction prescribed in the Basic National Education for the first four grades.
- (6) Physical Education.
- (7) Art, Music and Folk-dancing.
- (8) Practical Teaching.

PART II (FOR THE SECOND YEAR)

- (1) Principles of Education.
- (2) Method of Teaching. Methods of Correlated Teaching of different subjects.
- (3) Psychology of Education.
- (4) History of Education.
- (5) Craft knowledge to enable the teacher to teach the final three grades of Basic National Education.
- (6) Thorough knowledge of the subject matter of the courses of instruction for the final three grades of Basic National Education.
- (7) Physical Education.
- (8) Art, Music and Folk-dancing.
- (9) Practical Teaching.

4. Detailed courses of instruction in the subjects mentioned above shall be as below—

PART I (FOR THE FIRST YEAR)

(1) *Principles of Education*.—1. The place of Education in National life. Education and the Social Order. The problem of Mass Education.

2. The meaning of Basic Education. Its scope and contents. Its objectives. The ideal of citizenship implicit in the Basic School; Social service; Building up of a co-operative community. Training for democracy and productive work. Rejection of exploitation and violence, and Methods for realizing this idea—school as a centre of social service; social surveys; rural reconstruction; adult education; school as an autonomous community; the right conception of discipline.

3. The place of the Teacher in the Basic School and in the community. His human and professional equipment; Parent-Teacher co-operation.

(2) *Methods of Teaching—General*.—1. Methods of Learning through Doing. The Complex Method and the Project Method as illustrating the principle. Their desirable outcomes in knowledge, skill, habits, attitude and appreciation. (The underlying principle should be illustrated by showing the application of these methods to the teaching of various subjects and demonstrating how they make the process of learning more interesting and realistic and by relating learning to life, help in making knowledge a permanent possession and power.)

2. Correlation of craft teaching with other subjects. Craft not merely a subject of study but a method of approach to all other subjects.

3. How to work out schemes of co-ordinated teaching which will make instruction unified and meaningful. (Refer in this connection to "Possible Correlations with the Basic Craft", of the Wardha Syllabus.)

4. *The Basic School of Curriculum*.—Principles underlying this curriculum; co-ordination with the three centres; Physical Environment; Social Environment and Crafts; child-centric; correlation of various subjects; relation to actual life problems; training for citizenship. Comparison with existing curricula and discussion of its distinctive characteristics.

5. *Teaching Aids and Appliances*.—Importance of concrete illustrations; as a means of securing children's self activity; preparation of simple appliances and visual aids for teaching purposes.

6. The scheme of examinations with reference to the work of basic schools in crafts and other subjects. Keeping of records and progress charts; methods of class promotion. Discussion and criticism of the existing examination system.

(3) *School Organization and Management*.—1. The School as a community of children and teachers. How to organize it as an active social unit? Discipline and Freedom.

2. The duties and responsibilities of the Head Master and other teachers towards the (i) pupil, (ii) the community, and (iii) the State.

3. Co-operation between the school and other departments of the State for the service of the community, e.g., the Medical, the Agricultural, the Industrial and the Co-operative Departments.

4. The construction of the school Time Table. The organization of extra-curricular and social activities.

5. The Governing authorities of the school; the Department of Education; municipal and district boards; private agencies. Their powers and duties; the rights of the teachers.

6. School records, records, registers and accounts.

7. The School building—Its site, plan, floor space; furniture, seating arrangements, gymnasium and playgrounds.

8. Primary Education Act of Central Provinces and Berar.

(4) *Craft knowledge to enable the Teacher to teach the first four grades of Basic National Education.*—The pupil teacher should acquire knowledge of, and practical efficiency in, craft work prescribed for the first four grades of the seven years' course of Basic Education prepared by this Committee.

(5) *Thorough knowledge of the subject matter of the courses of instruction prescribed in the Basic National Education for the first four grades.*—The pupil teacher should acquire thorough knowledge of the detailed subject matter of the courses prescribed for the first four grades of the seven years' course of Basic National Education prepared by this Committee.

(6) *Physical Education.*—1. *For the teacher to keep fit.*—Twenty minutes of physical training every day.

2. *Physiology, Anatomy, Hygiene, Dietetics and Sanitation*—(i) The human body; its various parts and organs and their functions; skeleton, muscles, and the various internal organs; digestive, circulatory and respiratory systems; nervous system and special senses—sight, learning, touch, taste and smell. Common physical deformities.

(ii) Practice of health habits; fresh air and sunlight; physical exercises and games; the value of the Activity Principle in the Basic school; cleanliness of the body and clothes; importance of rest and sleep; care of the eyes, ears and teeth.

(iii) Sanitation with special reference to village; the death rate in Indian villages; causes of high mortality and measures calculated to lower it; medical inspection; signs and symptoms of contagious and infectious diseases, nature of germs, precautionary measures and simple treatment, dirty, and adulterated food and food stuffs; model houses for villages; drainage and the various methods of disposal of village refuse, household waste products, disposal of nightsoil, cow-dung and sewage disposal, water for drinking and other purposes, its purification and disinfection.

(iv) *Dietetics*.—Function of food and its chemical structure, common carbohydrates, their classification; fats; proteins; inorganic compounds in the food (water, calcium, magnesium, iron, sodium, potassium, phosphates); the importance of a sufficient and balanced diet with reference to the needs of the villager; place of milk, eggs, vegetables and fruits in the diet; the vitamins and their value; processes of cooking, the chemical changes taking place during the cooking of protein food, vegetables, etc.; non-alcoholic beverages—tea, coffee, cocoa, etc.; food accessories, condiments, spices, vinegar, salt, etc; narcotics and alcoholic beverages and their harmful effects; prohibition.

(v) Health Education in the school. And place of Health Education in the life of the school; planning a programme of Health Education; methods—examples of “projects” and demonstrations in health study.

(vi) First Aid.

3. Practical activity; body building, rythmic, curative, mass, competitive, and recreative. Instruction in the following is necessary :—

(1) Swedish exercises.

(2) Deshi Kasarat.

(3) Asanas.

(4) Exercise with the simple appliances, such as—

जोडी, लेझीम, लाठी, काठी, मलखांब, रस्सी.

— جوڑی - لیزم - لاٹھی - کاٹھی - ملکہوانب - رسی -

(5) Athletics (running, jumping, throwing)

(6) Minor games.

(7) Major games.

(8) Swimming (Rescue work also).

(9) Marching and Formations.

4. Training in the organization of scouting and school training corps.

(7) *Art, Music and Folk-Dancing*.—

1—ART

(i) What is art (expressional, decorative, representative and commercial).

(ii) The use of art in education.

(iii) Art in the life of a child.

(iv) Colour schemes.

(v) The value of art galleries, collections and museums.

(vi) Encouragement of collections.

(vii) Object and nature drawing—

1. Representation of simple objects from nature and memory.

2. The principles of perspective to be emphasised in both.

(viii) Working Drawing—

1. Paper cutting and pasting
2. Simple drawing to scale.

(ix) Imaginative Drawing—

1. Some principles of drawing human figures, animals and birds.
2. Story illustrations (Simple)

(x) Designs—

1. Use of stencils.
2. Simple patterns based on geometrical and natural forms.

2.—MUSIC

(a) Ragas

- (१) प्रभाती; (विभाज) (२) भैरवी; (३) आसावरी; (४) भैरव
(५) सारंग; (६) भिमपलास; (७) ठुमरी; (८) कव्वाली.
— پرہاٹی — (وہاج) — بیرونی — آساوری — بیرونی — سا رنگ —
— پلاس — ٹھہری — قوالی —

(b) Tals

- (१) त्रिताल; (२) घुमाली; (३) दादरा; (४) केरवा (५) पंजाबी ठेका;
— त्रताल — दहमाली — दादरा — केरवा — पंजाबी ठेका —

3.—FOLK-DANCING

(8) *Practical Teaching.*—The pupil teacher shall be required to teach forty lessons covering as far as possible all subjects of syllabus prescribed for the first four grades of the seven-year course prepared by the Committee.

PART II (FOR THE SECOND YEAR)

(1) *Principles of Education.*—1. Survey of the cultural life of the village, collecting of folk lores, etc. Rural Education in India. Its present scope and limitations. Place of the rural economy in Indian life and the aim of rural education. Some significant experiments in rural education in India and abroad.

2. Education through productive work; its psychological justification; its social and ethical value. The relation of the school to the life and work of the local community. The importance of the study of the local socio-economic conditions and their bearing on school work.

3. The idea of self-supporting schools. Their possibilities and limitations. Experiments in self-supporting education in India and abroad. Consideration of criticisms of the idea.

4. Principles of physical education.

(2) *Methods of Teaching—Methods of Correlated Teaching of different subjects.*—The following points should be studied in connection with the various subjects of the school curriculum—Mother Tongue, Mathematics, Social Studies, General Science, Hindustani, Drawing and the Basic Craft :—

- (a) Aims of teaching the subject.
- (b) Scope of the subject.
- (c) Teaching Methods and Devices.
- (d) Appliances and apparatus.

(Teachers should be required to prepare simple, inexpensive illustrative material for use in their lessons.)

(3) *Psychology of Education.*—1. Boy Nature and Girl Nature—

- (a) Their innate instinctive tendencies, *e.g.*, constructiveness, curiosity, self-assertion, the place of instincts in the formation of character.
 - (b) Their inborn intellectual capacities, *e.g.*, general intelligence and special capacities such as the linguistic, the arithmetical and the logical capacities. Limits and conditions of their development under the influence of the environment.
2. Stages of development.
 3. Imitation and Play and their educational uses.
 4. The place of habits in life; principles of habit formation; formation of good habits, *e.g.*—
 - (a) clear speaking, legible writing, hygienic postures,
 - (b) various skills required in the learning of arts and crafts
 5. Economical methods and conditions of acquiring knowledge, motivation of learning; interest and effort.
 6. Problem children, *e.g.*, the backward child, the delinquent child, the repressed child; methods of dealing with them.

(4) *History of Education.*—(A) An outline of the History of Education in India—

1. The system of Education in Ancient India; in forest schools and gurukuls.
2. The great universities of Ancient India and the nature of education imparted in them.
3. Education in Mediaeval India; Muslim and Hindu.
4. Educational Policy in India from 1835 to the present time.
5. Development of national education in India.

(B) A brief Outline of the History of Education in Europe.

(5) *Craft knowledge to enable the Teacher to teach the final three grades of Basic National Education.*—The pupil teacher should acquire knowledge of, and practical efficiency in, the craft work prescribed for the final three grades of the seven years' course of Basic Education prepared by the Committee.

(6) *Thorough knowledge of the subject matter of the courses of instruction for the final three grades of Basic National Education.*—The pupil teacher should acquire thorough knowledge

of the detailed subject matter of the courses prescribed for the final three grades of the seven years' course of Basic Education prepared by the Committee.

(7) *Physical Education.*—1. *For the teacher to keep fit*—
Twenty minutes' physical training every day.

2. Attainment of better efficiency in performance and organization of the practical activities suggested in I year course, paragraph (6) 3.

3. Aims of physical education and national development. Exploitation of the environment for physical education. Organization of physical activities in schools. Maintenance of statistics of physical development.

NOTE.—At least one hour each school day should be devoted to physical education throughout the course of training.

(8) *Art, Music, and Folk-Dancing.*—

1—ART

- (i) Art in the adult.
- (ii) Art, society and nation.
- (iii) Colour schemes.
- (iv) Art appreciation and its scope.
- (v) Acquaintance with famous works of art.
- (vi) The value of art galleries, collections and museums.
- (vii) The village gallery and museum.
- (viii) Art and Basic Education.
- (ix) Object and nature drawing—As for first year but more advanced.
- (x) Working Drawing—Drawing to scale, various plans, e.g., of a house, garden, etc., orthographic projection.
- (xi) Imaginative Drawing—As for first year but more advanced.
- (xii) Designs—
 1. Decorative designs based on geometrical and natural forms.
 2. Posters.
 3. Decorative letter writing.

2.—MUSIC

Ragas

- (१) देश; (२) खमाज; (३) मालकौंस; (४) भूपाली; (५) कानडा;
(६) बागेशरी.

دیش - کھماج - مالکونس - بہرہ پالی - کاڈا - باگیشری -

3.—FOLK—DANCING

A.—*Instructions for the Art Course.*—1. The mediums to be employed and their suitability :—

- (i) Pastel, charcoal, coloured paper cutting and pasting for young children.
- (ii) Pencil and water-colour for older children.

2. In teaching art care should be taken to train pupil teachers especially for enabling them to develop the individuality of the pupils in the Basic Schools.

3. Different methods of observation and how to develop them in the child should also be explained.

4. The method of correlation in the teaching of drawing be explained as the lessons proceed.

B.—*Instructions for the Music Course.*—1. In each raga at least four following songs shall be taught :—

- (१) लक्षण राग; (२) सुरावट; (३) भजन; (४) राष्ट्रीय.

لکشن راگ - سیور اوٹ - بهجن - راشٹری

2. Choral singing school be given especial emphasis.

3. Vocal music should be learnt by all, while, where provision exists, learning of instrumental music by pupil teachers should be encouraged.

4. Simple tunes suggestive of rhythmic movement for collective work should be taught.

5. The pupil teachers should be encouraged to collect folk songs and folk lores.

(9) *Practical Teaching.*—The pupil teacher shall be required to teach 20 lessons covering as far as possible all subjects of the syllabus prescribed for the final three grades of the seven years course prepared by the Committee.

ZAKIR HUSAIN.

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A Short Course for the Training of Teachers
of Vidya Mandirs

SHORT COURSE FOR THE TRAINING OF TEACHERS OF VIDYA MANDIRS

The Committee suggests the following subjects for instruction in the short course of five months' training for teachers of Vidya Mandirs proposed to be established in October next :—

I. (a) Training in spinning with the takli and (b) training in gardening and agriculture necessary to teach the fundamental principles of soil management and plant growth included in the Agriculture syllabus of grades I to IV.

II. *Training in the basic craft.*—Reasonable skill in the processes involved in the teaching of the basic craft syllabus prescribed for the first two grades in the Vidya Mandirs.

N. B.—For I and II above the teachers are expected to devote about two hours per day.

III. Introductory lectures on the basic principles of the new syllabus—Ten lectures.

IV. Introductory lectures on the History of Indian national awakening and the general trend of the contemporary world movements—Ten lectures.

V. Methods of teaching, with special reference to the subjects of the Vidya Mandir Curriculum—Ninety lectures.

VI. *Physical Education.*—(a) Principles and methods of physical education and maintenance of records of physical development, height, weight, chest.

(b) An outline course in physiology, hygiene, sanitation, first-aid and dietetics.

(c) *Practical*—

(i) Physical Training for teachers, and

(ii) Organization of physical education activities among students—One hundred and thirty periods.

VII. School organization and management—

(a) *School organization.*—Time-tables, detailed syllabi, progress registers, tabulation of results.

(b) *Management.*—The school committee, co-operation with local leaders and parents, school registers and school correspondence, inspections and inspection notes, examinations and tests, and the working of the Primary Education Act of 1920—Twenty lectures.

VIII. Activities related to the duties prescribed for the Vidya Mandir teachers on page 11 of the Vidya Mandir Scheme—Fifty lectures.

IX. *Knowledge of Basic Hindustani.*—Reading and writing through Devnagari and Urdu scripts—Fifty periods.

X. Knowledge of the subject matter of the course prescribed for the Vidya Mandir schools.

XI. *Practical Teaching*.—At least 15 lessons should be conducted by the pupil teachers under supervision.

XII. *Music*.—A course of choral singing, set to standard tunes and time, with an elementary acquaintance with the principal Indian ragas and tals. The songs suitable for children should be carefully selected and should include national songs, folk songs, devotional songs, seasonal and festive songs. The selection should also include a few songs in simple quick rhythm, suitable for group singing in connection with their craft work and physical training.

**Syllabus of Studies for the Continuation
Classes**

SYLLABUS OF STUDIES FOR THE CONTINUATION CLASSES

1. The continuation classes are primarily intended to prevent relapse into illiteracy among a vast majority of those children, especially in the rural areas, who terminate their education after the completion of the primary course. To gain this end the courses of studies have been framed with the following objectives in view :—

- (i) to enable the pupil to read and write for pleasure; and
- (ii) to cultivate in him, and through him in the village community a wide range of interests with a view to enable them to understand the world forces and the world problems.

2. The following subjects of studies shall be taught in the continuation classes :—

I.—Literature in the mother-tongue.

II.—Social Studies—

(i) The Past.

(ii) The Present.

III.—Every day Science.

3. The detailed courses of studies in each of the above subjects for the three continuation classes are below :—

I.—Literature in the mother-tongue.

I year (for class V).—Twenty-five selected short stories and ten poems.

II year (for class VI).—One drama and ten poems.

III year (for class VII).—Twenty selected essays, one biography and ten poems.

II.—Social Studies.

I year (for class V).—

1. *The Past.*—

The life of the primitive man.

The Stone Age and the Bronze Age.

Story of ancient civilizations—

(1) Ancient India.

(2) Ancient Egypt.

(3) Ancient China.

(4) Ancient Greece.

2. *The Present.*—

- (1) Various regions and races of the world; life in various countries.
- (2) The Chief staple products of the world.
 Food—Wheat, meat, fruit, tea.
 Textiles—Cotton, wool, silk, linen.
 Minerals—Coal, iron, copper, tin.
 Others—Rubber, oil.
- (3) Localization of industries and productions—its meaning, causes and effects.
- (4) Routes—Road, rail water and air.
- (5) Organization of production—
 1. Raw material.
 2. Labour.
 3. Capital.
- (6) Dependence of India on foreign supplies and remedies for minimizing it.

II year (for class VI)—

1. *The Past*—

- (1) Discovery of the various parts of the world, and adventures to penetrate its inaccessible regions.
- (2) The ancient Indian navigators.
- (3) Discovery of America and India.
- (4) Polar expeditions.
- (5) Everest expeditions.
- (6) Journeys through the deserts.
- (7) Record air flights.

2. *The Present*—

The Great War—its causes, horrors and aftermath. League of Nations.

Conflict of social forces in the world and their bearing on India.

III year (for class VII)—

1. *The Past*—

Some great benefactors of mankind—

Krishna, Budha, Confucius, Christ, Mohommed,
 Zorraster, Pasteur, Lister, Ross, Koch, Darwin,
 Faraday, Marconi, and Jagdish Bose.

2. *The Present*—

India: how peoples with different languages and religions constitute a united nation.

The economic and social condition of the people, and the effects of foreign rule.

A brief history of the national movement in India for freedom.

III. *Every-day Science.*

I year (for V class).—An elementary knowledge of the body-machine, and conditions of health. The energy of food; preparation of different kinds of foods; Vitamins.

II year (or VI class).—Industrial power—Steam, Gas, Oil, Electricity.

The story of steam. Steam-engines.

The story of electricity.

III year (for VII class).—

(i) Wonders of modern science.

(ii) Science as applied to rural reconstruction.

NOTES.—(1) It is essential that the subjects of study indicated above should be taught in strict correlation with the central activity of preparing a monthly journal for the villagers. The journal should contain a wide variety of topics and the syllabus suggested above will, it is hoped, provide adequate stimulus. The journal, however, need not be confined to these topics; it may include others of local interest, poems, short stories, etc., written by the students and also drawings and sketches attempted by them. Arrangements may be made for the reading of the journal to the villagers by the students out of school hours. In this way it may be hoped that the learning in the continuation classes will be purposive, that the students will be given opportunity of exercising their pen as well as their academic talents for the benefit of their people, and that the villager will, through hearing the journal read out and through talks with the students, imbibe interests and knowledge hitherto foreign to them.

(2) It is necessary that adequate literature in different Indian Languages be prepared by those who can best do it. The topics should be dealt with briefly in a broad outline fashion and written in simple and popular style. The schools with continuation classes should be provided with library journals and materials for the production of the school journal.

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