FAMINE INQUIRY COMMISSION

REPORT ON BENGAL

THE FAMINE INQUIRY COMMISSION

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INTRODUCTION

The Famine Inquiry Commission was appointed under Ordinance No. XXVIII of 1944, with the following terms of reference:—

To investigate and report to the Central Government upon the causes of the food shortage and subsequent epidemics in India, and in particular in Bengal, in the year 1943, and to make recommendations as to the prevention of their recurrence, with special reference to—

(a) the possibility of improving the diet of the people and the quality and yield of food crops, and

(b) the possibility of improving the system of administration in respect of the supply and distribution of food, the provision of emergent medical relief and the emergent arrangements for the control of epidemics in famine conditions in those areas and in those aspects in which the present system may be found to have been unsatisfactory.

Section 4(1) of the Ordinance, in pursuance of which this report is submitted, provides that "the Commission shall, in the first instance, direct its attention to the Province of Bengal, and.....shall make a report and formulate recommendations in relation to that Province in advance of the final report....."

We met for the first time on July 18th, 1944, in New Delhi. After spending some weeks in Delhi, where numerous official witnesses were heard, we went to Bengal on August 11th, and remained there for about 6 weeks. During this period we heard 130 witnesses in Calcutta, 45 official and 85 non-official. We took the opportunity, when in Bengal, of visiting various districts to observe the situation as it existed at that time and to obtain further evidence from witnesses. Chittagong, Tipperah, Dacca, Khulna, and Midnapore were visited by different members of the Commission and 33 official and 55 non-official witnesses were heard in rural Bengal.

A wealth of information about the causes of the famine and other questions included in our terms of reference was obtained in Bengal. But in order to view the past and present situation in Bengal in its proper perspective we felt it necessary to make inquiries in other parts of India. We wished to study procurement, rationing, and food administration in various provinces and states. Further, we are concerned with broad developments in food and agricultural policy in the country as a whole in connection with the prevention of famine in the future. Accordingly, on leaving Bengal on September 26th, we visited in succession Bombay City, Walchandnagar, Bijapur (where famine occurred in 1942-3), Madras City, Calicut, Cochin, Travancore, Tanjore, Bezwada and Nagpur. In all these places we interviewed numerous official and non-official witnesses, studied the existing food situation and food administration, and made inquiries about immediate and long term prospects of producing more food and improving the diet of the people. We returned to Delhi on November 2nd to prepare our report.

At the beginning of the inquiry we decided to hear witnesses *in camera*. The reasons for this decision were given as follows by the Chairman at a press conference on July 31st, 1944:—

"As you know, our terms of reference are wide and I think you will agree with us that our inquiry is of first class importance to the welfare of the people of this country. We have a definite and responsible task to perform and we feel that nothing must be allowed to prejudice its success. You would wish us, therefore, to obtain the best possible evidence of what occurred and why it occurred, so that we may be able to apply our minds to cause and effect and to make recommendations for the prevention of those events which were such

an unhappy feature of the year 1943. It is to that task that we are dedicated. We must be allowed to undertake it in the best possible conditions for success. Above all, we must be able to hear, weigh and judge the evidence in a calm and dispassionate atmosphere. I need not remind you of the strong feelings which have been aroused by past events. There has, perhaps unavoidably, been acute controversy and indeed bitterness and recrimination. We want those who give evidence before us to be free to speak their minds fully and without any reserve. It would be most unfortunate if evidence given before us should lead to an atmosphere of controversy, prejudicial to our work and to the manner in which other witnesses give their evidence before us. It would, indeed, be disastrous if the day to day labours of the Commission were to give rise to political or communal controversy or disturb the co-operation of all the different units in carrying out the all-India food plan.

It would be equally unfortunate if things were said and written which would have the effect of retarding the growth of public confidence. In short, our aim and object must be to do our work in a manner best calculated to ensure a report of the highest practical value in the shortest possible time. It is for these reasons that, after careful consideration, I and my colleagues have unanimously decided that our proceedings should be *in camera*. We are confident that the Press will appreciate these reasons and the spirit in which we are approaching our task and assist us by their support and confidence."

We feel that our decision to sit *in camera* was fully justified by results. Witnesses expressed themselves, both in giving oral evidence and in the memoranda prepared for our perusal, with a freedom that might have been restricted had our proceedings been open to the press. Our witnesses included officials, experts in various fields, and representatives of political parties and relief organizations. A great variety of views were put forward about the causes of the famine and the prevention of famine in the future. We are grateful to the many witnesses, official and non-official, who assisted us in our efforts to arrive at the truth.

This report is concerned largely with the past, with the story of the Bengal famine and the causes of that famine. We have also considered the immediate future and made certain immediate recommendations. We propose to deal in a later report with the second part of our terms of reference—the development of agriculture and the raising of standards of nutrition so as to make recurrence of famine impossible. But in order to lay plans for the future it is necessary to understand the past, and hence we feel that our analysis of the causes of the famine should not be regarded solely as a "post-mortem". Numerous lessons which should be of value in the future can be drawn from the sequence of events which led to the tragedy of 1943.

We are grateful to the Governments of the provinces and states visited by us for hospitality, and we wish to thank these and other governments for the readiness with which they have supplied us with information on the wide range of subjects covered by our inquiry.

Acknowledgement to the staff of the Commission may suitably be made when our work is over. We feel, however, that we cannot submit the present report without expressing our appreciation of the services of our Secretary, Mr. R. A. Gopalaswami, O.B.E., I.C.S. Throughout our inquiry and in the preparation of the report he has worked untiringly at every stage and has given us invaluable assistance.

PART I

FAMINE IN BENGAL

CHAPTER I.—THE FAMINE

1. The Bengal famine of 1943 stands out as a great calamity even in an age all too familiar with human suffering and death on a tragic scale. Between one and two million people died as a result of the famine and the outbreaks of epidemic disease associated with it. Many more who escaped death went hungry for many months, fell sick of disease, and suffered in other ways from the disintegration of normal life which the famine occasioned. Famine has, of course, been a common event in the ancient and modern history of India. As far as history stretches back, the country has been a prey to recurrent famines and during the nineteenth century a number of serious famines occurred. The terrible famine of 1769-70, in which it was estimated that 10 millions died out of a population of 30 millions, seriously affected the whole of Bengal, except the districts of Bakarganj and Chittagong in the south-eastern corner, but during the nineteenth century and the twentieth century up to 1943, Bengal was almost entirely free from famine.[1] The Famine Commission of 1880 included the eastern districts of the province, which suffered so severely in 1943, among the parts of the country which "enjoy so ample and regular a rainfall and such abundant river inundation as to ensure the safety of the crops in the driest years" The western districts are liable to scarcity but the only area which has been prone to famine from time to time is the district of Bankura on the western boundary of the province.

2. The most recent famines accompanied by high mortality took place in 1896-7 and 1899-1900. Thus, for over 40 years previous to 1943, India had been free from great famines. The relatively small famines of the last few decades occurred for the most part in rural areas remote from cities, were controlled by effective measures, and hence did not attract much public notice. Famine on a catastrophic scale had indeed faded from memory and was regarded by many as a thing of the past. In 1943 an enemy generally thought to have been finally vanquished reappeared in full strength and its victims thronged in their thousands the streets of the greatest city in India, Calcutta. The horrors of famine at its worst were clearly exposed to the public view. All this came as a great shock to the public in India.

3. The famine affected only the province of Bengal and, to a much less serious extent, the neighbouring province of Orissa. Its general course was as follows: during the early months of 1943, there were reports of distress from various parts in Bengal and apprehension on the part of District Officers that famine was imminent. In May and June it became clearly evident in the districts of Chittagong and Noakhali, situated on the eastern border of the province, and a steep rise in mortality occurred in these districts. By July most of rural Bengal was involved, the death rate in almost all districts being in excess of the normal. From this point onwards the number of deaths rose rapidly and the peak was reached in December, 1943. With the reaping of the *aman* crop in December and the arrival and distribution of supplies from outside the province during the closing months of the year, the famine was relieved, but the death rate remained high throughout the greater part of 1944. Severe epidemics of malaria, small-pox and cholera accompanied the famine. Of these diseases, malaria caused the greatest number of deaths.

[1] We refer here to Bengal according to its present boundaries.

4. In 1943 the mortality rate in certain districts in which starvation was most acute and widespread was higher than in the rest of Bengal, but nearly all parts of the province were affected in greater or lesser degree. While there were variations in the extent of local scarcity, the phenomenal rise in the price of rice which placed it beyond the means of the poor occurred everywhere in Bengal and the poor were nowhere immune from starvation. During the first half of 1944 there was little difference between various parts of Bengal in respect of disease and mortality. Disease associated with the famine became prevalent throughout the province. The famine therefore affected the whole of Bengal and was not confined to certain districts.

5. Only one section of the community suffered from starvation—the poorer classes in the rural areas. Well-to-do people, and industrial workers in Greater Calcutta and elsewhere did not go short of food in 1943. We have estimated in our report that perhaps one-tenth of the population—6 million people—were seriously affected by the famine. As the price of rice rose during the first half of 1943, the poor in the villages without sufficient stocks of grain in their possession found themselves unable to buy food. After an interval during which they attempted to live on their scanty reserves of food, or to obtain money to buy rice at steadily rising prices by selling their scanty possessions. they starved. The majority remained in their homes and of these many died. Others wandered away from their villages in search of food, and the mass migration of starving and sick destitute people was one of the most distressing features of the famine. Thousands flocked into towns and cities; the number in Calcutta in October 1943 was estimated to be at least 100,000. The migration of disorganized masses often occurred in the great famines of bygone ages, but during more recent famines it has been prevented or greatly limited. Its appearance during a famine, shows that the famine is out of control.

6. The wandering famine victims readily fell a prey to disease and spread disease in their wanderings. Families were broken up and moral sense lost. In their distress they often sank to sub-human levels and became helpless and hopeless automata guided only by an instinctive craving for food. We shall refer in our report to the problems to which the large scale migration of destitutes gave rise.[1] Here we are simply outlining the general features of the famine and it is sufficient to say that, by degrees, after the height of the famine was passed, the destitutes throughout the province returned to their villages and homes. By the end of November 1943 Calcutta was more or less free from famished wanderers. A residue of homeless and indigent famine victims remained to be cared for in relief institutions in Calcutta and the districts.

7 The turning point of the famine was reached in the closing months of 1943. In November His Excellency the Viceroy, Lord Wavell, brought in the Army to the rescue of the province and in December a bumper crop was harvested. During 1944 recovery took place slowly. But so serious a famine must necessarily have its after-effects on the life of the community. Even when food became available much remained, and still remains, to be done to heal the wounds which it inflicted on Bengal.

8. Such, briefly and barely described, is the tragedy which we are called upon to investigate. We shall fill in the details of the picture in our report and give our views as to the causes of the famine. It is as regards the latter that our responsibilities differ from those of previous Famine Commissions in India, which had the comparatively simple task of reporting on famines due to drought with consequent failure of crops over wide areas, and the straightforward measures necessary to relieve such famines. The causes of the Bengal

[1] The word "destitute" was generally used in Bengal as a noun to describe famine victims. However objectionable as English, the word is convenient and its use has not been avoided in this report.

famine, and the measures taken to relieve it, have given rise to much bitter controversy, centering round the question whether responsibility for the calamity should be ascribed to God or man. We have had to unravel a complicated story, to give due weight to a multiplicity of causes and apportion blame where blame is due.

9. **Scope of the report.**—Our report is designed as follows: first, to provide a background, a brief account is given of the geography, population, and social organization of Bengal. Next, the supply and distribution of rice in Bengal, and the supply position in recent years including 1943, are considered. Since the all-India food situation obviously influenced the situation in Bengal, we describe, in Chapter IV, the development of the former from the outbreak of war up to the end of 1942. In the following 3 chapters an objective account is given of the course of events in Bengal leading up to and culminating in the famine. A chapter on relief follows: here we describe the effect of the famine on the life of the people and the measures taken to relieve distress in Calcutta and the districts.

10. In the following chapter "Looking Back" we review in a critical vein the history of the famine and point out the mistakes made by the governments concerned. The chapter includes sections on "high prices and failure of distribution", "control measures during 1942", "the people and the government", "the situation in January 1943", "the situation in March 1943", "external assistance", "free trade", "distribution of supplies" and "famine relief" All these subjects are critically discussed. In a final chapter we state and sum up our conclusions on the course and causes of the famine.

11. Part II deals with the health aspects of the famine. An estimate of total excess mortality during the famine is made. The subjects considered are "mortality", "causes of disease and mortality", "medical relief and public health work", "the failure to prevent high mortality" and "health in other parts of India". Certain recommendations about the health services in Bengal are made. The health chapters are for the most part written in non-technical language for the benefit of the general reader and certain medical aspects of the famine of interest to the medical profession, notably the treatment of disease associated with famine, have not been fully dealt with. We consider it important that all useful medical and public health experience gained during the famine should be placed on record to add to existing knowledge about the relation between nutrition and disease. At an early stage we drew the attention of the Government of India to this point, and at our request a medical officer with experience of medical relief work during the famine was given the task of preparing a technical report on certain of its medical aspects.

12. In Part III we consider the immediate future. Procurement, rehabilitation and the supply of protective and supplementary foods are discussed and a number of recommendations are made on matters of immediate importance to Bengal. Finally there are a number of appendices which explain and expand certain passages in the main body of the report. These include analyses of production and consumption in 1943 and preceding years, a chronological account of events during 1943 supplied by the Government of Bengal, and a list of witnesses appearing before the Commission.

13. While we have summarized our general conclusions on the famine at the end of Part I, we have not prepared a summary of the report chapter by chapter. The detailed story which has to be told and our critical reviews do not lend themselves readily to summarization. We may add that matter which is not essential to the main theme of the report has been as far as possible excluded.

CHAPTER II.—GENERAL DESCRIPTION OF BENGAL.

1. **Area and Population.**—Bengal is pre-eminent among the provinces of India in two respects; it has the largest number of mouths to feed and produces the largest amount of cereals. The area of the province is 77,442 square miles, rather more than the area of England, Wales, and one-half of Scotland. The population is a little over 60 millions, which is well in excess of that of the United Kingdom, and not much less than the aggregate population of France, Belgium, Holland, and Denmark.

2. **Natural Divisions.**—The province naturally divides itself into four parts, namely, North, West, Central, and East Bengal. North Bengal extends from the Himalayas to the Ganges and, with the exception of the Darjeeling district and an elevated tract on the south-west, consists of a large area of alluvial land which has been subject to great fluvial action. West Bengal falls into two zones, of which the eastern is a low alluvial tract, while the western zone is higher and rocky and becomes more and more undulating the nearer it approaches the uplands of Chota Nagpur. Central Bengal was formerly the Ganges delta; in this area new land formation has almost entirely ceased and the greater part is no longer subject to inundation. It is a land of dead and dying rivers; a land which no longer receives the fertilizing silt from the large rivers which formerly flowed through it. East Bengal is the present delta of the Ganges as well as the Brahmaputra, and it is here that land formation is still proceeding. This is a country of innumerable rivers, large and small, the waters of which overflow the country-side during the rainy season and enrich the soil with their fertilizing silt.

3. **Soils and Rainfall.**—The soils of Bengal are almost entirely of alluvial origin and fall into two well defined types. The more important is known as the "new alluvium" and this is generally easily cultivable. The other type, the "older alluvium", occurs mainly in the west and consists of laterite formations of varying grades of sand and clay, with nodules of haematite. Cultivation of this "older alluvium" in a dry state presents great difficulty; for the most part, therefore, crops are sown on it only during the summer rains, whereas on the "new alluvium", crops are also grown during the winter. The province receives its rainfall from the south west monsoon current and by far the greater part of it falls between the months of June and October. Rainfall ranges from 50 to 60 inches westward of Calcutta and from 60 to 120 inches further east and north.

4. **Communities.**—According to the Census Report of 1941, over 54 per cent. of the people of Bengal are Muslims, about 42 per cent. Hindus, and approximately 4 per cent. members of other communities. The distribution of the population by communities in the four natural divisions of Bengal is shown below:

	Muslims	Hindus	Others
North Bengal	61·3	32·1	6·6
East Bengal .	71·9	26·2	1·9
Central Bengal	44·6	53·7	1·7
West Bengal	13·9	79·0	7·1

5. **Rural and Urban Population.**—According to the census figures, the population of the province increased from 42·1 millions in 1901 to 60·3 millions in 1941. While the population of India increased by 37 per cent between the years 1901 and 1941, that of Bengal increased by 43 per cent. Nine-tenths of the people of Bengal live in about 84,000 villages. Of these nearly 70,000 are small

villages, with less than a thousand inhabitants. The urban population numbers about 6 millions. About two-thirds of this number live in Greater Calcutta which includes Calcutta, Howrah, and the industrial areas to the north and south of these cities along the banks of the river Hooghly. Greater Calcutta, moreover, is one of the most important industrial areas in India and includes within its boundaries a very large proportion of India's war factories. Except for Greater Calcutta and the area covered by the coal-fields in the west, the province is predominantly—indeed almost entirely—agricultural; and the vast majority of its enormous population are dependent upon agriculture for their livelihood. In spite of the expansion of industry in the province, the percentage of total population depending on industrial employment for its livelihood is decreasing.

6. **Area under different crops.**—The total extent of the cultivated land in Bengal is nearly 29 million acres. Some of this is cropped more than once, and the total area sown under various crops is normally 35 million acres[1]. The principal crop is rice which accounts for a little less than 26 million acres[2]. In fact, Bengal may be described as a land of rice growers and rice eaters. The area under other staple foodgrains is small; that under wheat, for instance, is less than 200,000 acres, and the total area under food crops of all kinds other than rice is somewhat over 4 million acres. This includes land devoted to the cultivation of fruits and vegetables. The most important non-food crop is jute, which accounts normally for between 2 million and 2·5 million acres.

7. **The Permanent Settlement**[3].—The land revenue payable in respect of the greater part of the land in Bengal was fixed in perpetuity in 1793 and hence the term "Permanent Settlement". The settlement was concluded not with the cultivators but with the *zamindars*, through whom the State's share of the produce of the land was collected. It fixed the revenue at ten-elevenths of the assets, *i.e.*, annual gross rental, and left to the *zamindar* the remaining one-eleventh. In addition, the *zamindars* were given the benefit of any future increase in the assets of their estates resulting from the extension of cultivation or other causes, and the State promised not to make any demand "for the augmentation of the public assessment in consequence of the improvement of their respective estates". The *zamindars* were declared to be the proprietors of their estates subject to the prescriptive or customary rights of the tenants. These rights were not defined in the Regulation but the State reserved the right to legislate for the benefit and protection of the tenants. Finally, the estates became liable to be sold for arrears of revenue if the revenue was not paid by sunset of the latest date fixed for payment; and no excuses, such as drought or famine, were to be accepted for non-payment.

The fixation of the revenue in perpetuity, followed as it was by an increase in the *zamindar's* profits, encouraged sub-infeudation and brought into existence a large body of tenure holders. In some estates the number of such intermediate interests is extraordinarily large and in some districts 15 to 20 grades of tenure holders are not uncommon. The report of the Simon Commissions pointed out that in some cases as many as 50 or more intermediate interests have been created between the *zamindar* at the top and the actual cultivator at the bottom. The number of rent receivers continues to increase and of recent years there has been a further process of sub-infeudation below the statutory ryot.

Under the tenure holders are the ryots. Formerly the ryots were the actual cultivators but owing to sub-letting and the right of transfer the actual cultivators are to an increasing extent men who are either paying a cash rent corresponding to a full economic rent, or are cultivating under the *barga* system and

[1]Report of the Bengal Land Revenue Commission, 1940, Vol. II p. 88.
[2]*ibid* p. 105.
[3]Based upon the Report of the Land Revenue Commission, Bengal.

paying as rent one half of the produce. The ryots to-day possess a large measure of proprietary rights; the provisions of successive tenancy acts have endowed them with the practical ownership of their land. Under the ryots are the under-ryots, that is, the persons to whom ryots have sub-let. Under-ryots are not tenants at will and are protected by tenancy legislation.

The number of *bargadars* is increasing rapidly and in consequence a large and increasing proportion of the actual cultivators possess no security of tenure.

8. **Cultivation and their holdings.**—The cultivator in Bengal is a small producer. This fact is well known, but it is so important for the purposes of our inquiry that it is necessary to have some idea of the number of families which depend mainly on agriculture for their livelihood but either do not hold any land at all or hold only very small areas. Precise information on this point, however, is somewhat difficult to obtain. In 1939, at the instance of the Land Revenue Commission, Bengal, the Settlement Department investigated the economic position of nearly 20,000 families in typical villages of each district of the province. After studying the results of these investigations, together with certain further information subsequently collected during the 1941 census, we have arrived at the following estimates[1]:—

(i) The number of families in Bengal wholly or mainly dependent upon the cultivation of land for their livelihood is approximately 7·5 millions.

(ii) Less than 2 million families hold more than 5 acres each; about a third of this number hold more than 10 acres each.

(iii) About 2 million families hold between 2 and 5 acres each.

(iv) All the others, constituting about one half of all the families depending wholly or mainly on the cultivation of land, either hold less than 2 acres each or are landless.

(v) The cultivating families of Bengal include roughly about one million families living mainly or entirely as *bargadars*, *i.e.*, crop sharing tenants.

(vi) The number of families living mainly or entirely on agricultural wages is approximately 2 millions.

9. **Poverty.**—These estimates are important, for they afford a clear picture of the classes of cultivators who live, even in normal times, on the margin of subsistence, as well as the probable numbers of these classes. The general consensus of opinion among witnesses who appeared before the Land Revenue Commission, Bengal, was that "5 acres would be the minimum area required to keep the average family in reasonable comfort; but if the land is capable of growing nothing but *aman* paddy, the area required would be about 8 acres". The Commission considered these figures to be substantially correct.

The Land Revenue Commission also observed that "about half of the holdings in Bengal are barely sufficient for the maintenance of the families which own them". This, we have no doubt, applies to all those whose holdings are less than 2 acres, but the same would also apply to some among the 2 million families which cultivate between 2 and 5 acres each. As the Land Revenue Commission more than once observed in their report, "there is not enough land (in Bengal) to go round" We endorse this view.

In later chapters we shall deal with the immediate causes of the famine. It is necessary, however, to draw attention at the outset to the condition of the people in normal times. The standard of living was in general low. Population was growing rapidly, leading to increased pressure on available land suitable for cultivation. How far agricultural production was keeping pace with the increase in the number of mouths to be fed, it is difficult to say. At the

[1]Appendix I.

best of times, however, a section of the poorer classes, both in villages and towns, did not get enough to eat and their diet, largely composed of rice, was of poor nutritive quality. Sir John Megaw, Director General, Indian Medical Service, carried out in 1933 an inquiry into the physical condition of villagers in different parts of India, by means of questionnaires sent to local doctors. Dispensary doctors in Bengal reported that only 22 per cent. of the population were well nourished, while 31 per cent. were very badly nourished. The corresponding figures for India as a whole were 39 and 26 per cent. respectively. Since the assessment of the state of nutrition depended on the subjective impressions of doctors in different provinces, it is difficult to accept these figures as showing conclusively that nutritional conditions in Bengal were worse than elsewhere in India. Nevertheless, the results of the investigation may be quoted as indicating in a general way the unsatisfactory state of nutrition of the people of rural Bengal 10 years previous to the famine.

Poverty and malnutrition left a section of the population with few reserves, material or physical, to meet superimposed calamity. For them there was no "margin of safety" and little possibility of "tightening the belt". The fact that such conditions are common to most other provinces of India, which escaped the famine, does not detract from their fundamental importance. They provide a background against which the events which led to widespread starvation in 1943 must be viewed.

10. **The Administrative Organization in the Districts of Bengal.**—We have been struck by the weakness of the administrative organization in the districts of Bengal owing to the absence of a subordinate revenue establishment comparable with that maintained in those provinces in which the land revenue has been temporarily settled—not permanently settled as in Bengal—and in particular in those provinces in which the *ryotwari* system of land revenue prevails. In the *ryotwari* areas the land revenue, which is liable to periodic resettlement, is paid by the peasant proprietor and not, as in Bengal, by the proprietor of an estate. In these areas it is, therefore, necessary for Government to maintain detailed village records showing *inter alia* the land held and the revenue payable by each ryot, all changes in possession and ownership and the crops grown in each field. This involves the maintenance in such areas of a revenue staff in every large village or group of small villages, as well as an adequate subordinate revenue establishment to supervise and control the work of the village establishments. In Bombay, for instance, each sub-division of a district is divided into *talukas*, the number depending upon the area and population of the sub-division and each *taluka* is divided into circles consisting of 30 to 50 villages. The *talukas* are in charge of officers called *mamlatdars* and a Circle Inspector is attached to each Circle. Finally, each village has a *patel*, an accountant (the accountant is sometimes for a group of villages) and a number of village servants who work under them. Although the primary object of this organization is the assessment and collection of revenue, it is available, and is in fact used, for assisting almost all branches of the district administration in rural areas. In Bengal, as we have indicated, there is no such organization effectively linking the District Officer and the Sub-divisional Officer to the villages in their charge. The only functionary in the Bengal village is the village *chowkidar* who carries out police duties. He is poorly paid, usually illiterate, and in no way comparable with the village officers of the *ryotwari* areas who are persons of established standing with considerable local influence. It is true that there are Circle Officers in Bengal each in charge of an area of about 400 square miles, *i.e.*, two or three to a sub-division. These officers, who were appointed primarily for the purpose of assisting and supervising Union Boards—the smallest unit of local self-government in the province—certainly form a link between the District and Sub-divisional Officers and the villages. The area of their jurisdiction is, however, large, and they have not the assistance of officers corresponding to the Circle Inspectors, *patels*, and accountants in

Bombay. We have drawn attention in some detail to this difference between the subordinate revenue establishment in Bengal and elsewhere for three reasons. First, an organization such as exists in the *ryotwari* areas keeps the Collector of the district in almost day to day contact with life in the villages; secondly, it provides machinery for the collection of reasonably accurate and recent information about crop conditions, and the conditions in the villages generally, and thirdly, it provides a foundation on which to build and expand in an emergency. The existence of such an organization would have been of the greatest value to the Government of Bengal in dealing with the situation as it developed in 1943.

11. **Union Boards.**—Union Boards, the smallest unit of local self-government in the Province, came into existence on the passing of the Bengal Village Self-Government Act of 1919 and combine the functions of the *Chowkidari Panchayats* under the Village Chowkidari Act of 1870 and the Union Committees under the Local Self-Government Act of 1885. At the end of 1939-40 there were 5,120 Union Boards with a gross annual income of Rs. 1·16 crores and an expenditure of Rs. 1·03 crores.

The number of members of a Union Board is normally nine, of whom six are elected and the remainder nominated by the District Magistrate. The duties of a Board are generally speaking, first, the control of *daffadars* and *chowkidars* (village police servants) of the Union, secondly, the carrying out of measures for the sanitation and conservancy of the Union and the improvement of public health within the Union, and thirdly, the construction and maintenance of local roads and water-ways. A Board can also undertake other duties, such as the provision of a water supply, the management of pounds under the Cattle Tresspass Act, the registration of births and deaths, the development of cottage industries, etc. The income of the Boards is derived from rates imposed on owners and occupiers of buildings and from grants made by District Boards and the Government.

Two or more members of a Union Board may be appointed to be a Union Bench or a Union Court for the trial of certain classes of criminal cases and civil suits respectively. Such Benches and Courts have been established in many Unions.

The administration of a Union Board is subject to the superintendence of the District Board, except in matters relating to *daffadars* and *chowkidars*. In regard to the latter, control is exercised by the District Magistrate through the Superintendent of Police or the Sub-Divisional Magistrate. Union Boards are organized in circles and each circle is in charge of a Sub-Deputy Magistrate and Collector. This Officer, known as the Circle Officer, is charged with the duty of supervising and assisting the Union Boards in the discharge of their functions. He forms the connecting link between the Boards on the one hand and the District Magistrate and the Sub-Divisional Magistrate on the other.

12. **Communications.**—Our description of Bengal would be incomplete without reference to one other factor which distinguishes it from most parts of India. We refer to transport and communication in the province. The outstanding features of the transport system are the important country boat traffic on its water-ways and the meagreness of road communications. The nature of the terrain is such that the making and maintenance of roads are extremely difficult. Throughout the greater part of the province roads have to be raised above flood level, frequently to the height of several feet, and have to be provided with a large number of bridges over the smaller rivers and *khals*. Moreover, the larger rivers present an insurmountable obstacle to any system of through communication by road; the largest of them are too wide to be bridged and others are unbridgeable except at a prohibitive cost. In many districts, therefore, the chief means of communications are by country boats supplemented by a limited number of river steamer services.

This is particularly the case in the southern districts which consist of a vast network of rivers and *khals*. Another difficulty is that throughout nearly the whole of the province road metal is not available locally. It has to be transported long distances and this makes the construction and maintenance of metalled roads especially expensive. The province is, therefore, ill provided with roads, and in many parts the transport of goods to and from railway and steamer head is by country boats, a slow but cheap means of communication. Bengal, while it lacks roads, is rich in water-ways.

CHAPTER III.—SUPPLY AND DISTRIBUTION OF RICE IN BENGAL

A.—The process of supply and distribution described

1. In Bengal, as elsewhere in India, about 80 to 90 per cent of the food of the people consists of cereals. The staple cereal of Bengal is rice. Some wheat is also consumed, particularly by the population of Greater Calcutta, but in the province as a whole, wheat accounts for less than 4 per cent of the total cereal consumption. Only a portion of this wheat is grown within the province, the greater part being imported from other provinces or from overseas. The production and consumption of millets are negligible.

2. Bengal, we are told, used to be called the "granary of India". This picturesque description, though misleading in some respects, is certainly justified by the size of the Bengal rice crop. It is believed that the production of rice in India is almost equal to the aggregate production of all other countries in the world, excluding China, and Bengal produces about one-third of the Indian rice supply.[1] During the course of the year, three rice crops are grown in Bengal. Winter rice, which is known as the *aman* crop, is by far the most important. It consists mainly of lowland rices which are sown in May and June, and mature in November and December. The autumn crop, which is known as the *aus* crop, ranks next in importance. It comprises highland types sown in April or thereabouts, and harvested in August and September. Another crop of minor importance is also grown between the *aman* and the *aus*. This is called the *boro* and is sown in November and harvested in February or March. As in other areas with a relatively high rainfall, irrigation plays a small part in the agriculture of Bengal. Only about 7 per cent. of the total area under rice is irrigated; the remainder is dependent entirely on rain.

3. The supply of rice in the province at the beginning of a calendar year consists of almost the whole of the *aman* crop reaped at the end of the preceding year and "old rice", that is, the balance of earlier grown and imported rice carried over from the previous year. During the year this initial supply is augmented by the *boro* and *aus* crops and imports. Apart from the small portion used as seed, the greater part of the year's supply is consumed by the people, and what remains is carried forward as "old rice" to the following year. The proportion of *aman* rice consumed within the year in which it is harvested is normally negligible. In exceptionally bad years, however, it is consumed to some extent. Thus, the annual rice supply position of the province may be visualized in the form of a balance-sheet as shown below.

1. Balance of "old rice" carried over from the previous year.	1. Seed.
2. Yield of the *aman* crop.	2. Exports.
3. Yield of the *boro* and *aus* crops.	3. Consumption.
4. Imports.	4. Balance of "old rice" carried forward to the succeeding year.

4. Consumers of rice may be broadly divided into three classes. First, there are those who buy their supplies from the market all the year round. This class comprises practically the whole of the non-agricultural population, both in urban and rural areas, as well as a large proportion of the agricultural labourers. In Bengal, labour is generally hired on a cash payment basis. The second class consists of all those who do not buy any supplies from the market, that is, that section of the agricultural population whose holdings are large enough to provide their annual rice requirements in addition to seed and a margin

[1]Report on the Marketing of Rice in India and Burma (1941) page 482.

for meeting the expenses of cultivation, the payment of rent, and other essential cash needs. Lastly, there are groups who buy their supplies from the market only during certain parts of the year and not at others. These include numerous small holders who do not grow sufficient rice for their own needs as well as agricultural labourers who receive wages in kind.

5. How much of the rice crop is retained by the grower and how much comes on the market depends upon various factors and varies from district to district, from village to village, from one holding to another, and from year to year. Primarily, it depends upon how much the cultivator retains for his domestic consumption and seed, and it may be taken as a general rule that the proportion retained varies inversely with the size of the holding. Small growers, however, often sell a proportion of their crop immediately after the harvest for the payment of rent, repayment of debt, and for meeting other pressing cash obligations even though the produce in their possession may not be sufficient for their needs throughout the year. Again, in those districts in which jute is the principal cash crop, the proportion retained is higher than in districts where rice is the main cash crop. Taking the province as a whole, it has been estimated that normally 54 per cent. of the total rice crop is retained by the producer; that is, the proportion which comes on the market is 46 per cent.[1]

6. The season of marketing is determined by the time of harvest. In Bengal, as we have seen, the *aman* crop, which is the most important, is harvested by the end of December. An indication of the rate at which paddy and rice move into the markets of Bengal during different months of the year is given by the following account of movements into the Calcutta market:— "Fifty per cent of the total annual arrivals of paddy as well as rice were received in the four months, January to April. Incomings of paddy were heaviest in January and February, amounting to 28 per cent of the annual total arrivals in the market, while receipts of rice were highest in February and March, being also 28 per cent. of the total yearly imports. After March, arrivals diminish gradually, the months of least activity being July and August in the case of paddy, and from September to November in respect of rice".[2]

7. Paddy, after it is harvested, has to be de-husked before it can be consumed. Roughly one half of the market supply is de-husked by manual labour in the villages, while the other half passes through rice mills. The high proportion of the market supply which is de-husked by villagers and professional de-huskers as a cottage industry is of some importance in the rural economy of the province. The number of rice mills in Bengal is relatively small in comparison with the size of the crop and with the numbers in certain other provinces, particularly in Madras, Bombay, the Punjab, and Sind. The cultivator generally sells his paddy and hand-pounded rice to village merchants or to itinerant traders known as *paikars*, *beparis*, and *farias*. These sales sometimes take place in the villages themselves, but more often in the rural markets of which there are nearly 7,000 in Bengal. This represents the first stage of the movement of paddy and rice into the market. Part of the grain thus collected passes into distribution locally through retail shops, and a part, probably the greater part, passes to the larger markets where it is sold to the bigger merchants, known as *aratdars*, or to local rice mills. Cultivators, particularly the larger cultivators, also bring their grain for sale to these markets. This is the second stage in the marketing process. Once more, part of the grain assembled at this stage passes into local consumption. In fact, the whole of it may be absorbed locally if the market is situated in or near to an urban or deficit rural area. The next stage in the marketing of the grain is reached when the paddy and rice move from these assembling centres. Part is despatched to consuming centres in different parts of the province, and part

[1] Report on the Marketing of Rice in India and Burma (1941), pages 27 and 492.
[2] *Ibid.*

travels to the final wholesale market in and around Calcutta, where a large amount of paddy is converted into rice. That is a brief, and in many respects an over-simplified, account of the extremely complicated process by which food in Bengal is collected in small lots from millions of growers, transported stored, de-husked, transported and stored again, and finally distributed through tens of thousands of retail shops to millions of households. The number of persons engaged in this business, so vitally important to the life of the community, must run into several hundreds of thousands.

B.—The supply and distribution aspects of food shortage

8. In normal times, the intricate processes of supply and distribution, described in the last section, took place of their own accord. Householders who did not produce their own food went to the shops to which they were accustomed to go and bought the supplies they needed. The shopkeepers, in their turn, bought their supplies from larger traders, and so on back to the growers in the villages. It was no one's responsibility, either in the trade or outside, to ensure that the supplies necessary for every one were actually produced and distributed. The free activities of producers, traders, and consumers, largely sufficed to secure this result. In the main, the necessary supplies were always available; and the bulk of the population found that they had either the food, or the money necessary to buy the food, which they needed. Even in normal times, however, considerable numbers among the poorer classes live on the margin of subsistence because they do not grow enough food, and do not earn enough money to buy the amount of food which they need. Food shortage in this sense may, and does, exist even when crops are good and prices low, and stocks are abundant, and are exported. It is the result, not of a shortage in the total supply of food, but of lack of purchasing power in the hands of the poorer classes, that is, of their poverty.

9. "Food shortage" of this kind becomes more pronounced in years in which seasonal conditions are unfavourable and the yield of crops is seriously diminished in consequence. The immediate effects of a total or partial failure of crops in any area are twofold: on the one hand, it reduces the supply which would have been otherwise available, and, on the other, it increases the number of people who are without enough food of their own, and who have to buy their requirements from the market, and lack the purchasing power necessary for that purpose. It is in such circumstances that relief measures are undertaken by Government. The essential feature of these measures is, not the direct provision of supplies, but the provision of purchasing power to the affected population, mainly in the form of wages paid to labourers employed on relief works, and to a lesser extent in the form of loans and gratuitous payments. It is assumed that, once the purchasing power has been provided, the necessary supplies will become available for purchase. According to experience in Bengal, as well as in other parts of India, throughout this century, this expectation has been fulfilled, and the normal operations of the trade have sufficed to bring the necessary supplies to the markets. This is possible because the total supply available for consumption, in any area during any particular year, does not consist merely of the yield of crops during that year; it includes the stocks carried over from the previous year and the net imports into that area. When the yield of crops is reduced, the price rises and this helps, first, in bringing local stocks into the market more quickly and in larger quantities than usual; secondly, in making it more profitable to import larger quantities than usual from outside the area; thirdly, in making it less profitable to export; and lastly, the rise in price leads to a reduction of consumption which in the aggregate, is by no means inconsiderable. The rise of prices thus automatically adjusts the normal trade machinery to the abnormal situation, and enables it to maintain the distribution of supplies. Inevitably, the rise of prices makes it difficult

for the distressed classes to buy their food, rendering relief measures all the more necessary; but it is not the cause of distress occassioned by crop failure. The provision of purchasing power through relief measures is useless, unless supplies are available for purchase, and the rise of prices helps to ensure their availablity.

10. It is therefore clear that sufficiency of food for everyone can be ensured only when total supplies are sufficient to meet requirements and purchasing power is adequate in relation to the prevailing level of prices. Two aspects of food shortage may thus be distinguished, one of which may be called the supply aspect, and the other the distribution aspect. Food shortage of the most serious degree—famine—occurred in Bengal in 1943, and it is essential to our inquiry to study the famine from both these angles.

Some estimate of the supply position in 1943 is therefore necessary. We shall attempt this in the next section. Here we may draw attention to certain facts relating to food shortage in past years which are relevant and important. It has already been pointed out that in normal years a section of the population suffers from insufficiency of food, and it has been suggested that this is due to lack of purchasing power rather than an over-all shortage of supplies. In the course of the 15 years preceding 1943, there were 3 years (1928, 1936 and 1941) in which the supply obtained from the *aman* crop reaped in the previous year, was seriously short because of the partial failure of that crop from natural causes. During these years, distress prevailed in many parts of the province and relief measures on a considerable scale had to be organized. When, however, purchasing power was provided by these measures, the necessary supplies became available for purchase, and no deaths from starvation occurred. This suggests that in these years sources of supply other than the *aman* crop were important, that there was little or no overall deficiency in supplies in relation to requirements, and that the distress which occurred, not very serious in degree, was due primarily to lack of purchasing power. In 1943, the shortage in the previously reaped *aman* crop was comparable to that which occurred in the 3 years referred to above. Actually, it was less serious than in 1941. A phenomenal rise in the price of rice, however, occurred which was of a very different order from the small rise which took place in the earlier years of shortage. This suggests at first sight that the famine of 1943 was due to a breakdown in distribution rather than to insufficiency of supplies. In order, however, to reach a satisfactory conclusion on this question, we must attempt to compare in greater detail the supply position in 1943 and in previous years. This is one of the most difficult parts of our inquiry because the available information is both incomplete and defective.

C.—Review of supply in relation to requirements

11. The sources of rice supplies in any given year have been described in paragraph 3 of this Chapter. To assess the supply position, some estimate must be made of the yield of the different crops from year to year, the quantities imported and exported, the amounts required for seed and for consumption; and information about the amount of stocks carried over from year to year is also necessary. The defects in the relevant statistics are familiar. They have been commented upon by various Commissions and Committees from time to time and need not be recapitulated here. We must, however, make the best use we can of available information and attempt to reach conclusions which approximate to the truth. We append to this Report a note containing an analysis of supply and requirements during 1943 as well as during fifteen preceding years. The conclusions given below are based on this note.[1]

[1]Appe dix II.

12. **Current supply (1928 to 1937).**—We use the term current supply, in relation to a calendar year, to mean the yield of the *aman* crop reaped at the end of the previous year, the yield of the *boro* and *aus* crops reaped during the year, *plus* imports into, and *minus* exports out of, the province during the year.

On the average of the ten years 1928 to 1937, the yield of the *aman* crop was sufficient, after meeting seed requirements, to provide the rice required for about 42 weeks in the year. The yield of the *boro* and *aus* crops was sufficient for about 12 weeks. Thus, the yield of crops in the province was more than sufficient for requirements. The balance of imports and exports was negligible; in the first half of the ten year period, net exports amounted to less than one week's requirements per annum, and, in the second half, net imports were of the same order.

The current supply varied from one year to another, mainly because of variations in the principal source of supply, namely the yield of the *aman* crop. In eight years out of ten, current supply was equal to or in excess of annual requirements. In two years namely 1928 and 1936, it was materially short. In these years, current supply was sufficient for the requirements of about 45 and 44 weeks respectively.

13. **Current supply (1938 to 1942).**—On the average of the 5 years 1938 to 1942, the yield of the *aman* crop was sufficient for about 38 weeks, as against 42 weeks in the previous decade. The yield of the *boro* and *aus* crops was sufficient for about 10 weeks as against 12 weeks in the previous decade. The supply derived from external sources, namely the balance of imports over exports, provided over one week's supply, as against *nil* in the previous decade. Thus, the current supply was, on the average, sufficient for only 49 weeks in the year as against 54 in the former period.

The supply position had deteriorated for two reasons. First, population was increasing faster than the acreage under rice. Secondly, seasonal conditions were less favourable in the later period than in the earlier period. This is borne out by the figures in the following table:—

Period	Average acreage under rice (millions of acres)	Percentage increase from one quinquennium to another	Average rate of yield (in tons) per acre
1928 to 1932	23·71		0·39
1933 to 1937	24·53	3·5%	0·40
1938 to 1942	25·53	4·1%	0·37

While, on the average, current supply was short of annual requirements by 3 weeks, it was sufficient or more than sufficient in two years out of the five. In one year, 1941, it was seriously short, as it amounted only to about 39 weeks' requirements.

14. **Current supply (1943).**—The yield of the *aman* crop reaped at the end of 1942, which came into supply during 1943, was sufficient for about 29 weeks. The yield of the *boro* and *aus* crops was sufficient for nearly 13 weeks. External supply provided rather more than one week's requirements. Thus, current supply was sufficient for about 43 weeks. As compared with the average of the previous quinquennium, current supply was short by an amount equivalent to 6 weeks' requirements.

The year 1943 was, therefore, comparable as regards current supply with the three lean years in the preceding 15 years, as shown in the following table:—

Year	Current supply (in terms of weekly requirements)
1943 .	about 43
1941	39
1936	44
1928 .	45

15. **Carry-over and total supply.**—It is very unlikely that the stock of all rice physically in existence in the province on the first day of any year is smaller than the yield of the *aman* crop reaped at the end of the previous year. We use the term "carry-over" to mean the difference between the two. The supply available for meeting the requirements of any year consists of the carry-over and the current supply; the two together may be called "total supply" An absolute deficiency of supply in relation to requirements exists only when total supply is less than sufficient for the requirements of the year. We have no information about the actual size of the carry-over in any year, apart from such indications as are afforded by the difference between current supply and requirements from year to year. It is thus inevitable that conclusions reached about the carry-over (and, consequently also, total supply) must be subject to more uncertainty than those put forward about the sources of supply in the previous paragraphs. With this proviso, we believe that the following conclusions are consistent with the available evidence:—

(i) In relation to the requirements of the year, the carry-over was largest in 1936, and considerable in 1941. It was probably not so large in 1928, and still smaller in 1943.

(ii) It is probable that total supply was appreciably in excess of annual requirements, both in 1936 and 1941. It is unlikely to have been much in excess of annual requirements in 1928 and was probably not sufficient for such requirements in 1943.

(iii) The carry-over at the beginning of 1943 was probably sufficient for about 6 weeks' requirements. As the current supply was sufficient for 43 weeks, total supply during the year was probably sufficient for 49 weeks. Thus, during 1943, there was an absolute deficiency of supply in relation to requirements, of the order of about 3 weeks' requirements.

16. If these conclusions are accepted, it follows that the total supply position was worse in 1943 than in 1941, 1936, and 1928. Under any circumstances there would have been distress in 1943 and relief measures on a considerable scale would have been necessary. The supply position was not, however, such as to make starvation on a wide scale inevitable, provided the trade was capable of maintaining the distribution of available supplies subject only to a moderate rise in the price level. Towards the end of 1942, however, a situation, developed, not only in Bengal but also in other parts of India, in which the normal trade machinery began to fail to maintain and distribute supplies at moderate prices.

One of us, Mr. M. Afzal Husain, holds that the shortage of supply in the beginning of 1943 was even larger than is indicated in the foregoing paragraph. His views on the subject are contained in a separate minute.

CHAPTER IV.—DEVELOPMENT OF THE FOOD SITUATION IN INDIA

A.—The situation in 1942

1. When the war broke out, the supply and distribution of foodgrains over the whole of India depended entirely on the normal trade machinery. The nature of this machinery was much the same as we have described in the last Chapter as operating in Bengal. Today, this is no longer the case. Throughout India the grain trade is under government control of varying degrees of intensity. No grain moves from within the boundary of one province or state to another except in accordance with a plan framed by the Government of India. Within every province and most of the states, the movement of grain from surplus areas to deficit areas is similarly planned by the Provincial and State Governments. In large sections of the wholesale trade government agency has replaced private traders and other sections operate under close control and supervision. It is not merely the trader who comes under such control. The consumer in all the cities and most of the larger towns, and also in extensive areas of the country-side, is rationed. In many parts of the country the producer is no longer free to retain his surplus grain at his discretion. In such areas the surplus of each cultivator is regularly assessed, and millions are required to sell the quantities prescribed to Government at a fixed price.

2. This is a tremendous change in the life of the country and in its economic and administrative organization, which took time to come about. The change began early in 1942 and is still proceeding. A critical and potentially most dangerous stage in the process of transition occurred in the summer of 1942, with the springing up all over the country of "barriers" preventing the movement of grain from one province to another and often from one district to another, except under the specific permission of local authorities.

3. There is one view which attributes the disaster that befell Bengal in 1943 to these barriers as a primary cause. An exponent of this view has expressed it before us in these terms: "Until Japan declared war, India had no serious food problem beyond the fundamental truth that two-thirds of its population normally existed at a level little above the starvation line, and, by western standards, well below it. That in itself is an important fact, the effect of which is to be fully grasped before the true significance of the situation which ultimately developed can be understood. Its effect was that a slight disturbance of the economic practices of the country, and a small diminution of the over-all available supply, had consequences altogether out of proportion to their intrinsic gravity. So delicate was the balance between actual starvation and bare subsistence, that the slightest tilting of the scale in the value and supply of food was enough to put it out of the reach of many and to bring large classes within the range of famine . . On the 29th November, 1941, immediately before the beginning of the war with Japan, the Central Government gave the provinces concurrent powers under the Defence of India Rules to exercise the power of prohibition of movement, and of requisition, over foodgrains and other goods. . It was a mistake . Practically every province and every state placed a fence round itself . . A death blow was given to the traditional conception of India, and in particular, the Eastern Region, as one economic entity for food, without restriction on flow and movement, built up to form the delicate machine which the people understood and by which they lived. Even districts followed suit. It was each one for itself.

. . Every province, every district, every taluk in the east of India had become a food republic unto itself. The trade machinery for the distribution of food throughout the east of India was slowly strangled, and by the spring of 1943 was dead".

4. We shall point out elsewhere that the erection of inter-provincial and inter-district barriers was a necessary step in the assumption by government of control over the trade. It was a mistake only in so far as it preceded the planned and controlled movement of supplies across such barriers. What is important is to note that conditions had arisen by the summer of 1942 which imperatively dictated the adoption by almost all Provincial and State Governments and their officers of a whole series of measures in restraint of the normal operation of the machinery of trade. These were adopted independently and largely without reference to one another, as a result of local initiative in dealing with local emergencies which had arisen more or less simultaneously in widely separated areas. There was a scramble for supplies which occurred simultaneously in many parts of the country. Unusual quantities were being purchased at unusual prices and being moved out of areas which needed them. The price level was rising too rapidly and tending to pass beyond the limit at which large classes of the population could afford to buy their food. We now proceed to describe the course of events which led to this situation and the nature of the measures followed in the attempt to bring it under control.

B.—Trend of Supplies

5. Rice is the cereal most widely consumed in India and wheat and millets come next in importance. As we have already mentioned India produces about as much rice as all the other countries of the world excluding China. Though the Indian production of wheat is considerably less than that of rice it is larger than that of Australia or the Argentine.[1] The average figures of production of rice and wheat have during recent years fluctuated round 25 million tons and 10 million tons respectively. That of the two most important millets, *jowar* and *bajra*, is approximately 10 million tons.

6. The trend of production, imports, and exports of rice during the 10 years ending 1942-3 can be seen from the figures in Table 1 of Appendix III. One fact which clearly emerges is that seasonal conditions were less favourable for rice cultivation during the five years ending 1942-3 than in the preceding quinquennium. The average production for the five years ending 1937-8 was 25·84 million tons, whereas that for the succeeding period of five years ending 1942-3 was only 24·42 million tons.

7. The harvest of the year 1940-1, was a very poor one. We have seen already how the winter rice crop of 1940 in Bengal, that is, the crop which came into supply during 1941, was the worst in 15 years. There was also a shortage, though less serious, in Bihar, the United Provinces and the Central Provinces. Madras alone among the more important rice producing areas had a normal crop. By this time the decline in imports had also commenced as a result of a shortage of shipping towards the end of the year 1940-1. There can be little doubt that stocks were heavily drawn upon during 1941.

8. The yield in 1941-2, although much better than in the previous year, was less than the average for the five years ending 1937-8 and only slightly larger than the average for the 10 years ending 1942-3. Bengal had an outstandingly good crop but Bihar which had suffered during the previous year had a subnormal crop this year also; while in the United Provinces and the Central Provinces crops were poorer even than those of the previous year. Imports also were shrinking rapidly; the net imports during 1941-2 were less than 0·75 million tons, as against an average of 1·72 million tons during the quinquennium ending 1937-8.

[1] Page 77 of the Report on the Marketing of Wheat in India, 1937.

9. The rice crop of 1942-3 was not as good as that of the previous year and was about one million tons less than the average for the quinquennium ending 1937-8. Bengal had another bad crop and the harvest in Madras was below the average. Bihar, on the other hand, had a good crop and so also the Central Provinces. But this year imports ceased altogether while exports continued at about the same level as in previous years. The amount available for consumption was less than the average during the 5 years ending 1937-8 by 3 million tons. Stocks must once again have been drawn on to a considerable extent.

10. There is a striking difference between the average amount available for consumption (production *plus* net imports) during the five years ending 1937-8 (27·56 million tons) and the immediately succeeding period of 5 years ending 1942-3 (25·41 million tons). It is impossible to estimate consumption with accuracy, but bearing in mind that the population was increasing rapidly, there can, we think, be little doubt that, during the 5 years ending 1942-3, stocks were heavily depleted and that towards the close of that period the market was being subjected to considerable strain.

11. The figures for wheat are given in Table II of Appendix III. In contrast with that of rice, the average production of wheat during the 5 years ending 1942-3, was higher than during the 5 years ending 1937-8, the average production during the former period being 10·37 million tons as against an average of 9·81 million tons during the latter. Production, however, was not evenly distributed and the increase in the average production during the five years ending 1942-3 was largely due to the good crop in 1939-40, which came into consumption in 1940, and a super-abundant crop in 1942-3, which came into consumption in 1943. On the other hand, the crops of the years 1940-1 and 1941-2 were not much larger than the average crop reaped during the quinquennium ending with the year 1937-8. In the meantime population had increased, and having regard to the amount available for consumption in these years, that is, production less net exports, it is reasonable to assume that in the years 1941 and 1942 consumption slightly exceeded current supply.

12. There was also another factor affecting the wheat situation, namely, the increased purchases for the Army. In 1940-1, these purchases amounted to 88,000 tons; they had increased by 1941-2 to 238,000 tons, and by 1942-3 to 312,000 tons. It is true that a large proportion of these purchases did not represent a net addition to consumption: for the Indian soldier would eat foodgrains even if he remained in his village. They did however, constitute an additional demand on market supply, and it is the pressure of demand on such supply which affects price levels. Army purchases of rice were much less important, as the following figures show:—

Year	Purchases for the Army ('000 tons.)
1940-1	22
1941-2	47
1942-3	115

C. The Movement of Prices and Price Control.

13. With the outbreak of war in September 1939, there was an immediate rise in the prices of many commodities throughout India. We have included in Appendix III a table showing the index numbers of average monthly wholesale prices of rice and wheat from September 1939 onwards at quarterly intervals. For purposes of comparison, the index numbers showing the movement in price of all primary commodities, all manufactured articles, as well as of cotton manufactures, have also been included. The base period for these index numbers is the week ending 19th August, 1939.

14. By December 1939 prices had risen considerably and the position in that month was as follows:—

Commodities	Index number
Wheat	156
Rice	114
All manufactured articles	144·5
Cotton manufactures	126
All primary commodities	135·9

The rise was sudden and led to public agitation against profiteering and a demand for action by the Government. On the 8th September 1939, the Central Government delegated to the Provincial Governments powers under the Defence of India Rules to control the prices of certain necessaries of life. These powers were actually exercised in some areas and remained as a threat in the background in others. The general result was to check the initial panic and to slow down, if not stop altogether, the rise in prices. The Government of India were, at that stage, not convinced of the necessity for price control. It was expected that prices would soon stabilize themselves at a reasonable level as supply and communications were normal. They were, however, impressed by the views expressed by various Provincial Governments that the powers delegated under the Defence of India Rules were necessary in order to keep under control a situation which might otherwise lead to disturbances of the public peace. But the results of experience in the use of these powers had to be reviewed and future policy settled; and for this purpose the Government of India summoned a conference of the representatives of the Provincial and State Governments. This was the first of a series of six Price Control Conferences which met at different times during the next three years to discuss the prices of foodgrains and other commodities.

15. The consensus of opinion at the two Price Control Conferences held in October 1939 and January 1940 was clear in respect of foodgrains. It was opposed to any interference with the course of foodgrain prices; the rise in prices was welcomed. It was recognised that the agricultural classes had suffered from unremunerative prices over a long period preceding the outbreak of war. The sharp fall in prices which had occurred in the early thirties as a result of the world economic depression had greatly diminished agricultural incomes, increased the burden of debt, and generally weakened the economic condition of the agriculturists. This in turn led to the contraction of revenues with a consequent restriction of the resources available for economic development and social services. Some recovery had indeed taken place and agricultural prices had risen during the years immediately preceding the war. But the recovery was not complete. The rise in prices which took place after the outbreak of war was, up to a point, calculated to produce entirely beneficial results.

16. The price of wheat rose rapidly during the three months following the outbreak of war but by January 1940, when the Second Price Control Conference met, the rise had been checked and the price was falling. While the level actually reached was not disturbing, the rate of increase caused some uneasiness and the possibility of its reaching an unduly high level could not be disregarded. This led to a discussion of the functions which would have to be assumed by the Central and Provincial Governments if and when price control became necessary. The conclusion reached was that the control of primary wholesale prices and the regulation of the primary wholesale markets should vest in the Central Government, and that the control of the retail markets should vest in the Provincial and State Governments. It was also agreed that in exercising control in the wholesale markets, the Central Government should consult the Governments of the provinces and the states mainly concerned with the commodity to be controlled.

17. The course of prices during 1940 was not unsatisfactory and the position in September 1940, after the first year of war, is illustrated by the following figures:—

Commodities	Index number
Wheat	133
Rice	133
All manufactured articles	111·6
Cotton manufactures	110
All primary commodities	110·3

18. The situation changed in 1941. There was a sharp upward trend between June and September. At this time the war was taking a grave turn. On the 22nd June Germany invaded Russia; on the 25th July the Japanese assets in the British Empire were frozen; on the 28th July the Japanese landed in Indo-China; and on the 25th September the Germans were in the Crimea. The war was coming nearer to India. The scale of the war effort in the country was increasing. We have referred already to the increase in the Army purchases of wheat which was at the same time an index of the increase in recruiting. The sharp increase by nearly 50 points in the index numbers for the prices of wheat and cotton goods, which took place between June and September, was the reaction of the markets not so much to any existing shortage as to anticipation of coming events and an inevitable increase in the pressure of demand on available supply. Thus, the end of the second year of war marked the beginning of the "food situation" in India. The following figures indicate the position reached in September 1941:—

Commodities	Index number
Wheat	193
Rice	169
All manufactured articles	166·3
Cotton manufactures	190
All primary commodities	138·3

19. When the Third Price Control Conference met on the 16th and 17th October 1941, the attitude of satisfaction with price levels in general had disappeared. The attention of the Conference was mainly directed to the steep rise which had occurred in the price of yarn and cloth, but there was also a good deal of concern about the trend of wheat prices. The need for distinguishing between the interests of the wheat producer and those of the speculator was strongly emphasized at this Conference. The representative from the United Provinces pointed out that normally the price of wheat rose only in January or February and never in July or August. But in 1941 the price of wheat in the Hapur market had risen by about 11 annas per maund in the month of July. The reason, he said, was that "speculators were forcing up prices since producers had disposed of 80 to 90 per cent of their produce and during July and August no exports from the province were observed". The representative of the Punjab, the most important wheat exporting province, "saw no reason why profiteering on the part of the middlemen should not be stopped", and agreed to control being instituted after the grower had parted with his produce to the dealer. The result of the deliberations of the Conference was recorded as follows:—

"On the whole there does not seem to be very grave apprehension at the moment regarding the rise in the price of agricultural products, but the question of wheat prices has to be carefully watched. It may be possible, or it might even be necessary, for the Central Government to intervene at any stage if there is a tendency for a rise in the price of wheat" This stage was reached within a few weeks after the Conference.

20. We have already seen that the rice harvest reaped in the winter of 1940-1, in many provinces was a poor one. Nevertheless, the price of rice had not risen to the same extent as that of wheat. This was due, in part, probably to the smaller demands made on the market by the Defence Services but mainly to the fact that imports from Burma, although on a reduced scale, were still available. Discussion about rice at the Third Price Control Conference was, therefore, mainly concerned with the conversations then proceeding between the Government of India and the Government of Burma in regard to the export of rice from Burma and the endeavours which were being made, with some success, to secure sufficient shipping for importing that rice. Nevertheless, references were made at this Conference to the occurrence, here and there, of those difficulties in the internal distribution of supplies of the kind which subsequently became so serious in the summer of 1942. The representative of the Central Provinces referred to the "scramble for supplies" occurring in that province. The representative of Assam suggested that steps should be taken not merely to control prices but "also for regulating the movement of rice to the competing consuming provinces". The conclusions reached at the Conference were that although rice prices had risen, they had not reached such a high level as to cause serious concern, and that, subject to a satisfactory solution of the question of imports of rice from Burma, rice, generally speaking, was a problem for which a solution would have to be found by the provincial authorities.

21. Towards the end of November 1941, the price of wheat was more than twice the pre-war level. The Government of India, therefore, decided that intervention was necessary and, after a preliminary warning, issued an Order on the 5th December fixing the maximum wholesale price of wheat at Rs. 4/6/- a maund[1] in the markets of Lyallpur in the Punjab and Hapur in the United Provinces, and authorising the Provincial Governments to determine the maximum prices in other markets having regard to the normal parities. This was the first step taken by the Central Government towards the assumption of control over the operation of the normal trade machinery and it provoked an immediate reaction in the wheat markets. This reaction and the consequences are important and must be described in detail.

D.—Control of supply and distribution

22. Statutory control of wheat prices was notified by the Central Government on the 5th December 1941. From about the middle of January 1942, acute local scarcity was suddenly and simultaneously experienced in many important wheat consuming areas. The places specially affected were urban and particularly industrial centres of major importance, such as Bombay, Calcutta, Cawnpore, and Delhi. Shortage was acute even in Lahore and Amritsar. There can be no doubt that this was an artificial shortage and the direct result of the refusal of the trade to operate within the limits of the maximum price prescribed. Evidence of the causal connection between the imposition of control and the disappearance of supplies from the markets, is afforded by observations made by the representative of the Punjab Government at the Fourth Price Control Conference, held early in February 1942. He said: "If there had been no control there would not have arisen any difficulties. The only result of this control has been to drive all the stocks of wheat underground. You lift the control and tomorrow you will have any amount of wheat from so many corners of the Punjab and from other parts of India also. I do not think there is really such a shortage of wheat as is indicated at present, but this control has brought about many difficulties in its train".

23. The disappearance of supplies from the principal urban centres of the Punjab immediately affected the poorer classes of the population and the Punjab Government, in order to conserve supplies, placed an embargo on the export of wheat, except under permit. This further aggravated the difficulties in

[1] A standard maund-82·3 lb.

consuming centres outside the province. The position, as the Punjab Government saw it at the time[1], was described by their representative in the following terms: "We have been placing an embargo on the export of wheat off and on, and each time that we have tried to impose a ban on the export of wheat we have been asked to lift it and we had to lift it.....After all, the first care of a Provincial Government is the supply of food to those who live within its jurisdiction. What we are prepared to do is, that anything that is needed for consumption in the province itself may be left with us, and the rest we are prepared to place at the disposal of the Government of India. The Government of India may take what steps they like to distribute the surplus produce of the Punjab. At present we are supplying about 1,500 tons a day to the Army alone. And there are at least three more months to go before the next harvest produce comes in.....After the Army, comes the claim of the provinces which adjoin the Punjab, for example, Delhi.....Then our neighbour, the North-West Frontier Province, depends practically entirely on such surplus as it can get from the Punjab. After having met the demands of the Army, the North-West Frontier Province, and Delhi, I think we also receive a large number of demands from the United Provinces and Bengal.....We have certainly received very insistent demands from Bengal. Therefore, it is a practical impossibility to meet all these demands and, at the same time, to feed our own population. The best exporting districts in the Punjab are Lyallpur, Montgomery, and Ferozepore; and yet within the last two or three days we have been receiving very alarming reports as to the depletion of stocks in those districts. In view of these alarming reports, I am afraid it would be necessary to impose some sort of a ban on free exports to every part of India."

24. It was thus evident that some authority had to determine the quantity of wheat which could be taken off the Punjab market from time to time and how it should be distributed between the Army and the various consuming areas. This was, however, not the only problem. There was the further question as to how the exportable surplus was to be secured if traders and cultivators refused to sell except at ever-increasing prices. The steps taken by the Government of India towards solving these problems were as follows: At the end of December 1941 a Wheat Commissioner for India was appointed, whose functions, generally speaking, were to advise the Provincial Price Control authorities, to regulate the distribution of wheat, and to acquire wheat, if necessary, for sale through provincial agencies. But before the Wheat Commissioner could prepare the ground for the introduction of central control over distribution, he was faced with the acute local shortages which we have already described, and his energies were fully occupied in securing *ad hoc* supplies to relieve the situation. It was not till the end of April 1942, that the Wheat Control Order was issued regulating the rail-borne movement of wheat from producing provinces to consuming areas. On the basis of this Order, an all-India distribution plan was prepared and put into operation through a system of permits issued by the Wheat Commissioner. At the beginning of March 1942, the stocks of wheat pledged with the banks in Northern India were requisitioned. The results of this expedient were meagre, but it helped to secure some stocks which were urgently needed. In the same month the Government of India raised the maximum wholesale price of wheat to Rs. 5 per maund. Some improvement followed, and during May and June, the price of wheat remained, for the most part, below the new maximum. By August, however, it had reached and passed it and a flourishing black market had come into existence. The distribution of supplies steadily deteriorated, and towards the end of the year 1942, shortages in the large industrial centres had again become acute. As we shall see later, the shortage of wheat in Calcutta towards the

[1] February 1942

end of this year, and the early months of the following year, was one of the links in the chain of events which ended in famine.

25. By the beginning of 1942, the war in the East had taken a dangerous turn for India. War with Japan had broken out on the 8th December 1941. The first air raids on Rangoon took place on the 23rd January 1942. On the 15th February Singapore fell. On the 7th March Rangoon was evacuated. On the 23rd of that month the Japanese occupied the Andamans, and on the 5th and 6th April the first enemy bombs fell in Ceylon and on the east coast of India. The military situation was transformed overnight with profound repercussions on civil life. Among the most important was the effect on railway transport.

26. Before the entry of Japan into the war, Indian railways had been called upon to provide engines and rolling stock for operational theatres in the Middle East and Indian Engineer Companies for operating, building and maintaining railways overseas, had been raised from amongst Indian railwaymen. The railways had also provided track and other equipment. These demands had been met out of their own resources and by the dismantling of uneconomic branch lines. By the end of 1941, the railways were working with depleted stock and personnel. In view of the shortage of shipping, a large volume of essential heavy materials such as coal, which had previously moved by sea, was being carried by rail. The Japanese war enormously increased the strain on the railways. The direction of army operations completely changed and railway traffic which had hitherto centred on India's western outlets had to be oriented to meet the new situation. Rigid control of goods traffic had to be introduced. None but essential traffic could move, and even if supply conditions had not deteriorated, the transport situation alone necessitated rigid control over the movement of foodgrains.

27. But supply conditions could not, and did not, remain unaffected. There was an imminent possibility of invasion and air raids, and a general feeling of uncertainty about supplies prevailed over large areas. In many parts of the country, cultivators were becoming cautious in parting with their produce, and the supplies arriving in the markets were dwindling. At the same time, the pressure of demand on the market supply was increasing; larger and larger numbers were being employed in industry and on constructional projects, and consumers anxious to ensure their supplies were increasing their purchases.

28. Conditions in the rice markets had remained on the whole healthier than in the wheat markets, in spite of growing difficulties of supply, as long as the possibility of imports from Burma existed. With the fall of Burma, the situation in the rice markets also deteriorated. Provincial Governments in most of the important rice producing areas were faced with problems similar to those which had developed in the Punjab earlier in the year, namely, a scramble for supplies, rising prices, competitive buying, reluctance to sell, and speculation. In the Central Provinces, which is normally a surplus province but which had had a succession of poor crops, the scramble appears to have occurred earlier than elsewhere, and in March 1942, in order to conserve the resources of the province, the Provincial Government prohibited the export by rail of foodgrains to places outside the province except under permit.

29. Madras differed from the Central Provinces in two respects. It was a deficit province but it had had two fairly normal crops in succession. Here, during the hot weather of 1942, merchants from Travancore and Ceylon bought rice for export and competitive buying led to a steep rise in prices. Merchants were bidding against one another and buying not only in surplus but also in deficit districts, thereby creating local scarcities. A series of measures were taken in order to deal with the situation. In May, the Provincial Government introduced a scheme for the distribution of rice through the

allocation of supplies from specified surplus areas to specified deficit areas, and also for export, determining the quantities to be moved and the railway routes to be followed. On the 1st June 1942, exports of paddy and rice to places outside the province were prohibited except under permit, and in September 1942 an official purchasing agency was set up to undertake all buying for export.

30. The Government of Bihar had, in the course of two years, developed an organized system of price control, assisted by a Market Intelligence Service. This control sufficed to maintain internal prices in parity with prices prevailing in the principal rice markets outside the province, particularly Calcutta, but as long as inter-provincial movements were free, it could not prevent prices within the province following upward movements of prices outside its boundaries. In the beginning of 1942, prices of rice began to rise in Calcutta and, as we shall see later, the Government of Bengal decided to fix maximum prices with effect from the 1st July 1942. The Bihar Government accepted those prices and decided to adjust their own maximum prices in parity with them. Prices, however, suddenly rose in the United Provinces and unusually large quantities of rice began to be exported from Bihar to that province. This upset the markets of North Bihar and prices rose. Bihar is normally a deficit province and these abnormal exports to the United Provinces caused alarm. Again, the high prices in the United Provinces made it impossible for the Bihar Government to maintain prices throughout Bihar in parity with those fixed in Bengal. The Bihar Government therefore decided to prohibit the exports of rice to any market outside the province by rail, road or river, except under permit. This prohibition took effect from the 1st July 1942.

31. In the same month, the Orissa Government also imposed an embargo on the movement of foodgrains to places outside the province. They were compelled to do so because of a shortage in the Orissa market, attributed mainly to an increase in the exports to Bengal, and also because of difficulties in the movement of foodgrains in the coastal areas arising out of the "Denial Policy" to which we shall refer later. At about the same time, the Government of Bengal also took similar action as regards exports from Bengal.

32. We have now described the sequence of events leading to the situation which we described in paragraph 4 of this chapter. The transition from a system of supply and distribution of foodgrains through normal trade channels to a system supervised, controlled, and in part, operated by agencies established by Government, had begun. We have described the first step taken in this transition as a critical and potentially dangerous stage in the process. The possibilities of danger were twofold. First, it was essential that, once the process had begun, the machinery of control should get into working order as quickly as possible; otherwise, with the normal machinery of trade temporarily paralysed, and with nothing to take its place, any serious or sudden deterioration in internal supply, arising out of natural causes, was liable to lead to disaster. Secondly, the provinces and states of India are not self-sufficient economic entities. It was, therefore, not enough that a system of controlled supply and distribution should be instituted within each province; it was necessary that a machinery should be created, capable of ensuring that the necessary flow of supplies, from surplus provinces and states to deficit provinces and states, was maintained.

CHAPTER V.—EVENTS IN BENGAL DURING 1942.

A.—The threat of invasion

1. The outstanding feature of the situation in Bengal in the early months of 1942, was the rapid approach of the enemy to the borders of the province, and the universal expectation of an invasion of the province itself. One of the witnesses who appeared before us gave the following vivid account of the prevailing atmosphere:

"There was a feeling of tenseness and expectancy in Calcutta. Calcutta was largely empty. Houses were vacant. Shopkeepers had very largely moved off and a great deal of the population had gone out. The families of Government servants were ordered out of the coastal and exposed districts. Valuable records were removed from the southern districts of the province to safer districts in the north. In general, the impression was that nobody knew whether by the next cold weather Calcutta would be in the possession of the Japanese . There was little panic in the districts, but there was a great deal of confusion. Transport was unpunctual and very crowded and the districts of Chittagong, Noakhali, and Tipperah were just like an active theatre of war behind the front . . A continuous stream of refugees was arriving from Burma. They were finding their way through Assam, after the initial influx into Chittagong, and were moving into the country. They were arriving diseased, bringing in a virulent type of malaria, and bringing hair-raising stories of atrocities and sufferings. . . The natural effect of all that on the people of Bengal was to make them feel that the times were extremely uncertain and that terrible things might happen."

By about August, however, Calcutta returned to a feeling of security. The monsoon had set in, rendering Japanese movement by sea unlikely. Troops had been arriving and there was a large number visible in Calcutta.

2. The danger of a Japanese invasion compelled the military authorities to put into operation early in 1942, a "denial" policy involving two important measures. One was the removal from the coastal districts of Midnapore, Bakarganj, and Khulna of the rice and paddy estimated to be in excess of local requirements until the end of the crop year, and the other was the removal of all boats, capable of carrying 10 passengers or more, from those parts of the delta considered vulnerable to invasion.

3. **Denial of Rice.**—The preliminary arrangements for the purchase and removal of stocks of rice and paddy were completed by the middle of April 1942, and the agents appointed by Government commenced their purchases. Initially the maximum price to be paid was fixed at the market price then prevailing *plus* 10 per cent, but subsequently, early in May, the ceiling price was fixed definitely at Rs. 6 a maund for rice; later on, it was raised to Rs. 6/4/-. Market prices were, however, rising and by the end of May were above the ceiling prices, with the result that large scale purchases practically ceased by the end of that month. Purchases on a small scale continued for some time longer and finally ceased in July when directions to this effect were issued. The quantity bought was not large—it did not exceed 40,000 tons—and even allowing for errors in the estimated surplus formed a relatively small proportion of the surplus supplies available in the districts concerned.

4. It is difficult to estimate the effect of these purchases on prices, but in view of the relatively small amount bought it was probably not great. But the purchases synchronised with a sharp upward movement in the price level

and a general disturbance in market conditions which was occurring at about the same time in other parts of India. We shall refer to this rise in prices later. There is no evidence to show that the purchases led anywhere to physical scarcity. But, on the other hand, they brought home to the people, in the most emphatic manner, the danger of invasion; they increased local nervousness and probably encouraged cultivators to hold on to their grain as an insurance against invasion and isolation.

5. **Denial of Boats.**—The area to which the "Boat Denial" policy should be applied was the subject of discussions between the Bengal Government and the Military Authorities, and it was agreed that it should be limited to the area lying south of a line running from Chandpur on the east, through Barisal, Khulna, Basir Hat, and Diamond Harbour, to Kharagpur on the west. A considerably larger area had originally been proposed by the Military Authorities. Orders were accordingly issued on the 1st May 1942 for the removal from the area, of boats capable of carrying more than 10 passengers. It was always recognized that the removal of a large number of boats from the delta, in which communications are almost entirely by river and not by rail and road, would cause considerable hardship and inconvenience. Relaxations of the measure were accordingly introduced, as circumstances allowed, from time to time. In June 1942 the line was adjusted so as not to interfere with the free movement of boats from East Bengal to Calcutta by the "inner boat route" Instructions were also issued at about this time for the issue of temporary permits for boats entering the area for the specific purpose of trade or distant cultivation. Again, it was decided that it would be necessary to leave large boats permanently among the *chars* in the Bakarganj district, roughly on the scale of one boat per mile of the river bank for the purpose of cultivation. Further, in November 1942, special sanction was given for an increase in the number of boats in the area during the reaping of the rice harvest.

In January 1943, an additional relaxation was introduced. This gave practically unrestricted passage, subject to passes being obtained and renewed, to rent collectors, rice traders who agreed not to purchase rice at prices exceeding those fixed by Government for their purchasing agents, and other traders. Finally, in June 1943 all restrictions were removed.

6. The following figures show the effect of the boat denial policy at the end of November 1942:—

(*a*) Total number of boats capable of carrying 10 or more people registered within the denial area.	66,563
(*b*) Total number :—	
(*i*) requisitioned for military use	1,613
(*ii*) destroyed	3,373
(*iii*) sunk but recoverable	4,143
(*iv*) taken to " reception " stations.	17,546
(*v*) left the area to find work elsewhere	19,471
(*vi*) remaining in the area	20,417
	66,563

(NOTE.—Owners of boats were free either to take them into reception areas or to remove them to a place north of the "denial" line. Those deprived of their boats were granted compensation).

7. The measures were necessarily unpopular. From the reports of local officers it appears unlikely that the area under cultivation was reduced. As regards the extent to which the movement of rice was impeded, it is impossible

to frame an estimate. Obviously, the removal of so large a number of boats—there were still 16,655 boats in the "reception" areas on the 1st April 1943—must have had a considerable restricting effect on the movements of foodgrains from the denial area.

The Bengal Government have informed us that it was not a practical proposition to maintain in repair the thousands of boats brought to the reception stations. We are, however, not convinced that it was not possible to make better arrangements. In the area to which the "denial" policy was applied boats form the chief means of communication, and if the boats taken to the reception stations in 1942 had been maintained in a serviceable condition they would have been available for the movement of foodgrains from the denial area during the difficult times of 1943. Again, the fishermen who had been deprived of their boats suffered severely during the famine. If it had been possible to provide them with boats from the reception stations they would have been less affected by the famine and the number of deaths amongst them would have been smaller.

8. Considerable areas of land were requisitioned for military purposes during 1942, and 1943. We have not complete particulars of the number of persons affected but from the information available, it appears that more than 30,000 families were required to evacuate their homes and land. Compensation was of course paid but there is little doubt that the members of many of these families became famine victims in 1943.

B. The rise of prices and price control.

9. We have seen already how, with the loss of Burma, unusual demands were made on the rice supplies in the principal rice growing provinces of India. Bengal was the most important of these provinces and nearest to the advancing enemy; and it is therefore not surprising that the rice markets in the province were also disturbed. Prices began to rise even while the crop reaped in the winter of 1941-2 was moving into the markets and reached an unprecedented level by the end of the year.

10. The rise which took place in 1943 was so much more spectacular than that in 1942, that the unprecedented rise in the former year is apt to be overlooked. The Bengal Government have furnished us with a chart[1] which shows the movement of the wholesale price of coarse rice in Calcutta at quarterly intervals from April 1931 to January 1943. The price was lowest between October 1932 and April 1933, when it reached Rs. 3 per maund, a level which it touched again in January 1934. It then rose gradually and was as high as Rs. 4/8/0 per maund during 1936, which, it will be recalled, was a year of poor harvest in Bengal. After this it fell and touched Rs. 3/4/0 per maund in April 1938. During the next two years it moved slowly upwards. A sharp rise took place after April 1941, and the price was somewhat above Rs. 7 per maund in July of that year. This, however, was not surprising, for the winter rice crop of 1940-1 was the smallest in Bengal during the 15 years preceding 1943. The peak was reached shortly before the arrival of the *aus* crop, after which the price fell.

11. The *aman* crop at the end of 1941 was an excellent one, promising adequate supplies for 1942, and there was, therefore, every reason to expect that the price would remain well below the level of the previous year. By April 1942, however, the price had reached the same level as in April 1941. A sharp rise occurred towards the end of May and in July the price was Rs. 8. Between July and September the market was very unsettled, but by the middle of

[1] Appendix IV.

September the price had steadied itself and in October stood at Rs. 8/8/0. The middle of November was, however, marked by another violent movement which carried the price to Rs. 12/8/0 a maund early in January 1943. The level thus reached was without precedent. It had not been so high even during the boom period after the end of the last war.

12. The unusual character of the rise in price from May 1942 onwards was not a phenomenon peculiar to Bengal, but was a feature of the markets in other important rice producing areas of the country. Burma had fallen and it was to be expected that a keen and pressing demand should arise from places like Ceylon and Western India, which were dependent to a large extent on supplies from Burma. There can be no doubt that purchases were being made in order to meet these demands in a market where the progress of the war made sellers who could afford to wait reluctant to sell. An officer of the Government of India who was in close touch with the rice markets in Bengal at this time described the situation in these terms: "Cultivators on the one hand were becoming very cautious and unwilling sellers, and speculators on the other hand, were operating on a larger scale than in normal times and circumstances, with only one consequence, a steady rise in prices"

13. We give below figures of imports and exports of rice into and from Bengal during the first seven months of the years 1941 and 1942.

(in thousands of tons)

Month	1941		Net imports+ Net exports—	1942		Net imports+ Net exports—
	Imports	Exports		Imports	Exports	
January	42	15	+27	29	45	—16
February	62	22	+40	28	60	—32
March	60	31	+29	41	61	—20
April	66	22	+44	8	66	—58
May	51	20	+31	12	32	—20
June .	83	15	+68	9	30	—21
July	68	11	+57	8	26	—18
	432	136	+296	135	320	—185

It will be noticed that while imports during the first seven months of 1942 were less than during the corresponding period of 1941 by nearly 300,000 tons, exports during the same period increased from 136,000 tons in 1941 to 319,000 tons in 1942. The result of this decrease in imports and increase in exports was that a net import figure of 296,000 tons in 1941 was changed into a net export figure of 185,000 tons in 1942.

During the last five months of the year 1942, exports decreased and were only 30,000 tons. It will be recalled that exports, except under permit, were prohibited by the Bengal Government in July, the exact date being the 16th July 1942. Imports during these months were also small, amounting to 27,000 tons.

The increase in the exports during the first seven months of 1942, as compared with the corresponding period of 1941, affords a clue to the increase in the price of rice which took place in Bengal in April-June, 1942. This was no doubt due to the increased demand from those areas which had suffered more severely than Bengal by the loss of the imports of rice from Burma. It is true that the imports into Bengal during the first seven months of 1941 were higher than normal owing to the poor *aman* crop reaped in December 1940. But even if allowance is made for this it seems clear that external demand had increased as compared with available supply, and it was this increase in the export demand which caused prices to rise in Bengal.

14. The markets were in this condition when, in June, the Government of Bengal decided to intervene and issued an order fixing, with effect from 1st July, maximum prices for medium and coarse rice in the Calcutta market. The wholesale price of coarse rice was fixed at Rs. 5/12/- per maund. This had been agreed upon as a suitable price in the course of discussions which had taken place several weeks earlier, but prices had risen rapidly, particularly between May and June, with the effect that the rates fixed under the order proved to be well below the market prices prevailing on the 1st July. The immediate effect of the price control order was that supplies disappeared from the Calcutta market. A similar position arose in the districts. It was reported that, in Howrah, the effect had been to drive underground all the available stocks of the controlled qualities and that food riots were apprehended. The District Magistrate had been compelled to seize stocks which were not being sold. Again, it was reported from the Burdwan Division that price control had completely broken down. The Divisional Commissioners protested against the system, and the rates, and pressed for the stoppage of uncontrolled exports from Bengal to areas outside the province. On the 16th July the Government prohibited all exports of rice and paddy from the province except under permit. As we have noticed, a similar step was taken in other provinces at about the same time. On the 21st July, the Government of Bengal revised the price control order and increased the statutory maximum prices by one rupee. It will be recalled that in March 1942 the Government of India, faced with similar difficulties, had raised the statutory maximum price of wheat. In Bengal the increase in the statutory maximum price produced no result except that the price actually prevailing in the province "advanced by almost exactly a rupee"

15. At this point the stocks of "denial" rice proved most useful. A portion of these stocks was moved into Calcutta and distributed, partly through controlled shops to the general public, partly through issues to employers of industrial labour who had organized their own purchasing schemes, and partly through the Calcutta Corporation. To some extent this eased the situation, but the result was not sufficient to make the maximum statutory price effective. The Government then considered the abrogation of price control. Opinion, however, differed and the final decision was that, although it would be inadvisable to withdraw the notification by which statutory maximum prices had been fixed, District Officers should be instructed not to enforce the control prices except in cases of gross profiteering. This decision was made known to the trade informally. The flow of supplies recommenced and prices steadied themselves. Four factors helped towards this temporary improvement: First, a large decrease in exports as a result of the embargo; secondly, the judicious use of denial stocks; thirdly, good rain in September and October which promised, deceptively as it turned out, that the *aman* crop would be good; and, fourthly, the decision not to enforce price control. Supplies and prices appeared to have again reached something like a state of equilibrium.

16. We shall describe later how this equilibrium was again upset in the last few weeks of 1942 and the stage was set for the tragedy of 1943. We now

proceed to give a brief account of certain other developments which were taking place at this time in Calcutta and which had a bearing on the course of events during 1943.

C.—Distributive organizations in Calcutta.

17. Early in the year 1942, when the war position in the Far East had deteriorated, an exodus from Calcutta took place. Among the people who left were a large number of dealers engaged in the wholesale and retail supply of foodstuffs. The disappearance of these shopkeepers and the consequent difficulty in buying supplies added to the nervousness of labour in the city and the surrounding industrial area. It was important that the morale of the labour force should be maintained and regular attendance at the factories ensured. The Provincial Government, therefore, advised large industrialists to undertake the supply of foodstuffs for their own employees. It was in this way that employers' grain shops came into existence. In July and August 1942, when rice was in short supply in Calcutta, it was apparent that something more was necessary than a chain of employers grain shops, each purchasing its own requirements in a highly competitive and speculative market. At this stage "the Bengal Chamber of Commerce Foodstuffs Scheme" was brought into being with the approval of the Government of Bengal. Though the scheme was administered by the Bengal Chamber of Commerce, its purpose was, and still is, the supply of essential items of food to the grain shops of industrial concerns which are members of or connected with the Chamber. In August 1942 the scheme catered for approximately 500,000 employees, exclusive of dependants, while by December 1942 the number had risen to 620,000, and the total number of persons served, including dependants, to approximately one million.

18. In August 1942, in a letter addressed to the Chamber, the Government of Bengal described their attitude to the scheme in the following terms:

"Government agree that the maintenance of essential food supplies to the industrial area of Calcutta must be ranked on a very high priority among their war-time obligations, and welcome the decision of the Chamber to set up its own organization for the purchase and distribution of essential supplies for the industrial labour of its constituents. Government, for its part, will do all in their power to create the conditions under which essential supplies may be obtainable in adequate quantities and at reasonable prices. Direct provision of stocks from Government sources must, however, be regarded as an abnormal procedure, and the extent to which Government may be able to make such provision must depend upon circumstances" The letter also stated that the Indian Chamber of Commerce and the Bengal National Chamber of Commerce had been informed that comparable facilities would be afforded to them.

19. Towards the end of 1942, organized industry was faced with the problem of how the steadily increasing cost of living of workers should be met—whether by increasing dearness allowances or by the subsidized provision of foodstuffs. Employers connected with the Bengal Chamber of Commerce, in consultation with the Government of Bengal, came to the conclusion that it was in the interests of their employees, and in conformity with Government's price control and anti-inflationary policy, to compensate for further increases in the cost of living by supplying at least a portion of the essential food requirements of their employees at subsidized rates, rather than to give progressively larger dearness allowances. This policy was adopted. The Chamber and the Industrial Associations recommended that employers should, as far as possible, keep cash dearness allowances at the then existing levels, that compensation for further rises in prices should be in the form of the sale of foodstuffs at the controlled retail prices of August 1942, and that employers should meet the difference

between these controlled prices and the actual cost. This policy has been continued ever since and is still in operation.

20. This was the process by which an organization came into being for the purpose of protecting a considerable proportion of the population of Greater Calcutta from the effects of high prices and the short supply of food. The price of food consumed by this section of the population of Greater Calcutta was henceforth subsidized.

21. An arrangement on somewhat similar lines to that of the Bengal Chamber of Commerce was also subsequently undertaken jointly by the Bengal National Chamber, the Marwari Chamber, the Indian Chamber, and the Muslim Chamber of Commerce. The labour force provided for was about 170,000. The Central and Provincial Governments, the Railways, the Port Trust, the Calcutta Corporation, and other employers of labour also arranged for the provision of supplies, at subsidized prices, to their employees. These numbered about 300,000.

22. The nucleus of another type of distributive organization also made its appearance during this year. We have described already how during August-September, 1942, when supplies disappeared from the market in Calcutta, stocks of "denial" rice were moved in and distributed. It was at this time that the first "controlled shops" were started. These were shops approved by Government and through which stocks held by Government were issued to the general public in limited quantities, at controlled prices. One hundred such shops were opened, but with the improvement in supply towards the end of September and the beginning of October, the demand on these shops was not heavy, and it was not found necessary at that time to increase their number. Earlier in the year a scheme had also been prepared for the distribution of food in the event of an emergency caused by air-raids. This scheme provided for the utilization of certain selected shops in the main markets, described as "approved markets", for the sale of foodgrains from Government stocks, and was put into operation early in 1943.

D.—Shortage of wheat

23. The population of Greater Calcutta and other industrial areas in Bengal is not composed entirely of persons whose staple diet is rice. A considerable proportion of the industrial population consists of people drawn from other provinces whose staple foodgrain is wheat. Bengal produces very little wheat, and during the five years ending 1941-2, imported from outside the province on an average 21,000 tons a month. Of this, about 18,000 tons were required to meet the needs of Greater Calcutta. During the closing months of 1942, the supply steadily decreased, and this continued during the early months of 1943. The following table shows the quantities of wheat imported into Bengal from other provinces and from overseas during the last five months of 1942 and the first six months of 1943:—

Month	Tons
August, 1942	13,259
September ,,	14,911
October	11,814
November	7,996
December ,,	9,397
January 1943	2,584
February	1,620
March	21,376
April	20,735
May	8,842
June	8,177

The Government of Bengal made repeated representations to the Government of India as regards the supplies of wheat, and in November 1942, the Wheat Commissioner was informed that, if supplies could not be secured, the Government of Bengal could not accept responsibility for any consequence to the industrial areas of Calcutta and any damage to the war effort that might ensue. As we have already seen, difficulties had arisen in the principal wheat markets of Northern India, and adequate supplies were not forthcoming. Statutory price control had failed and purchases could not be made except in violation of the law. The significance of this shortage of wheat in Greater Calcutta was that it increased the consumption of rice at a time when it was becoming clear that the *aman* crop had failed and an acute shortage of rice was imminent. It also undoubtedly increased the general feeling of uncertainty as regards food supplies.

E.—The failure of the aman crop

24. The season of the *aman* crop of 1942, that is the crop which would provide the main supply of rice for the year 1943, did not open propitiously. In June rain was needed in most parts of the province, the monsoon having been late in establishing itself; and, although rain was more plentiful in July, still more was needed. Cultivation had been delayed and the *aman* seedlings were suffering from drought in many places. The prospects, however, improved in August, and in September rain benefited the crops throughout the province. Taking the season as a whole the weather was not favourable, particularly in West Bengal—the most important rice producing area in the province.

25. It was at this stage that West Bengal was visited by a great natural calamity, a calamity which took a heavy toll of life and brought acute distress to thousands of homes. On the morning of October 16, 1942, a cyclone of great intensity accompanied by torrential rains, and followed later in the day by three tidal waves, struck the western districts of the province. The tidal waves laid waste a strip of land about 7 miles wide along the coast in the districts of Midnapore, and the 24-Parganas, and caused similar damage to an area 3 miles wide along the banks of the Hooghly, the Rupnarayan, the Haldi, and the Rasulpur rivers. Another effect of the tidal waves, reinforced by heavy rain, was to push up the water level in the northern reaches of the rivers, thereby causing extensive floods. The effects of the cyclone itself and the torrential rains which accompanied it were felt over a very wide area though in different degrees of intensity. The severest loss of life and damage to property occurred in the southern parts of the two districts already mentioned, that is, in the areas nearest to the sea. In areas more distant from the coast, there was little or no loss of life but crops and property were damaged and communications interrupted. It is estimated that the total area affected was 3,200 square miles, of which 450 square miles were swept by the tidal waves, and 400 square miles affected by floods. Throughout this large area the standing *aman* crop, which was then flowering, was in large measure damaged. In the worst affected areas it was not only the standing crops which were destroyed; reserve stocks of the previous crop in the hands of cultivators, consumers, and dealers were also lost.

26. After the cyclone came crop disease. We have been told by several witnesses about the damage caused by fungus and "root-rot". The Government of Bengal have stated that their effects were even more serious to the outturn than the damage caused by the cyclone. The *aman* crop reaped at the end of 1942 was thus seriously short. As we have seen in an earlier chapter the crop was sufficient, on an average of the five years preceding 1943, to provide

about 38 weeks' supply for the province. During this year the crop was sufficient for only about 29 weeks.

F.—Market conditions at the end of 1942

27. Shortly after the occurrence of the cyclone became known to the public, the trade in Bengal realized that a short crop was certain. The immediate result was a resumption of the upward movement in prices which, starting in February, 1942, had gained momentum in May, and had been temporarily arrested during September and October. A report written at the time describes this rise in the following terms: "The price of rice and paddy rose abruptly throughout Central and Western Bengal (except for Contai subdivision, Midnapore) and to a lesser extent in the districts of Southern Bengal, and was between Rs. 12 and Rs. 16 per maund according to quality, with isolated transactions at higher rates. The rise appears to have been due principally to heavy buying, entirely unco-ordinated and to a large extent manifestly speculative, which began about the middle of November, and seems to have reached its peak in the first week of this month (December 1942)" A fortnight later, the following was reported: "Prices of agricultural produce appear to have declined in the Burdwan and Presidency Divisions, though they are still very high. They have reached alarming figures in Rajashahi, Dacca and Chittagong divisions. The gravity of the situation is emphasized in Commissioners' reports, and it is pointed out that, unless some improvement takes place, there is a danger of resort to violence as a result of shortage and high prices". The swiftness with which the rise of prices was taking place may be seen from the following table which shows the course of prices in one of the markets of the Burdwan district:—

Date	Market price per maund of medium rice
	Rs. A. P.
18th November 1942	7 8 0
25th ,,	10 8 0
2nd December	11 8 0
7th	14 0 0

28. A review of the conditions prevailing in the markets of Bengal early in December 1942 is contained in a note prepared at that time by the Civil Supplies Department of the Government of Bengal, which runs as follows:—

"*Present situation.*—High prices are running from Howrah to places across Western Bengal, with local high spots at places like Dinajpur which have easy means of transport to Calcutta and so can be quickly drawn upon.

There are high priced areas in one or two districts where high prices are probably due to poor crop.

Causes—I. *Psychological.*—(i) Depressing reports regarding crop forecast. (ii) Fears as to the result of the Midnapore cyclone and exaggerated statements as to its effects on the supply position of the province as a whole. (iii) Propaganda, sometimes perhaps interested, in certain trade circles, making out that the coming crop was going to be 'worst for the last 20 years' (iv) Exaggerated reports of exports from Bengal. (v) Fear of Foodgrains Control Order.

* * * * * *

III. *Supply position.*—(i) Restriction on export from Midnapore. (ii) Obstruction to transport in the Kulti Canal. (iii) Comparative difficulty of transport from south of Calcutta and comparative ease of transport from north of Calcutta. (iv) Late transplantation and consequent late arrival of new crop in Western

In the result, both rural population generally in surplus areas and large sections of the population in urban areas were being supplied from their existing stocks, *e.g.*, labour of industrial area, employees of commercial firms and khas holders who had bought stocks previously. The actual ruling prices were therefore chiefly affecting that portion of the population which had to buy from hand to mouth but they were suffering great hardships. This was probably the reason why despite higher prices there was by no means universal distress".

29. The evidence presented by these contemporary documents leaves no room for doubt that the upheaval in the Bengal markets towards the end of 1942, was due to the fact that in November and December of that year, that is, before the bulk of the *aman* crop had been reaped, unusual purchases were being made by persons who were convinced, quite correctly, that the yield of the *aman* crop would be so short and stocks in hand so low, that a crisis in supply was inevitable and was fast approaching. There is also evidence that such purchases were not confined to Bengal, but extended to the adjoining areas of Bihar and Orissa. Reports received at the time by the Bihar Government showed that a large number of buyers from Bengal were advancing money on standing crops at the end of November in the bordering districts of Bihar, and officers in these districts reported great uneasiness and impending trouble in consequence. In a letter addressed to the Government of India shortly after these events, the Government of Bihar reported that "there was a rush to corner supplies and withhold them from the provincial markets in order to smuggle them, in defiance of the provincial embargo, to the more attractive markets across the border." The Government of Orissa have told us that this was happening at the same time in Orissa also.

30. It was at this stage, when all the elements of the crisis which finally overwhelmed Bengal had gathered, that the enemy took a hand. The first air-raid on Calcutta took place on the 20th December and was followed by raids on the 22nd, 23rd, 24th and 28th. There were further raids in January. The military value of the raids proved to be negligible. Their effect on civilian morale was not considerable and proved to be temporary. But one of the important effects of the air-raids was the closing down of a large number of food-grain shops. On the 27th December, the Government of Bengal, in order to maintain the distribution of supplies in Calcutta, were reluctantly compelled to requisition stocks from wholesale dealers and from that moment the ordinary trade machinery could not be relied upon to feed Calcutta. The crisis had begun.

CHAPTER VI.—THE DEVELOPMENT OF THE CRISIS IN BENGAL

A.—Nature of the crisis

1 It is necessary before proceeding further with our narrative to take stock of the situation prevailing in Bengal at the beginning of 1943. The primary element in that situation was the failure of the *aman* crop. This, however, was not necessarily in itself an unmanageable problem. An even more serious failure had occurred only two years before in 1941, and had led to nothing more serious than a state of scarcity which was successfully alleviated by the usual relief measures. The necessary flow of supplies to the areas affected by the shortage was maintained, and supplies were available at prices which the bulk of the poorest classes of the population could afford to pay. This did not happen in 1943. Wherein lay the difference between 1941 and 1943? The answer is twofold: first, a serious diminution occurred in the sources from which a shortage in production was normally met; and secondly, the normal machinery for the distribution of supplies was out of order.

2. It was not only the yield of the *aman* crop which was short; the carry over was also short. Thus, the stock of all rice in Bengal at the beginning of 1943, was considerably smaller than in 1941. This was primarily the consequence of the heavy drain on stocks during 1941, and to some extent also to a decrease of imports and an increase of exports which occurred during 1942. It was, therefore, clear that, from the supply aspect alone, 1943, promised to be a more difficult year than 1941. In an earlier chapter we came to the conclusion that the total supply of rice in Bengal during 1943, was probably sufficient for about 49 weeks, which meant an absolute deficiency of supply of about three weeks' requirements. A deficiency of this order involves a more serious difficulty in distribution than appears at first sight. Broadly speaking, there are three classes of consumers. First, the non-producers; secondly, the producers who do not grow sufficient for their own needs; and, thirdly, the producers who grow quantities which are more than sufficient for their own needs. The third class of consumers would not themselves go short because even in a year of shortage they would retain sufficient for their own needs throughout the year and probably in addition a reserve which they are accustomed to keep. In these circumstances an over-all shortage does not correctly indicate the degree of shortage in the supply available to the first two categories. A hypothetical example will illustrate this point. Suppose 50 per cent. of the population consists of producer-consumers who are self-sufficient in rice, and that the remaining 50 per cent. are non-producer-consumers. Also suppose that the weekly consumption of the entire population is Y, tons and the total supply available for the year is $49 \times Y$ tons instead of $52 \times Y$, tons. If the producer-consumers retain an amount equal to their consumption for 52 weeks the amount available for the non-producer-consumers is $49 \times Y$ tons *minus* $52 \times \frac{Y}{2}$ tons, that is $46 \times \frac{Y}{2}$ tons. The supply therefore available for non-producer-consumers is sufficient for 46 weeks and not for 52 weeks, that is, a shortage of 6 weeks' supply. Moreover, the shortage would be greater than this if the producer-consumer, who grows more rice than he needs for his own consumption, kept a reserve. Thus, it follows that even if all producers sold their entire stocks without retaining a reserve for consumption after the next harvest and even if stocks so placed on the market were evenly distributed to all consumers, the latter would not have secured their normal requirements in full.

3. The state of supply was such that, even if market conditions were normal, prices were bound to rise and difficulties were bound to be experienced in maintaining an adequate flow of supplies to the consumer. Market conditions were, however, not normal. The most obvious symptom of the unhealthy conditions which had arisen was the movement of prices during 1942, and the level reached at the end of that year. In January 1941, the wholesale price of coarse rice at Calcutta was Rs. 5/8/- per maund, and it rose to Rs. 7/1/- by July 1941. In January 1942, the price was Rs. 5/10/- per maund, and it rose to Rs. 8 per maund by July 1942, even though there was no question at that time of the province being short of rice. In January 1943, the price was Rs. 12/8/- per maund. What would it be in July 1943?

4. This was not a problem to be solved by any simple rule of three. It was a question of the psychology of millions of producers, traders, and consumers. The life of the community depended on the producer, who had a surplus, placing on the market, more quickly than in normal times, all his produce in excess of what he required for seed and the maintenance of his family, without retaining for himself even the usual carry-over beyond the next harvest. But with conditions as they were, his natural instinct was to assure his own safety by retaining an even larger carry-over than usual. And what was safe was also likely to prove profitable, for prices were rising. He had sold his surplus at the usual time in the previous year and had found that the trader who bought from him, had made a larger profit than usual, which he could have secured for himself if he had waited. He probably argued that he would not make the same mistake again. The traders no doubt argued likewise. The petty merchant was tempted to wait for a better price from the big merchant, and the big merchant from the bigger merchant. The fact that prices had risen abnormally and were still rising was sufficient to diminish both the volume and the rate of flow of supplies through the market. In such a situation, prices must rise even more sharply than before in order to overcome these "resistances".

5. It was imperative that the flow of supplies from the producer to the consumer should be maintained; and it was equally imperative that prices should not be allowed to rise much further. Failure in either respect would entail widespread starvation. A situation had already arisen in which it seemed certain that the normal operation of the trade machinery would fail to secure one or other of these results, if not both. Hence the crisis.

B.—Controlled procurement

6. The abnormal rise in prices in the latter half of November and December caused concern and the Bengal Government decided that steps must be taken to reduce the price level. The key to the situation was the Calcutta market, because prices in that market govern prices throughout the province. They, therefore, visualized the remedy in the first instance, as one of checking speculation and restoring healthy conditions in the Calcutta market. The process was later described as "breaking the Calcutta market". The question was the method by which this was to be brought about. Statutory price control had been tried and had failed. A simple order to the trade not to buy or to sell above a prescribed price, would only make conditions in the market worse, but experience had shown that the use of the "denial" stocks had helped to check the rise in prices. The Government proceeded to build on the results of this experience. They therefore undertook their first procurement scheme.

7. The area selected for the procurement operations was the Rajshahi Division in Northern Bengal—an area which was normally surplus and which had not been affected by the cyclone. Exports of rice and paddy from the Division were prohibited except under permit, with effect from the 22nd December,

and District Officers were directed to commence buying operations through local traders. The total quantity to be purchased was fixed at 2 lakhs of maunds (about 7,400 tons) and each district was given a quota out of this amount. Ceiling prices were fixed within which purchases should be made and District Officers were informed that, if necessary, requisitioning was to be resorted to till the quota fixed for the district had been procured. The scope of the scheme was naturally limited by the purpose for which it was framed. District Officers were told that the operations were not intended to enable them to build stocks for their own districts, and they would not be permitted to immobilize stocks for local purposes, except with previous sanction. All rice and paddy acquired were to be sent to Calcutta, with the exception of a limited quantity intended for Darjeeling. This scheme was abandoned on the 9th January, because the situation following the air-raids on Calcutta demanded a more comprehensive measure. By that time District Officers had purchased about 2,800 tons against the target of 7,400 tons.

8. Air-raids on Calcutta took place on the 20th, 22nd, 23rd, 24th, and 28th December 1942. The first raid had comparatively little disturbing effect, but evacuation began on a small scale on the 22nd and increased in volume until the 24th and 25th, after which there was little further exodus. The most important effect, however, of the raids was the closing down of a considerable number of foodgrain shops and the consequent interruption to the city's food supplies. At first immediate needs were met from air-raid reserves. The opening of closed shops in the markets was also tried, but this yielded little result as the shopkeepers had either removed or sold their stocks before leaving. Finally, on the 27th December, it was decided to requisition stocks in the city and to distribute them through controlled shops and "approved" markets.

9. Having been compelled to requisition stocks in Calcutta, the Bengal Government came to the conclusion that urgent steps would have to be taken to maintain supplies; and they therefore proceeded to undertake procurement operations on a more extensive scale than had been contemplated in December. The second scheme came into operation on the 9th January, and the monthly requirements were assessed at 3 lakh maunds of rice (11,021 tons) and 4·5 lakh maunds of paddy (16,532 tons). Purchases on this scale, the Bengal Government thought, could not be made by District Officers. They therefore selected seven agents from the trade and allotted to them areas in which to make their purchases. The maximum prices at which purchases were to be made were prescribed and District Officers were directed to warn all dealers in the buying areas that their licences would be cancelled and their stocks requisitioned if they bought above the Government buying rates. This direction, it may be incidentally noted, was inconsistent with the policy already adopted, namely that a legally prescribed maximum was not to be enforced on the transactions of private trade. A dealer who could not buy above the maximum rates fixed for Government purchases, except at the risk of the cancellation of his licence and the requisitioning of his stocks, was just as effectively subject to price control as if he had been liable to prosecution for a breach of a statutory order fixing maximum prices. But this inconsistency was unavoidable. As a letter sent out to District Officers on the 9th January said, the agents appointed by Government were unlikely to obtain the quantities of grain which Government required, unless competitive buying was prevented as far as possible. It was soon found that the warning did not suffice to protect the agents against competitive buying. Embargoes were, therefore, placed round the buying areas, prohibiting export except under permit. Similar embargoes were also placed round the non-buying areas in order to protect these areas against speculative buying. All these measures proved of no avail. The agents were not successful in purchasing the quantities required and the system was abandoned on the 17th February. The quantity purchased between the 10th January and the 17th February was only about 2,200 tons.

10. Early in January the Bengal Government appointed a Foodgrains Purchasing Officer. His functions generally were to supervise and control the activities of the buying agents and regulate the issue of export permits from districts from which exports were restricted. On the abandonment of the system of buying through trade agents, the procurement system consisted solely of the Foodgrains Purchasing Officer taking offers direct from the trade. The embargoes round the buying areas were maintained so as to enable the Purchasing Officer to combat competitive buying by control over exports from these areas. The non-buying areas also continued to be protected by locally administered embargoes on exports. The pace of purchases by the Foodgrains Purchasing Officer was, however, too slow. He bought only about 3,000 tons between the 18th February and the 11th March.

C.—"De-control"

11. The failure of successive schemes of procurement was accompanied by a steady rise in the price of rice, a diminution, week by week, in visible stocks, and signs of increasing panic in Calcutta. On the 4th January 1943, the price of coarse rice had dropped to Rs. 11/4/- a maund following sales by shopkeepers who left the city after the air-raids. On the 20th January, the price had moved up to Rs. 12/8/-, on the 3rd February to Rs. 13/2/-, on the 17th February to Rs. 13/12/-, and it reached Rs. 15 per maund on the 3rd March.

12. We have made a detailed study of the relevant trade statistics and the information supplied by the Government of Bengal about the movement of supplies throughout 1943 into Bengal from outside the province as well as in and out of Calcutta. We append to this report a note showing the results of our analysis.[1] These show that the net receipts into Calcutta during January and February 1943 were approximately 7,000 tons in each of these two months. This was only a fraction of the normal monthly requirements. Wheat also was in short supply and this added to the demand for rice. There is no doubt that the stocks in Calcutta at the beginning of the year were much smaller than in previous years, and that these were being consumed far more rapidly than they were being replaced. By the beginning of March, stocks were down to such a low level that it looked as if the city must starve within a fortnight, unless large supplies arrived quickly. Thus by early March the crisis had become acute in Calcutta.

13. As we have explained, it was imperative, at the beginning of 1943, that the flow of supplies to the consumer should be maintained and that prices should not be allowed to rise still further. Up to this point the Bengal Government were attempting to achieve both these objects. But they had failed. A breakdown in the supplies for Calcutta appeared imminent. A vital decision on policy had to be reached, and reached quickly. Was it practicable to hold prices and to maintain the flow of supplies? If it were not,—and the state of Calcutta appeared to show that it was not—what was to be done? Two courses were open. One was to intensify the policy of controlled procurement, hold prices rigidly, and pass over from reliance on voluntary sales to coercion, to whatever extent was necessary, to secure supplies at a price determined by Government. This meant seeking out stocks wherever they were held whether by traders or producers, and requisitioning those stocks not sold voluntarily. The other course was to allow prices to rise and to secure stocks by purchase in the market and by imports from other provinces, in the hope that it would be possible by the use of such stocks to moderate prices as had been done by the use of the "denial" stocks in the previous year. The Bengal Government carefully considered the *pros* and *cons* of both these courses. Risks were inherent in both. The former involved widespread and highly organized coercion. Were the administrative resources of the Government equal to

[1]Appendix V.

the task? If coercion failed, it would drive stocks even deeper underground, lead to disorders in the districts, and a complete break-down in Calcutta. On the other hand, the latter, *viz.*, de-control, particularly if it were not possible to acquire stocks sufficient to enable a moderating effect to be produced on prices, might result in prices rising to a level at which widespread famine would be inevitable. The probable consequences of both courses were recognized. Before a conclusion was reached, Commissioners and District Officers were consulted on the issue of coercion. With one exception, they were of opinion that measures which would probably involve the use of force were not practicable and would not produce sufficient supplies.

14. The Government of Bengal then made their choice. The decision was taken to abrogate any vestige of price control, and it was announced publicly on the 11th March in the following terms:—

"No Price Control in Wholesale Rice and Paddy Markets"

"To clear up misapprehensions which are still impeding the flow of paddy and rice into the markets, the Bengal Government declare categorically that there is and will be no statutory maximum price for wholesale transactions in paddy and rice. Both cultivators and traders are free to bring their grain to the market without fear of having it taken from them at a price to which they do not agree. No trader who has declared his stock under the Foodgrains Control Order will be compelled to part with it below the prevailing market price.

"(ii) The Bengal Government, in full accord with the Government of India, adhere to the policy of buying as much rice and paddy as possible by free market operations in order to secure the best use of the resources of the province and their most equitable distribution.

"(iii) The clear abrogation of any vestige of price control in the primary wholesale market does not imply unrestricted profiteering. Government's own operations as buyer and seller coupled with the removal of the black market are in their opinion most likely to be successful in moderating prices at a reasonable level; but to prevent buying at reckless prices by wealthy areas the embargoes prohibiting the movement of paddy and rice from one area in the province to another will remain in force. The Government itself takes the responsibility for the movement of paddy or rice to deficit areas."

15. Earlier in the year, the Central Government made a similar decision as regards the control of wheat prices. Arrangements had been made for the shipment of substantial quantities of wheat to India and at the end of January 1943, the statutory maximum prices for wheat which had been imposed in December 1941, were withdrawn. At this time the Government of India were of the opinion that prices should not be regulated by statutory control but by other methods. The decision reached by the Government of Bengal was, therefore, in accord with the policy of the Government of India at the time, and was indeed taken with their approval.

16. Simultaneously with the announcement of de-control, District Officers were directed to explain the policy to grain dealers in their districts and inform them that Government's object was to buy considerable quantities of rice and paddy. District Officers were also told to purchase without limit of price any rice and paddy offered to them in the first three days, up to a limit of 20,000 maunds; and after that, to report all offers to the Foodgrains Purchasing Officer for his orders. They were further directed to explain the measures which Government were taking to the public at large, through influential persons throughout the districts.

17. The immediate effect of de-control was an increase in the volume of supplies purchased by Government. Between the 12th and the 31st March, the total purchases made by the Foodgrains Purchasing Officer, direct or through

District Officers, exceeded 17,000 tons. This was much more than what had been purchased between the 22nd December 1942 and the 17th February 1943 under three different systems of procurement. The effect was, however, temporary and the rate of purchase subsequently slowed down. Purchases made from 1st April to the end of August amounted to only about 18,000 tons.

18. Prices, as had been expected, rose sharply. The following table shows how the price of coarse rice rose in Calcutta from Rs. 15 on the 3rd March to Rs. 30/10/- on the 17th May:—

Date	Price per maund
3rd March 1943	15 0 0
17th	19 6 0
22nd	21 4 0
29th „	22 0 0
5th April	21 3 0
12th	20 7 0
19th	19 5 0
26th „	21 0 0
3rd May	21 1 0
10th	25 0 0
17th „	30 10 0

Prices in all the markets in Bengal were rising similarly. The following table gives the minimum price per maund of rice ruling in the last week of each month in five districts:

Month	Khulna	Burdwan	Rajshahi	Faridpur	Tipperah (Brahmanbaria)
1	2	3	4	5	6
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a p.	Rs. a. p.
1943					
January	10 6 0	11 12 0	13 4 0	12 4 0	9 8 0
February	12 8 0	13 8 0	13 8 0	13 2 0	12 0 0
March .	18 12 0	20 6 0	18 0 0	25 0 0	20 0 0
April .	22 8 0	23 8 0	20 0 0	24 0 0	31 0 0
May .	30 0 0	29 12 0	26 5 0	31 0 0	25 0 0

19. The prices mentioned in the foregoing table are the minimum ruling prices. Actual prices were often higher and supplies were not always available for purchase even at these high prices. The effects of the high prices were felt throughout Bengal. On the 13th of May, the Commissioner of Burdwan Division reported: "Economic conditions approaching a crisis. Rice out of reach of the poor. Rice should be imported if the people are not to starve". A picture of the conditions developing in the Chittagong Division is given by the report from local officers, some of which we extract below.

11th May 1943.—Price of rice rose to Rs. 43 per maund in Noakhali but has come down again. Famine conditions prevailing among certain percentage of the population in Chittagong district. High prices keeping people on one meal.

29th May 1943.—Many people starving in Chittagong district owing to high prices. First gruel kitchen started in Chittagong.

11th June 1943.—No fall of prices in Chittagong or Noakhali. Definite cases of deaths from starvation throughout Chittagong and number of living skeletons increasing. Soup kitchens have already been started in acute starvation areas. 15 kitchens are feeding 1,500 persons daily. Scarcity should be declared. Gruel kitchens start working in Noakhali.

28th June 1943.—Number of destitutes in town increased. Eleven deaths in streets.

Thus, towards the end of the second quarter of 1943, famine had begun in parts of Bengal.

CHAPTER VII—SUPPLIES FROM OUTSIDE BENGAL

A.—Nature of the problem

1. Bengal, always a net importer of wheat, was in the course of the decade preceding 1945, also becoming a net importer of rice. During the closing months of 1942 and in January and February 1943, arrivals of wheat into Bengal were much below requirements and were causing great anxiety. The consumers of wheat are largely concentrated in Greater Calcutta where the shortage of rice became acute early in March 1943. There was therefore, urgent need for imports of both rice and wheat. They were needed not merely for making good the shortage which had arisen. What was even more important, they were urgently needed in order to increase the stocks under the control of the Bengal Government, without which they were unable to check the dangerous rise of prices occurring in Bengal.

2. Imports from outside India had, however, ceased and the movement of supplies within India across the frontiers of provinces and states had been interrupted. We have described in Chapter IV the sequence of events which led to that situation. We saw that conditions had arisen in which the movement of supplies by the trade in accordance with effective market demand had become disorganized. The need for planning these movements had arisen. The capacity of surplus areas to export and the need of deficit areas to import had to be carefully assessed. The technique and organization required for this purpose were being evolved, in so far as the movement of supplies across provincial and state frontiers was concerned, by the Central Government. But their arrangements were not complete by March, 1943, when the need for imports became acute in Bengal. We must, therefore, describe briefly the nature of the problem with which the Government of India were faced and the arrangements they were making for solving the problem.

3. The following table shows the figures of net exports of rice from, and net imports of rice into, different areas in India on an average of 5 years ending 1941-42:—

Rice

In tens of thousands of tons

Net exports		Net imports	
Orissa (and Certain Eastern States)	18	Madras (and Travancore and Cochin)	50
Central Provinces (and Certain Eastern States)	15	Bombay (and States).	44
Sind	17	Bihar	19
Assam	2	United Provinces	17
Punjab (and States)	1	Bengal .	14
		Hyderabad	6
		Mysore .	4
		Rajputana States	3
		Central India States .	1
		North-West Frontier Province	1
		Delhi	1
	53		160

The figures in this table are not complete because they take no account of the movements by road and country-boat across provincial and state frontiers, and they also exclude imports from Nepal and by sea through certain maritime States. But they are adequate for our present purpose, which is to indicate the areas which were normally surplus and those which were normally deficit in rice, and the approximate magnitude of those surpluses and deficits.

4. The experience of the previous five years suggested that the quantity of rice available from the surplus areas was between 500,000 and 600,000 tons, while the quantities required by the deficit areas amounted to 1·6 million tons. There was thus a gap of more than one million tons, which was normally covered by net imports but could not be so covered during 1943. Purchases on behalf of the Defence Services were increasing. During 1942-3 they exceeded 100,000 tons and in 1943-4 were nearly 200,000 tons. To that extent, the pressure of the demand on supplies available for export was increasing. A system of planned movement of supplies, therefore, first of all involved a decision as to how much should be exported from each area, and how the total of the exportable supplies was to be allocated between deficit areas and the Defence Services. Decisions on these points were not a matter of mere arithmetic, because the outturn of crops varied from season to season; the carry-over was a significant factor moderating the effects of seasonal variations in production and this factor also varied; and lastly, the proportion of the supplies arriving in the markets had become uncertain owing to abnormal disturbances in marketing conditions. Under these conditions it was extremely difficult to reach agreed decisions.

5. The following table furnishes, in respect of wheat, figures corresponding to those for rice:—

WHEAT

In tens of thousands of tons

Net exports		Net imports	
Punjab and States	68	Bengal .	25
Sind	15	Bombay (and States)	22
Central India States .	10	Madras (and States)	8
United Provinces	8	Rajputana States	8
Central Provinces	2	Bihar	7
		Delhi	4
		North-West Frontier Province.	2
		Mysore	2
		Assam	2
		Orissa	1
		Hyderabad	1
	103		82

On the basis of the experience of the five years preceding 1942-3, the surplus areas were able to provide one million tons, while the deficit areas required 820,000 tons. The demand of the Defence Services was, however, greater for wheat than for rice. This had risen to 300,000 tons during 1942-3 and nearly 400,000 tons in 1943-4.

6. Though the production and consumption of millets in India are about the same as those of wheat, they do not enter into the long distance trade of India to anything like the same extent, as will be seen from the following table:—

MILLETS

In tens of thousands of tons

Net exports		Net imports	
Central India States	6	Bombay (and States)	8
United Provinces	5	Rajputana States	3
Sind . .	1	Madras	1
Punjab (and States)	1	Delhi	1
Hyderabad	1	Bihar	
Mysore	1		
	15		14

It was necessary, however, that the flow of these supplies should be maintained and, in view of the rice shortage, increased as much as possible.

7. The determination of the quantities to be exported from surplus areas and their allocation to deficit areas and to the Defence Services was only the first step towards a planned movement of supplies. Arrangements had to be made for these quantities to be purchased and distributed. The functions to be undertaken by the Central Government and by the Governments of the importing and exporting areas had to be agreed upon. The agencies to be employed and the mode of their operation had to be settled. It was not until these agencies were established and were in proper working order that the movement of supplies could proceed according to plan. We shall now describe the successive stages in the evolution of the system of planned movement of supplies and the position reached by March 1943.

B.—The Evolution of the Basic Plan

8. At the end of December 1941, a Wheat Commissioner for India was appointed, and on the 30th April 1942, the Wheat Control Order was notified. In July 1942, a Civil Supplies Commissioner for rice and other commodities was appointed. Before these officers could proceed to plan, their energies were occupied in making *ad hoc* arrangements for meeting the immediate pressing difficulties of deficit areas. The first scheme for centralized purchase of foodgrains emerged in September 1942, and was considered at the Sixth Price Control Conference which met in that month. The plan of action approved by this Conference was as follows:—

"(i) That in order to eliminate competitive buying, exports of wheat from the surplus provinces and states should be prohibited except by a Central Government organization which should purchase the requirements of the military, labour, and the deficit provinces and states up to a pre-determined figure for each surplus province or state in consultation with the Provincial or the State Government concerned and arrange for transport;

"(ii) That the Central organization should make its purchases in the surplus provinces or states through agencies selected in consultation with the Provincial or the State Governments concerned;

"(iii) That the Central organization should conduct its purchase operations in close collaboration with the price control authorities in the surplus provinces and states and that the latter authorities should give the Central organization all possible assistance in obtaining supplies at controlled rates;

"(iv) That in allocating the supplies available for civil distribution, the Central organisation, in consultation with the Provincial Governments and

States should give priority to the requirements of fair price shops, consumers co-operative societies, industrial areas, big cities, public utilities, and places where large military works are under construction;

"(v) That the supplies allocated to a deficit province or state should be despatched only to consignees approved by the Director of Civil Supplies or the Director himself in that province or state;

"(vi) That in calculating the export quotas from the producing areas and the import quotas for the consuming areas, the principle of 'equality of sacrifice' should be borne in mind; in other words, the consumption in each area as revealed by the available data regarding normal production, receipts, and despatches, should generally be subjected to the same percentage reduction (subject to variations in the case of particular areas in view of changes in population and other special circumstances) as that which the consumption in the country as a whole is likely to suffer owing to inadequacy of supplies... "

9. The system thus described, it will be noticed, applied specifically to wheat. The Conference also recommended the adoption of a similar scheme for the "staple competitive foodgrains, namely, rice, jowar, bajra, ragi, barley, gram, and maize". But whereas in the case of wheat the whole of India was regarded as one unit, and the responsibility was laid on the Centre for purchasing supplies from surplus and allocating them to deficit areas and to the Defence Services, the Conference favoured the division of India into different regions, and the treatment of each region as a unit for the control of inter-provincial movements of staple foodgrains other than wheat. It was proposed that the "primary responsibility for distribution within each region" should be vested in the Regional Price and Supply Board, operating "either through its own machinery or through the machinery of the Provincial Governments subject to the general direction of the Central Government". It was, however, realised that it would be necessary to make purchases within one region for export to another, and the Conference recommended that such purchases should be made by the Central Government, or by the Provincial Government acting on behalf of the Central Government. These Regional Prices and Supply Boards had been constituted only shortly before; and, though they performed some useful co-ordinating functions, they did not in fact undertake the "primary responsibility" for inter-provincial movements within the region as visualized at this Conference.

10. On the 7th October 1942, the Government of India addressed a letter to the provinces outlining a scheme of co-ordinated purchases of foodgrains in surplus provinces in order to meet the requirements of the Defence Services and deficit provinces. The scheme followed, with certain modifications, the general outline of the recommendations of the Sixth Price Control Conference.

11. On the 21st November the Government of India informed the Provincial Governments that they had decided to initiate a scheme whereby wheat would be purchased by a Central organization through selected agents, and the produce assigned to importing centres. The grain would be consigned to the Provincial Director of Civil Supplies or his nominee. The Provincial Governments were told that they should keep the Wheat Commissioner informed of their requirements, and he would meet their demands to the extent that supply was available.

12. A separate Food Department was established at the Centre on the 2nd December 1942, and on the 14th of that month the first Food Conference met. The first item on its agenda was "to frame agreed estimates of the foodgrain requirements and resources of the main administrative areas of the country, and to draw up a programme for the utilization of such stocks as may be available on the lines best calculated to meet the most essential needs of the country; in other words, to frame a quota programme for supplying the deficit areas".

13. When the Conference met, the winter rice crop was being harvested in some provinces and was still on the ground in others. The wheat crop had only recently been sown, and nothing could yet be predicted about its outturn. A rough calculation of the requirements of deficit areas and the surpluses of surplus areas was made, and the result, which was as follows, caused some dismay: "The shortage in rice alone is 19 lakhs of tons, assuming that Bengal gets no rice from outside. If Bengal has to get rice, the deficit is increased by the quantity that Bengal requires. The shortage in wheat is 4 lakhs of tons. But that only covers the next five months. This is the position based on the statements that have been made this morning".

14. The reference to the possibility of Bengal requiring imports of rice, it will be noticed, was couched in terms which indicated uncertainty. From what we have said about conditions in Bengal, this might appear surprising, but it correctly reflected the assessment which those present at the Conference, including the representatives of Bengal, made of the relative urgency of the need for imports of the several deficit areas. This fact is so important that we must explain the situation at the time in provinces other than Bengal.

15. Bombay produced on the average of the five years ending 1941-2, 760,000 tons of rice and consumed 1·05 million tons. If it received no imports, it would have to manage with, less than three-fourths of its normal supply. The dependence of Travancore and Cochin on imports was even greater. Madras was no less deficit than Bengal and had had a poor rice crop at the end of 1942. Bengal had experienced poor crops before and yet had imported relatively small quantities. Could it not manage this time without any imports? That was the general attitude.

16. The case of Bengal for imports of wheat was quite clear; not so the need for imports of rice, in a situation which was apparently so much more serious for other deficit areas. The representatives of Bengal pressed their claim for wheat, made it clear that exports of rice were out of the question, and left open the possibility of the province requiring imports of rice to a later date. The Director of Civil Supplies, Bengal, said, "We do not require rice in the next few months, but statistically we are heavily in deficit for the coming year" When a doubt was expressed about the correctness of the crop forecast, he added, "I should say at once that this is the first forecast, and the indications are that the final forecast is likely to be worse."[1]

17. The Conference also discussed the question whether purchases for export and for the Defence Services should be made in the provinces by an organization under Central control or by agencies set up by the Provincial Governments. Divergent views were expressed, and a conclusion was not reached on this important point. On the 2nd January 1943, the Provincial Governments were addressed by the Government of India on the subject. Pending a decision as to whether the buying organization should be Central or Provincial, the provinces were directed to prohibit, except under permit, the export of all major foodgrains and to limit permits to purchases made by, or on behalf of, importing Governments.

18. On the 27th January, the Government of India informed the Provincial Governments that they had decided that purchases for export should be made by Provincial Governments and not by a Central organization, and the Provinces were requested to set up procurement machinery immediately, so that

[1]In the light of subsequent events, the attitude of the representatives of the Government of Bengal at this Conference evoked considerable public interest and has been the subject of much misunderstanding. Our attention has been drawn to the following passage occurring in a publication entitled "Food Rationing and Supply, 1943-44" issued in 1944 by the Office of the League of Nations, Geneva: "Bengal alone among the principal Provincial Governments confident that it could manage to subsist on its own rice crop, declined to join in the collective scheme drawn up at the December 1942 Food Conference, when the main anxiety was about wheat" This is not a correct description of the attitude of the Government of Bengal.

purchase operations could begin in advance of the settlement of the target figures for surplus and deficits. No target figures were given in this letter. A formula for the fixation of target figures was sent to the Provincial Governments on the 16th February. The Second Food Conference met in the third week of February. Agreement was reached between the Provinces and the Centre on the operative details forming part of the general scheme of the Basic Plan arrangements, but the question of the quantities to be supplied by surplus to deficit areas was left undecided.

19. The conclusions reached at the Second Food Conference were announced by the Government of India to the provinces and the states in a letter dated the 12th March which indicated the action required on the part of local administrations and stressed the urgency of setting up purchasing organizations. This was followed about a month later by a letter giving preliminary figures under the plan. This letter also recalled that over three months had been spent in reaching the greatest common measure of agreement in respect of the plan and the methods to be adopted, and reminded the provinces and states that the figures put forward were "targets" at which all Governments must aim. Early in May, a monthly movement plan was forwarded, showing the quantities to be despatched month by month with sources and destinations.

20. The total quantity of foodgrains which it was planned to distribute was over 4 million tons, including 1·5 million tons of wheat, 1·1 million tons of rice, the same quantity of millets, and nearly 400,000 tons of gram. The figures for rice and millets represented the quantities to be moved between the 1st December 1942 and the 30th November 1943, while the corresponding period for wheat and gram was the 1st April 1943 to the 31st March 1944. The total quota allotted to Bengal was 350,000 tons of rice, 224,000 tons of wheat, 200,000 tons of millets, and 19,000 tons of gram. The sources from which these supplies were to be moved were as follows:

	Tons
RICE—	
Assam	63,000
Orissa	37,000
Eastern States	50,000
Bihar	185,000
United Provinces	15,000
	350,000
WHEAT—	
Punjab	160,000
United Provinces	20,000
Bihar	24,000
Overseas	20,000
	224,000
MILLETS—	
United Provinces	195,000
Punjab	5,000
	200,000

C. The "Rescue" Plan and Free Trade.

21. We have described at the end of Chapter VI the emergency which arose in Calcutta early in March 1943, when the Government of Bengal decided on "de-control" in order to increase the flow of supplies within Bengal. The position was serious, and the Government of India decided that an emergency mobilization of supplies should be made from the areas adjoining Bengal in the

Eastern Region, in order to assist the Bengal Government in checking the rise in prices. The subject was discussed at a meeting held in Calcutta on the 10th March 1943 and subsequent days, attended by the representatives of Bengal, Bihar, Orissa, Assam, and the Eastern States. The specific measure of assistance which it was proposed to give to Bengal, was the supply of 60,000 tons of rice within a period of from three weeks to a month. It was hoped that, if this quantity were obtained in a short period, it would be possible to "break" the Calcutta market, start supplies moving again, and cause prices to fall to more reasonable levels. It was proposed that this quantity of 60,000 tons should be obtained in equal proportions from the provinces of Orissa, Bihar, and Assam, and from the Eastern States.

22. The plan failed because, with the exception of supplies from Orissa, the quotas were not forthcoming. The Bihar Government maintained that market conditions in Bihar had rapidly deteriorated since the beginning of March, and that, until confidence had been restored in the province, it would be impossible to make purchases even for their own deficit areas, let alone for Bengal. Their final conclusion was that, provided they were able to satisfy the monthly demand of 8,000 tons for the industrial areas in their own province, they would allow the export to Bengal of two tons for every one ton they were able to supply to their own deficit areas. Eventually Bihar provided something less than 1,000 tons to the Darjeeling district in Bengal. Orissa agreed to help and supplied about 25,000 tons. The Eastern States had a large surplus but no purchasing organization was in existence and communications were difficult. A purchasing agency was appointed, but the quantity procured was small—less than 5,000 tons. Assam promised assistance but the quantity supplied at the time was only 2,350 tons of paddy.

23. We have seen that the immediate effect of de-control was an improvement in the flow of supplies within the province. This, together with arrivals from Orissa, eased the position in Calcutta but the supplies were not sufficient to achieve the primary object of "breaking" the Calcutta market. Prices kept on rising. The Provincial Government despatched some of the stocks which they had acquired, to deficit districts, and this effected a temporary improvement. The situation in Chittagong was described as easier. The arrival of larger supplies of wheat also helped, and there was a marked decline in the prices of wheat and wheat-products. But the improvement was only temporary. By the end of April, stocks of rice in Calcutta were again running low, and there was reason to fear that, by the middle of May when the supplies from Orissa would cease, Calcutta would be back again in the same state as it was in March. Meanwhile, reports from the districts clearly indicated the approach of famine. The crisis had not been overcome.

24. By the beginning of April the Bengal Government were reaching the conclusion that the Basic Plan could not help them. In a letter addressed to the Central Government early in April 1943, the Provincial Government, while expressing their great appreciation of the measures taken by the Government of India to enable them to meet the situation which had developed in Bengal, felt it their duty to inform the Central Government that "the attempt to treat the provinces of Assam, Bengal, Bihar, and Orissa as separate units for the procurement of, and movement of trade in, rice and paddy was fast leading to disaster. If not quickly abandoned, it will result not only in frustration of the Government of India's purchase plan, starvation in deficit areas, and disorder, but also in grave shortage of the future crop owing to interruption in the flow of seed supplies". The Government of Bengal did not challenge the merits of the Basic Plan in regard to wheat. The argument was that as wheat had to be moved long distances by rail to deficit provinces, a Government agency could canalize the trade as effectively as a private agency. But the case of rice in the Eastern Region, they argued, was different. "Obstructions to the movement of paddy and paddy products, in an area so

closely interlinked as the north-eastern region, are fraught with the gravest consequences. They are grave in the case of rice; they are more grave in the case of paddy since they not only interrupt the supply of paddy to the mills but also interrupt the hundreds of cross streams of paddy flowing by multifarious channels across the provincial boundaries from the producing rural areas to other rural areas where paddy can be hand milled and distributed". The Bengal Government realized that the fact that events had compelled them to impose an embargo round the province as well as round certain districts within the province was inconsistent with their contention. The answer to this apparent inconsistency, they said, was "that the Bengal Government was trying to achieve some measure of internal price and supply equilibrium before completely breaking down these barriers; but if the desired equilibrium cannot soon be obtained, the barriers will have to be broken despite the risk from the pent up forces that will thus be let loose. They are of opinion that the logic of events will compel the Central Government to adopt the same course in respect of this region".

25. Towards the end of April 1943, the Government of India were also beginning to doubt whether the Basic Plan would solve the Bengal problem. The Plan had come into operation from the middle of April and from that date surplus provinces were to begin deliveries in accordance with the programme prepared by the Government of India. But the "target" figures had caused dismay among the provinces. The Government of Bihar, which had been assessed to supply 200,000 tons of rice and 50,000 tons of wheat, lost no time in pointing out that Bihar was a deficit and not a surplus province and that they could not undertake the responsibility for the disastrous effects which would, in their considered opinion, follow from the attempt to give effect to the Central Government's proposals. Again, procurement machinery had not been established in the majority of provinces and until such machinery was in operation deliveries according to the programme could not begin. The emergency arrangements made in March had failed. Something had to be done to get more supplies into Bengal.

26. The situation was discussed during the last few days of April in Calcutta at a meeting between the representatives of the Government of India and the Bengal Government. The attitude of the Government of Bengal was that if the Government of India could not give a guarantee that the entire supply of rice provided for in the Basic Plan would be delivered within the next few months, they must press for the immediate abolition of the trade barriers between the provinces of the Eastern Region. After careful consideration the Government of India came to the conclusion that the arrangements for procurement were so far behind in the provinces of the Eastern Region, that the supplies to Bengal under the Basic Plan would not be forthcoming in time. It was also impossible to make good the deficiency by draining other areas; the urgent needs of Bombay, Travancore, and Cochin had to be met from those areas. An attempt to maintain the Basic Plan in the Eastern Region and divert to Bengal supplies of rice from outside the Eastern Region was, therefore, likely to destroy the all-India Basic Plan.

27. Two proposals were considered. One was unrestricted free trade and the other was a scheme described as "modified free trade". Both the proposals involved the withdrawal of powers from the provincial Governments, but "modified free trade" involved the retention of powers of control and their exercise by a single authority, the Regional Food Commissioner. Inter-provincial exports were to be controlled by a system of licences to private traders, issued on the recommendation of the importing Government, and it was contemplated that those recommendations would be made on the basis of each trader undertaking to bring the imports to a specific point for sale at that point. To that extent the Bengal Government would be in a position to

control the distribution of supplies. It was also the intention that the licences granted in any month should conform to the figures of the Basic Plan as regards the quantity to be moved into Bengal. By this means the arrangements already made for railway movements would be maintained and the accuracy of the Basic Plan figures would be given a reasonable test. It was argued that the system, being under full Central control, could if necessary be developed into complete free-trade, or, if the necessary organization in the provinces could be rapidly established on an efficient basis, reversion to the Basic Plan could follow. In a letter dated the 6th May the Government of India communicated to the Provincial Governments of the Eastern Region their decision to introduce "modified free trade" on this basis, and fixed the 10th May at Calcutta for consultations on administrative and operational details. It was also explained that the gravity of the emergency had made it impossible to consult the Provincial Governments concerned.

28. This scheme never came into effect. During the further discussions between the representatives of the Government of India and the Bengal Government, the Provincial Government maintained their preference for unrestricted free trade. At the meeting held on the 10th May with the representatives of other Provinces of the Eastern Region the two schemes were discussed. Opinion was not unanimous. The Assam representative preferred "modified free trade" while the Orissa representative preferred complete free trade on the assumption that it would enable Orissa to obtain supplies from the adjoining States. The Bihar representative considered both equally objectionable. He pointed out "that a probable result of free trade would be that the scramble for supplies by Bengal buyers, with the resulting movement of enormous stocks from Bihar to Bengal, would make it impossible for the Bihar Government to guarantee food for its own labouring population at a reasonable price". The Government of India decided that some form of free trade was essential, and in view of the insistence of Bengal on unrestricted free trade abandoned their initial preference for modified free trade. Once again, the urgent need for a decision did not allow of the provinces being consulted. The representatives of the provinces who attended the conference on the 10th May, had no opportunity of consulting their Governments as regards the relative merits of unrestricted free trade and modified free trade.

29. The introduction of free trade led immediately to the invasion of the provinces of Bihar, Orissa, and Assam by a large army of purchasers from Bengal; in fact, it began a week before. The Bihar Government have described the position as follows:—

"The new policy resulted in large scale incursion of speculators, agents of big business, hoarders and small buyers from Bengal into all the markets..... Prices flared up almost immediately. Merchants, who had previously sold their stocks to Government tried to evade delivery by any means in their power because they received higher offers from Bengal buyers. The Bengal merchants or their agents went into the interior villages and offered fantastic prices, as a result of which the arrivals of supplies in local markets were extremely poor. Prices fluctuated almost from hour to hour due to wild speculation, and ownership of goods passed through various hands before they actually moved"

But it was not only private dealers who were buying. The Provincial Governments were also in the market. The Bengal Government through their agent were making extensive purchases. Directly free trade was established, the Government of Bihar ordered their Trade Adviser and District Officers to buy all available foodgrains; stocks in the mills were also bought or requisitioned. Purchases, however, had ceased by the end of June, as by that time prices in Bihar were above the maximum limits laid down by the Provincial Government. The Government of Orissa improvised purchasing agencies in every district. In addition they obtained stocks by the rigorous enforcement

of the Foodgrains Control Order. Merchants from outside Orissa who, without obtaining licences from the Orissa Government, had made purchases were prosecuted and their stocks requisitioned. By these means and by active purchases in the local markets the Orissa Government were able within a fortnight to acquire several thousand tons of rice at reasonable prices.

In Bihar, the food situation deteriorated rapidly on the introduction of free trade, and in order to prevent widespread distress and panic, the Provincial Government opened departmental shops for the supply of foodgrains at concessional rates to low-paid Government servants and the essential services, and "poor" shops for relief to the poorer sections of the community. The Government of Orissa have described the effect of free trade as follows:—"It was undoubtedly the greatest factor in causing high prices, hoarding, and the unavailability of foodgrains to consumers in the latter part of 1943. . It caused the disappearance of rice from the local markets and led to serious mal-distribution and economic maladjustments.".

30. Free trade led to serious disputes between the Bengal Government, their agent, and other Bengal traders on the one hand and the Governments of Bihar and Orissa on the other. Bengal traders were loud in their complaints of the treatment they were receiving both in Bihar and Orissa, and the agent of the Bengal Government complained that his staff was subject to many forms of obstruction in both the provinces. It was asserted that in Orissa stocks had been requisitioned in order to prevent them leaving the province. The Bengal Government joined in these complaints and asserted that other Provincial Governments were doing their best to prevent rice leaving their provinces. In short, the allegations were that free trade was not being allowed to operate. These did not go unchallenged. The Bihar Government in a letter to the Central Government dated the 4th June 1943, denied emphatically that they had placed any obstruction whatsoever in the way of free trade; nor were they aware of any obstruction on the part of their officers. They added that should any specific case of obstruction be brought to their notice they would of course take necessary action and rectify the mistake, and in conclusion drew the attention of the Government of India to "the probability of such charges being made by merchants and speculators from outside the province who, in collusion with the sellers whose stocks had already been bought by the Provincial Government's purchasing organization, are anxious to get control of such stocks by any means". The Orissa Government maintained that the requisitioning undertaken in the province was confined to stocks bought by unlicensed dealers. Fortunately the dispute between the Government of Bengal and the Orissa Government in regard to requisitioning was settled amicably in September 1943.

D.—Restoration of the basic plan

31. The free trade policy succeeded in procuring some supplies for Bengal. This apparent initial success and the continued slowness of deliveries under the Basic Plan to other deficit areas, which was causing concern, led the Government of India to a further change of policy. They decided to introduce with effect from the 15th June free trading conditions throughout India with the exception of the region comprising the Punjab and Sind, and certain other areas in North-West India. This decision, which was also taken without consultation with the provinces and states, aroused immediately a storm of protest from the deficit as well as from the surplus areas. In view of the strength and unanimity of the opposition the Government of India postponed the introduction of free trade in other parts of India and called the Third All-India Food Conference. That conference met on the 7th July, emphatically rejected free trade, and recommended that the Basic Plan should be continued with such adjustments of quotas as might be necessary. The

Government of India accepted its views and rejected free trade "as a policy which was not to be considered except as an objective for the return to normal conditions". At the same time, a Food Grains Policy Committee was set up, consisting of non-officials, and officials representing the Central Government as well as Provincial and State Governments. The recommendations of this Committee, which covered the whole range of the problems of supply and distribution of foodgrains, were accepted almost in entirety by all the Governments concerned. The fundamental principles of policy and administration were firmly laid down and the country as a whole proceeded to build up the system of food administration which is functoining today.

32. Free trade in the Eastern Region continued a little longer. On the 9th July 1943, the Government of India issued instructions to the effect that first, Bengal should not be isolated by the re-imposition of provincial barriers until the revised Basic Plan based on the reassessed figures had been drawn up and had come into effective operation, and, secondly, the Governments of the Eastern Region must be prepared for the continuance of the existing conditions, that is free trade, until the Government of India decided that supplies to Bengal had begun to move in accordance with the programme laid down in the revised Basic Plan. On the 15th July these instructions were modified and it was laid down that first, free trade contracts for export from one province to another would be valid provided the date of such contracts was not later than the 8th July 1943, and secondly, no free trade contracts requiring export from one province to another, which had been executed between the 9th July and 31st July, would be valid unless approved by the appropriate authority in the province in which the purchase had been made. The Government of Bengal protested strongly against these modifications, and urged that their effect would be to deprive Bengal of all supplies from the other provinces in the Region with effect from the 9th July, although the allotments under the revised Basic Plan had not begun to move.

33. Although, as a result of an agreement with the Bihar Government in regard to the movement of foodgrains contracted for export during the free trade period, the embargo round Bihar was re-imposed with effect from the 31st July 1943, formal orders restoring to the Governments of Assam, Bengal, Bihar, and Orissa, powers under sub-rule 2 of rule 81 of the Defence of India Rules were not issued till August. The restoration took effect from the 16th of that month and from that date free trade in the Eastern Region formally came to an end. In practice, it had ceased to operate from the middle of July. In restoring the powers under the Defence of India Rules to the Provincial Governments the Government of India laid it down that valid contracts for export from one unit to another made under free trade conditions should be fully honoured, with no attempt to avoid them in any way, and that the movement of foodgrains in the fulfilment of these contracts should not be hampered.

34. The net effect of free trade on supplies and prices of rice can now be described.

(i) It has been estimated that during the free trade period 91,000 tons of foodgrains moved into Bengal from other parts of the Eastern Region. Of these 38,000 tons represented despatches out of purchases made by the Government of Bengal through their agent.

(ii) The effect on prices in Bengal was negligible. The price of coarse rice in Calcutta had risen from Rs. 21/1/- per maund on 3rd May 1943 to Rs. 30/10/- per maund on the 17th of that month—the day before the introduction of free trade. A considerable drop in prices on the first day of free trade was reported but it proved to be momentary. The following table shows that, apart from a slight drop in the week immediately after the introduction of free trade,

the price continued to remain above Rs. 30 a maund throughout the free trade period:

Date	Price Rs. A. P.
24th May 1943	29 2 0
31st ,, ,,	30 6 0
7th June 1943	31 8 0
14th ,,	31 10 0
21st ,,	31 0 0
28th ,, ,,	31 0 0
7th July 1943	30 8 0
14th ,,	30 8 0
21st ,,	30 11 0
28th ,, ,,	31 3 0
2nd August 1943	31 5 0

Prices in some of the districts of Bengal were higher than in Calcutta and in a few cases touched Rs. 40 a maund.

(iii) While prices in Bengal did not fall, prices in the other provinces of the Eastern Region rose steeply. For instance, the price of rice in Bihar during the week ending 12th May varied between Rs. 8/12/- to Rs. 9/4/- a maund, whereas during the week ending July 12th, it rose to Rs. 23 and Rs. 25 a maund.

Again, in Orissa, in the Balasore District, the price rose to Rs. 24 a maund within a few weeks of the introduction of free trade.

35. The Third All-India Food Conference had recommended that the Basic Plan should continue with such adjustments of quotas as might be necessary. The revised Plan was announced by the Government of India on the 27th July 1943. The original Plan provided for the delivery of the following quantities of rice to Bengal between July 1943 and November 1943:—

	Tons
July	43,300
August	43,200
September	39,300
October .	44,200
November	46,900
Total	216,900

In place of this total of 216,900 tons, the revised Basic Plan gave Bengal 15,000 tons of rice. In addition, Bengal was given 340,000 tons of wheat and wheat products, 46,000 tons of gram, and 40,000 tons of millets. The reaction in Bengal to this meagre allotment of rice was one of utter consternation. But, as the Government of India pointed out, the total surplus of rice declared by the administrations of the surplus areas was only 79,000 tons, and of this, Bengal had been given 15,000 tons. This allotment was, however, considerably exceeded by the end of the year.

36. The result of all the measures taken during the course of the year 1943 was as follows:—

(a) The total quantity of rice despatched during 1943, on private as well as on Government account from other parts of India was 294,000 tons. Despatches from Orissa amounted to nearly 110,000 tons, from Bihar 52,000 tons, from the Punjab 39,000 tons, from the Eastern States 32,000 tons, from Sind 24,000 tons, from the Central Provinces 17,000 tons, from Assam 12,000 tons, and the balance was made up of smaller quantities from other areas.

(b) The Bengal Government have told us that the despatches during 1943 from outside Bengal according to railway receipts held by them amounted to 177,000 tons. This includes purchases made during the free trade period by their agent but does not, of course, include arrivals in Bengal on private account.

(c) According to "trade" statistics the total arrivals of rice in Bengal during 1943, exclusive of rice in transit through Bengal, amounted to 264,000 tons.[1] The net arrivals during each of the four quarters of the year are shown separately in the table below.

	(In thousands of tons)
1st quarter	17
2nd	78
3rd	69
4th	100
Total	264

37. (i) The total quantity of wheat and wheat products despatched to Bengal during the year 1943 amounted to 373,000 tons, of which 222,000 tons were sent from the Punjab, 85,000 tons from the United Provinces, and 10,000 tons from Sind. The imports from overseas amounted to 93,000 tons.

(ii) The total arrivals in Bengal during the year amounted to 339,000 tons, thus—

	(In thousands of tons)
1st quarter	26
2nd	38
3rd	99
4th	176
Total	339

(iii) In addition to wheat, about 55,000 tons of millets were received from other provinces during the year. The greater part came from the United Provinces.

[1] Figures compiled by the Department of Commercial Intelligence and Statistics. The amount of net arrivals is smaller than that mentioned in Sub-para. (a). The difference is presumably due to goods in transit.

CHAPTER VIII—SUPPLY AND DISTRIBUTION IN BENGAL

A.—The "food drive"

1. We have seen that on the 11th March, the Government of Bengal, having decided on de-control, made a public announcement declaring "that there is and will be no statutory maximum price for wholesale transactions in paddy and rice. Both cultivators and traders are free to bring their grain to the market without fear of having it taken from them at a price to which they do not agree. No trader who has declared his stock under the Foodgrains Control Order will be compelled to part with it below the prevailing market price". It is clear that if the cultivator or the trader were free to bring his grain to the market, he was also free to withhold it from the market; in other words, hoarding was permissible. If grain was withheld from the market to any appreciable extent, prices were bound to go up, and it would be legitimate for the cultivator or the trader who had withheld his stocks to get the benefit of the higher price; in other words, he could profiteer. The Government of Bengal feared that this might happen, but they did not intend that it should, and hence they announced that "the clear abrogation of any vestige of price control in the primary wholesale market does not imply unrestricted profiteering. Government's own operations as buyer and seller coupled with the removal of the blackmarket are, in their opinion, most likely to be successful in moderating prices at a reasonable level; but to prevent buying at reckless prices by wealthy areas, the embargoes prohibiting the movement of paddy and rice from one area in the province to another will remain in force." Again, early in April, District Officers were instructed to impress upon stockholders, cultivators, and the public generally that peace-time stocks cannot be maintained under the stress of war, and that "the maintenance of what might ordinarily be regarded as a normal peace-time stock will not necessarily absolve the individual from the offence of hoarding." Most of the embargoes referred to in the announcement of the 11th March were removed within a few weeks and experience proved that the operations of Government as buyer and seller were on too limited a scale to reduce prices to a reasonable level. The first major attempt to "break" the Calcutta market by imports from other provinces had also failed. Prices had risen; the price of rice was higher than what the poorer sections of the population could afford to pay and they were beginning to starve.

2. This was the situation when, at the end of April and early in May, the representatives of the Government of India and the Government of Bengal conferred in Calcutta and the decision was taken to introduce free trade in the Eastern Region. Another decision taken during these consultations was to launch a propaganda drive for the purpose of convincing the people that the supply position did not justify the high prices prevailing. It was hoped that this propaganda, coinciding with the arrival of imports, would induce a freer flow of stocks into the market and bring down prices. These objects were not achieved, and the propaganda failed.

3. In the first week of June, 1943 the Government of Bengal launched a province-wide "food drive" the objects of which were defined as follows:—

"To ascertain the actual statistical position, to locate hoards, to stimulate the flow of grain from agriculturists to the markets, and to organise distribution of local surpluses as loans or by sales to those who were in need of foodgrains."

In March 1943 something of a similar nature had been considered as an alternative to de-control. It was not undertaken at the time, partly because it was believed that rural opinion would have regarded it essentially as an operation to drive food out of the rural areas into Calcutta and the towns, at a time when there was strong and in many cases violent opposition to the movement of grain from local areas. In June it was considered that conditions were more propitious because of the introduction of free trade in the Eastern Region. The feeling of isolation had lessened, Calcutta was in a position to draw on external markets, and a large *aus* crop was on the ground. The problem in the villages was the effective distribution of local resources, and for this purpose it was expected that the co-operation of influential villagers could be relied upon.

In carrying out the drive the entire province, with the exception of Calcutta and the municipalities of Howrah and Bally, was divided into units consisting of two unions in the case of rural areas and a municipal ward or block comprising 3,500 or 4,000 houses in the case of urban areas. Each unit was further sub-divided into sub-units consisting of a village or a group of villages. In urban areas a sub-unit consisted approximately of 100 houses. Each unit was put in charge of a squad consisting of one officer, 4 official subordinates, and 4 non-officials. They were given instructions to organize sub-unit committees, each committee to consist of 12 members who were elected, as far as possible, by the residents in the sub-unit concerned. Under the supervision of the squad in charge, the committee of each sub-unit was made responsible for undertaking a systematic house to house inquiry to discover the quantities of rice, paddy, and other foodgrains held by each family, as well as the requirements of that family, according to a prescribed scale, for the period from the 16th June to the 31st December 1943. The intention was that a complete balance sheet for each sub-unit should be prepared showing the food stocks in hand, the amounts likely to be received from the *aus* harvest, the actual requirements of each family, and the balance available on the 16th June. The committees were then to use their influence to prevail upon persons holding surplus stocks to sell or lend, directly or through the committee, to those who either had nothing or did not have enough.

4. It was also laid down that the stocks of traders who had not taken out licences under the Foodgrains Control Order, or who had not declared, or had mis-declared, their stocks were to be requisitioned. Further, traders who had declared their stocks correctly but were either withholding them from the market, or refraining from importing stocks into deficit areas, with the intention of keeping local prices high, were to be severely warned that if they did not release substantial quantities for sale at reasonable intervals, or persisted in refraining from importing supplies in reasonable quantities, their licences would be cancelled, and their stocks requisitioned. Again, 25 per cent of all stocks in excess of 300 maunds found with any individual owner, whether a trader or agriculturist, was to be requisitioned. Further, District Officers were given discretion to requisition from agricultural stocks whatever quantities they considered necessary, provided the unit was left self-sufficient in food. The stocks obtained by requisitioning were 23,000 tons of rice and 18,000 tons of paddy.

5. The Government of Bengal have informed us that the real value of the drive was that it succeeded in securing a considerable dissemination of local resources, in demonstrating that the sum total of all stocks that could be traced was insufficient to keep the province going without large scale help from other parts of India and in putting the administration into touch with village committees. It was hoped that this contact would enable the administration to secure the help of village leaders in matters relating to food.

6. The statistical results of the food drive show that the enquiries covered stocks held by nearly 10 million families consisting of 56 million members. The stocks held by them were estimated at one million tons. But there was a consensus of opinion that stocks had been under-estimated and that this under-estimation was partly due to concealment. The extent of the under-estimation cannot be reliably ascertained. The Bengal Government assumed that it was about 25 per cent. If this assumption is correct, the stocks on the 16th June 1943, together with the estimated yield of the *aus* crop then on the ground, fell short of the requirements of the population up to the end of the year, by about one million tons. It may be that the stocks which were under-stated or concealed were larger than 25 per cent. of the ascertained stocks; but unless they were considerably larger than the ascertained stocks it is evident that there must have been some deficiency. We are inclined therefore to regard the results of the food drive as consistent generally with the opinion we have formed about the supply position during 1943.

7. A feature of the drive which evoked considerable criticism at the time was the exclusion of Calcutta and Howrah. The substance of the criticism was that, as ample warning had of necessity to be given of the drive, large stocks were transferred to Calcutta from the districts and that the Government had thereby played into the hands of, and extended protection to, big hoarders and profiteers. The Bengal Government have explained that the exclusion of Calcutta and Howrah was due to the fact that the administrative resources of the province were inadequate to cope with simultaneous operations in the districts as well as in Calcutta and Howrah. The suggestion that large stocks were removed from the districts to Calcutta is not supported by the record of quantities of rice which arrived in Calcutta by rail or river steamer from Bengal districts during the months March to July, 1943. The figures are as follows:—

Month	Tons
March	13,383
April	13,824
May	14,267
June	13,483
July	7,914

These figures do not, of course, include imports into Calcutta by country boat but in view of the difficulties which were experienced in boat transport, it is hardly likely that large quantities were despatched in that way.

8. In the first week of July it was decided that a food drive in Calcutta and Howrah should be undertaken. The scope of the operations in these two cities was somewhat different from that of the rural food drive and was more in the nature of a food census. The object was to ascertain the actual statistical position and, incidentally, to locate any hoards or stocks held in contravention of the Foodgrains Control Order. It was no part of this plan to stimulate distribution. For the purpose of the census, the population was divided into three main categories, namely, (i) big merchants and traders with stocks known or likely to be over 2,000 maunds; (ii) medium merchants and traders with stocks between 200 and 2,000 maunds; (iii) all others, including house-holders, small retailers, and shops, with stocks generally expected to be under 200 maunds. In the case of the third category, the census was carried out through the agency of a staff of about 2,000, recruited partly from non-officials and partly from officers drawn from Government Departments. Enquiries in respect of the second category were made by the local police, and in the case of the first by the intelligence staff of the Civil Supplies

Department. The result of the census showed that the total stocks held in Calcutta and Howrah were:—

	Tons
Rice	30,226
Paddy	2,980
Wheat	8,678
Dhal	18,650

With regard to this result the Bengal Government stated that "as anticipated, there was no large-scale hoarding by consumers and that the stocks held by traders are in close accord with the figures they had declared"

B. Restoration of controls and the procurement of the Aus crop.

9. On the 11th March 1943, the crisis had developed so far that it forced the Bengal Government to decide on de-control. This meant a withdrawal from the course which Bengal, in common with many other areas in the country, had been following from about the middle of 1942. De-control, within Bengal, failed to resolve the crisis and this led to free trade in the Eastern Region. This was another step away from control. Free trade also did not resolve the crisis in Bengal and caused prices to rise steeply over wider areas. Finally, the original policy was restored, and the country as a whole moved forward to the system of controlled supply and distribution which is functioning today.

10. In Bengal the food drive in June, providing as it did for the requisitioning of stocks in excess of 300 maunds, was the first step towards the reversal of the policy of de-control. The next step was taken in August. In that month the Bengal Government announced their decision to fix statutory maximum prices for rice and paddy on a descending scale. The rates fixed were Rs. 30 a maund for rice and Rs. 15 a maund for paddy between the 28th August and 9th September; Rs. 24 a maund for rice and Rs. 12/8/- a maund for paddy between the 10th September and 20th September; and Rs. 20 a maund for rice and Rs. 10 a maund for paddy with effect from the 25th September onwards.[1] At the same time, the Government announced their decision to buy all rice and paddy offered to them by agriculturists or traders at local market rates or at the statutory maximum prices, whichever were lower. In addition Government decided to embark on active purchasing operations with a view to procuring as much as possible of the stocks coming on the market. For this purpose nine purchasing agents were selected from among the rice traders in Calcutta and each agent was allotted one or more of the 20 districts selected for the purchase operations. Exports were permitted from six of these districts, purchases in the remaining 14 districts being reserved principally for the relief of deficit pockets within those districts. The aim was to purchase about 213,000 tons in the six surplus districts, and to export 174,000 tons out of this amount to deficit districts.

11. The scheme was not a success, the total amount procured being only 23,900 tons of rice and about 38,600 tons of paddy. Prices did not come down appreciably and black-markets prevailed. The Government of Bengal attributed the failure principally to three causes. The most serious was the widespread reluctance on the part of agriculturists to place their stocks on the market, coupled with the disinclination of the trade to operate under control. Another reason was the unexpected delay of about a week in putting the scheme into operation, at a time when every day counted, pending the conclusion of financial arrangements with the Imperial Bank. This meant that the agents who should

[1]The generous margin between the price of paddy and rice was intended to put a premium on rice. *Aus* paddy is difficult to handle, its outturn is low and it was considered that there was advantage in encouraging the production and sale of hand-pounded rice.

have been operating in the districts on the 28th August when the statutory price first came into force, did not reach the districts till the 8th of September, that is, only two days before the drop in the statutory price of rice from Rs. 30 to Rs. 24 a maund, and of paddy from Rs. 15 to Rs. 12/8/- a maund. Large quantities of rice and paddy changed hands during the interval preceding this fall in price and Government's agents could only collect a fraction of the crop which had already been sold. Finally, there were delays in the districts in keeping the agents supplied with funds.

C. Distribution of Supplies

12. In Section C of Chapter V we described the growth of the arrangements in Greater Calcutta for the distribution of supplies through private employers' shops to a large section of the population at subsidized rates, and how similar arrangements had been made by the Central and Provincial Governments, Railways, etc. We also referred to the emergence of "controlled shops" through which supplies purchased by Government were distributed at controlled prices in limited quantities to the general population. At first there were 50 of these shops; they were later increased to 100. Early in January 1943, after the air raids, a scheme for the distribution of supplies through "approved markets" was brought into operation. At the outset their number was 25. It was later increased to 37 and the number of shops in these markets selected for the distribution of Government supplies was ultimately 257. The difference between shops in approved markets and controlled shops—the latter were outside the markets—was that the limit of individual sales was 5 seers in the case of the former and 2 seers, in the case of the latter.[1] Both classes of shops were under an obligation to sell at retail prices fixed by Government. Anybody could purchase from a controlled shop if he was prepared to stand in a queue and wait, perhaps for hours. Great difficulty was experienced in supervising these shops and controlling the queues, which grew longer and longer, and towards the end of June 1943 it was decided that all articles, the supply of which was under Government control, should be distributed through centres directly controlled by Government, and not through private shops. This decision, however, did not come into effect as progress in opening these centres was slow, and by the beginning of September only 25 had been started.

13. The retail price of rice sold from controlled shops was originally fixed at 6 annas per seer but was raised to 8 annas towards the end of August 1943. As regards supplies of rice for distribution through employers' shops, in April 1943 the price charged to the employer was fixed at Rs. 20 a maund. After the introduction of free trade, the price charged was the price at which the Government agent was buying in the Calcutta market. This was again changed in August, when statutory maximum prices were fixed, in relation to the statutory maximum wholesale price in force on the day of transfer. As regards wheat, the procedure was different. Wheat was sold outright to the mills which were under an obligation not to dispose of flour and *atta* except to persons approved by Government. The prices at which the mills sold their products were fixed on the basis of the price charged by Government for the wheat, and retail prices were determined with reference to the ex-mill prices.

14. During 1943 the population of Calcutta drew its supplies from three categories of shops, first the ordinary retail shops, secondly, the "controlled shops", including in this category the shops in the "approved markets" and Government distribution centres, and thirdly, the shops maintained by the employers of those large sections of the population of Greater Calcutta which came to be known as the "essential services and industrial priorities", or for short, "the priority classes" The ordinary shopkeepers purchased their supplies in the open market and sold their stocks at the market prices prevailing from time to time. They were uncontrolled and received no supplies

[1] One Seer = 2·06 lb.

from Government. The "controlled shops" received their supplies from Government, and the supplies for the employers' shops were obtained in part by purchases in the open market and in part from Government. Government obtained their supplies partly by purchases within the province, partly from outside Bengal under the Rescue and Basic Plan arrangements and through their purchasing agent during the free trade period, and to a small extent by purchases from the trade in Calcutta. A certain amount was also obtained by requisitioning. The supplies which passed through the hands of Government in Calcutta were distributed in three ways: by despatches to deficit districts, by deliveries to controlled shops, and by issue to employers' organizations.

15. There is no reliable information about the quantities of rice and paddy held in stock in Calcutta at the beginning of the year 1943. The Foodgrains Control Order had been brought into force on the 15th December 1942, but it was not efficiently enforced. We know, however, from the statistics of rail-borne and sea-borne trade that the net imports into the Calcutta Trade Block were 304,000 tons during 1941, and only 115,000 tons during 1942. The area served by supplies received into the Calcutta Trade Block does not correspond exactly with the area of Greater Calcutta which is now under rationing. It is not, therefore, possible to estimate accurately the annual rice requirements of the area served by the imports into the Calcutta Trade Block, but it may be safely assumed that they are between 200,000 and 250,000 tons. On this assumption the net imports into the Calcutta Trade Block during 1942 were much below actual requirements. The stocks held on the 1st January 1943 must therefore have been considerably smaller than those held on the 1st January 1942.

16. The following table shows the net imports into the Calcutta Trade Block from outside Bengal, imports from Bengal districts, exports to Bengal districts and the net quantities retained in Calcutta of rice and paddy in terms of rice during 1943:—

(Thousands of tons)

Period	Net imports from outside Bengal	Imports from Bengal districts	Export to Bengal districts	Net retention in the Calcutta Trade Block
1st quarter	7	32	7	32
2nd	51	47	9	89
3rd	52	22	13	61
4th	86	21	15	92
	196	122	44	274

The figures for the first quarter clearly indicate the severity of the crisis through which Calcutta was passing during the first three months of 1943. Net arrivals during the two months of January and February amounted in all only to about 14,000 tons and those for the whole quarter were equivalent only to about six weeks' supply. During this period stocks were being consumed and not replaced. Hence the pressure on the supply position which led to the decision to de-control prices of rice early in March. In the second quarter supplies improved considerably. This was due to the assistance given by Orissa, the increase in the flow of supplies from Bengal itself owing to de-control, and the introduction of free trade in the Eastern Region. During the third quarter, supplies decreased in comparison with the previous quarter;

this was due to smaller supplies from the districts of Bengal. The increase in the last quarter is accounted for by the larger supplies reaching Bengal under the Basic Plan.

17. The following figures show the arrivals on Government account of rice in Calcutta and the manner in which the Provincial Government disposed of these supplies:—

(Thousands of tons)

	1st quarter	2nd quarter	3rd quarter	4th quarter
Arrivals on Government account	23	50	36	87
Despatches to the districts[1]	2	15	19	28
Deliveries to employers' organizations and for essential services	17	36	18	20
Deliveries to controlled shops and approved markets	7	18	14	11
Total despatches and deliveries .	26	69	51	59

During the first three quarters, the total amount distributed by Government exceeded the total arrivals on Government account. The difference was made up of private stocks which were either requisitioned or purchased. It was only in the fourth quarter that arrivals exceeded the amounts distributed.

18. Paragraph 16 of Appendix V shows the quantities of rice, wheat, wheat-products, and millets despatched to the different districts from Government stocks in Calcutta. In addition to these supplies the districts also received consignments of rice direct from other provinces, and District Officers supplemented their resources by local purchases and requisitioning. It will be recalled that 41,000 tons of rice and paddy were obtained by requisitioning during the 'food drive'. We calculate that about 60,000 to 70,000 tons of rice were received in the districts direct from other provinces but we do not know what proportion of this quantity was received on Government account. The stocks which passed through the hands of the District Officers were used to meet the requirements of the essential services, and for distribution to the general public. Distribution to the general public was done partly by wholesale and retail dealers who sold at prices fixed by Government, and partly through cheap grain shops, of which a large number was opened for the sale of grain at subsidized rates to the public.

19. From August onwards, large supplies of grain, despatched on Government account from outside the province, began to arrive in Calcutta. During the last quarter of the year, the quantity of rice received was more than twice that received during the preceding quarter, and during the same period 176,000 tons of wheat arrived, a quantity approximately equivalent to total arrivals during the preceding 9 months. In addition, considerable quantities of millets were despatched to Calcutta. The arrivals of these supplies found the Bengal Government completely unprepared as regards the supervisory staff, transport vehicles, and storage accommodation necessary for the reception of the grain and its despatch to places where it was needed. Towards the end of the year, grain was stocked in the open, covered by tarpaulins, in the Royal Botanical Gardens owing to lack of more satisfactory arrangements. In some districts there was a similar failure in organization. A number of witnesses referred to stocks of *aus* paddy which lay for a long time undistributed in Jessore. The

[1]These figures are not comparable with the figures under column 4 of the statement in para. 17 above, for reasons mentioned in paragraph 13 of Appendix V.

Bengal Government have provided us with accounts of the storage of grain in the Royal Botanical Gardens and Jessore, of which resumés will be found in annexures II and III respectively to Appendix V. Extracts from a report of the Bengal Government regarding storage and distribution generally, are given in Annexure I to Appendix V. In a later section of the report, we have ourselves commented critically on storage and transport arrangements during the famine.

D. The Army comes to the aid of the civil authorities

20. The general course of the famine and the mortality rate have been described in other sections of our report. During the months August to October, the number of deaths was 100 per cent. or more in excess of the average. Numerous deaths from starvation occurred and epidemic diseases were widely prevalent. Famine victims left their villages in thousands and wandered into towns and cities, particularly into Calcutta. Relief measures failed to supply and distribute food and prevent starvation, and the medical and public health situation was out of hand.

His Excellency the Viceroy, Lord Wavell, visited Bengal at the end of October 1943, when the famine was at its height, and as a result of his visit, military assistance was given to the civil authorities in Bengal. The help provided by the Army was in three forms: first, officers were loaned to assist the headquarters staff of the Department of Civil Supplies in organizing and controlling the movement of foodstuffs from Calcutta to distribution points within the province; secondly, troops were allotted to assist the civil authorities in moving and distributing supplies in the districts; thirdly, military medical officers were seconded to organize medical and public health relief, and military hospital units and mobile medical units were placed at the disposal of the province and located where the need was greatest. The co-operation of the Army in medical and public health work will be described in Part II.

21. Advance parties of the troops reached the famine areas by 11th November and the main bodies—their strength amounted to several thousands—arrived between the 19th and 27th of that month. The arrival of the troops effected an immediate improvement. By the third week of November, 8,000 tons had been distributed with military assistance and by the middle of December, 24,000 tons had been handled by the troops. The main tasks on which the military units were employed were the provision of motor transport vehicles for the carriage of bulk supplies to district distribution centres and the transport of supplies from those centres to the villages, the loading and unloading of foodstuffs at transhipment and distribution points, the provision of personnel to assist the civil authorities at distribution points, the escort of convoys, and the guarding of dumps of foodstuffs. One of the first tasks undertaken by the Army on arrival was to assist the civil authorities in Calcutta in the distribution of food. The troops willingly turned themselves into temporary coolies for the loading and unloading of thousands of maunds of rice. Military guards and escorts were placed on trains and river steamers in order to help the Director of Movements in ascertaining where delays and "bottlenecks" were occurring. In districts best served by water-ways, travelling shops were placed on boats, and supplies thus taken to villages situated far from the usual routes. Unarmed patrols were also organized to visit distant villages and to report upon their economic condition, so that adequate measures could be taken to meet their requirements. The extent of the work carried out by the military units can be gauged by the fact that the total quantity of foodgrains handled between the arrival of the troops in November 1943 and their withdrawal in March—April 1944 amounted to over 70,000 tons and the mileage covered by motor transport to 836,000 miles.

22. The Army also carried out demonstrations with the object of popularising alternative foods to rice. Small parties of troops were despatched to the districts to show the people the correct way to prepare millets for consumption, and in certain areas some success was achieved in the popularization of *bajra* as a food. The Royal Engineers improved communications for motor transport by the construction of pile bridges, the reconstruction of ferries, the improvement of river crossings, and the strengthening of existing bridges and culverts. Again, salvage operations were undertaken for the recovery and repair of boats collected at reception centres under the Denial Scheme of 1942. Over 2,000 boats were re-conditioned and made available for the distribution of foodgrains. With the onset of the cold weather many among the poorer sections of the population were in dire need of blankets and warm clothing. This was also a matter in which the Army rendered great assistance. By the middle of December 600 tons of warm clothing had been despatched to the worst affected areas. Out of this total, 100 tons were flown to East Bengal by the United States Army Air Force.

E. Calcutta Rationing

23. From the description we have given of the arrangements in force for the distribution of supplies in Calcutta, it will be obvious that the city was not rationed. The ordinary retail shops were entirely uncontrolled. The supplies available for distribution through the controlled shops were limited and attempts to supervise the working of these shops were not successful. The provision of supplies by Government to employers' organizations and by the latter to individual concerns was regulated in the manner which we now proceed to describe.

24. In the earlier stages of the Bengal Chamber of Commerce Foodstuffs Scheme, the requirements of each participating employer were assessed by the employer himself and supplies were made by the Chamber accordingly. This continued till early in 1943, when, because of the increasing difficulty in obtaining supplies, a greater degree of uniformity was brought about. The arrangement finally adopted was to supply employers' grain shops with 5 seers of rice per week per head of the average daily labour force. An exception was made in the case of engineering works, including dockyards, and public utility concerns, where the supply was assessed at the rate of 7 seers per week per employee. This was considered necessary as the employers concerned were bound by an arrangement whereby each employee should be given, at controlled prices, the estimated requirements of each adult worker, one adult dependant and two children; and it was thought undesirable, in the interests of industrial peace, to reduce this below 7 seers except under conditions of extreme necessity. A further factor which justified the additional quantity was that the concerns which were supplied at the rate of 5 seers per week per employee, included in their labour force a percentage of women entitled to draw their rations from the employers' shops. When this rice ration was decided upon no *atta* was available and it was not until early in May 1943 that *atta* became available in sufficient quantity to allow a cut of 50 per cent in the rice ration. There were also many occasions when, owing to the shortage of *atta* and rice, reduced issues had to be made by the Chamber to the participating employers' shops, and by the latter to their employees with consequent discontent and hardship.

25. During 1943 the total of all foodstuffs, excluding purchases by the individual firms, handled by the Chamber amounted to about 129,000 tons at a cost of approximately Rs. 7 crores. Out of this, rice amounted to about 55,000 tons and wheat and wheat products to approximately 47,000 tons. Of the total of 55,000 tons of rice, roughly one half was purchased from the Foodgrains Purchasing Officer of the Bengal Government, and the other half in the

open market. From January to May 1943 the total stocks of rice held by the Chamber and the employers' organizations connected with the Chamber exceeded two weeks' supply only once and that was in the month of March. During the remainder of the year, the stocks were at a higher level but they never exceeded more than six weeks' supply.

26. We have described in some detail the Bengal Chamber of Commerce Scheme because it catered for the largest number of employees. But as we pointed out in paragraph 20 of Chapter V, similar arrangements were in operation for the benefit of employees of other Chambers of Commerce, the Central and Provincial Governments, Railways, etc. While the ration scales adopted by the priority employers varied and were in some cases on the high side, the actual supplies from Government stocks were insufficient to allow them to implement the adopted scales. The scale adopted by the Directorate of Civil Supplies was 3½ seers of grain a week for each adult employee, and the objective was to make supplies at this level available on the one hand to the priority employers for their employees, and on the other to controlled shops and approved markets for the rest of the population.

27. We shall explain later in the report our view that, if effective preparations had been made in 1943 for the introduction of rationing in Calcutta, the crisis would not have begun as early as it did, nor would it then have developed as quickly as it did. The failure to introduce rationing at any time during 1943 added greatly to the difficulties encountered by the Government in coping with the emergency throughout that year. We now proceed to give an account of the endeavours to introduce rationing during 1943.

28. In October 1942 the Central Government addressed a letter to Provincial Governments and asked them to examine the practicability of working a system of individual rationing in respect of rice. By the beginning of the year 1943, however, the general food position had deteriorated and the need for rationing of all important foodgrains (not only rice) in the larger cities and towns was becoming more and more obvious. The Government of India, thereupon again addressed the Provincial Governments advising them to prepare for the rationing of all the main foodgrains in important urban areas. At that time, although most of the provinces were examining the matter, little actual progress had been made except in Bombay, where, in view of the precarious position of the food supply for Bombay city and other towns, the Government had already taken preparatory steps towards the introduction of urban rationing. Full rationing was introduced in Bombay city early in May 1943.

29. At the beginning of February 1943, the Government of Bengal placed an officer on special duty to prepare a scheme for the organization of food and fuel distribution in Calcutta and its adjoining industrial area. The draft scheme, the report on which was completed by the middle of March, provided for the full rationing in Calcutta and the surrounding industrial area, of foodgrains, pulses, sugar, kerosene oil, salt, and mustard oil, on the basis of ration cards, issued to individual messing units. In April and May a considerable amount of preparatory work was accomplished. The Bengal Food and Fuel Distribution Inquiries Order, the Bengal Food and Fuel Retail Trade Returns Order and the Bengal Residential and Catering Establishments Food and Fuel Inquiry Order, were passed. The Controller and the Food Executive Officers were appointed and the enumeration of messing units was completed by the end of May.

30. At this stage further administrative preparations were interrupted by a change of plan. The scheme under preparation provided for over-all rationing irrespective of income. Towards the end of June, however, it was decided in regard to rice to adopt what may be described as a low income preferential scheme. Under this scheme, instead of over-all rationing, the rice ration was limited to the supply of one seer of rice per head per week at subsidized rates

to persons with an income of Rs. 20 or less a month. We have been informed that the reason for this change was that the Government were not in a position to ensure that supplies for over-all rationing would be available. At the same time it was decided that the distribution of all articles the supply of which was controlled by Government should be through Government distribution centres and not through private shops. Progress in the opening of these centres was, however, slow and by 3rd September only 25 had been started. Another change in policy was made in the middle of August. On the recommendation of the Rationing Adviser to the Government of India, it was decided to abandon the "preferential" rationing scheme and to introduce, as quickly as possible, a comprehensive scheme for the rationing of Greater Calcutta on the basis of ration cards for individuals as opposed to messing units. It was not, however, until the 31st January 1944, that rationing came into force in the city of Calcutta and certain neighbouring municipalities, and not until the 1st May 1944 that it was extended to the whole of Greater Calcutta.

One of the reasons for this delay was the insistence of the Bengal Government on the exclusion of the ordinary retail trader from the distribution arrangements. On the 21st December 1943, the Government of India directed the Bengal Government, under Section 126-A of the Government of India Act, that the number of retail shops under the direct control and management of the Provincial Government should be not more than 450, and that the remainder should be licensed retail shops, owned and managed by selected private traders.

The Government of Bengal were also directed that there shall be set up and operating not later than the 31st January 1944 at least 1,000 retail centres for the distribution of rationed foodstuffs in addition to shops operated by industrial concerns for their employees.

CHAPTER IX.—RELIEF

1. In this chapter we propose to consider the impact of the famine on the life of the population of Bengal and the relief measures taken to reduce its violence. Medical relief will be described in Part II. There is, however, no clear-cut line of distinction between medical and non-medical relief. In a famine such as that which afflicted Bengal, any steps taken to provide food or the means to purchase food, or to restore social and economic life to normal, affect the health situation, and, on the other hand, health measures are equally necessary to mitigate the effects of famine and hasten social and economic recovery. The present chapter and the chapters dealing with health measures should, therefore, be regarded as complementary.

A.—The cyclone

2. The Midnapore cyclone, which took place some 8 months previous to the famine, produced severe distress in the affected areas, which had not recovered from the first disaster when stricken by the second. In this part of the province famine conditions and economic disorganization preceded their appearance elsewhere. Relief measures had to be taken in Midnapore from the time of the cyclone onwards, and these merged into the broader measures of famine relief initiated at a later stage. The Midnapore cyclone and its effects were an integral part of the general calamity and it is unnecessary for present purposes to draw a distinction between cyclone relief and famine relief.

3. The cyclone did very serious damage, which has been referred to in another section of our report. Some 14,500 people and 190,000 cattle were killed and dwellings, food-stores, and crops destroyed over a wide area. Corpses and ruins littered the countryside. Military units in the area, who themselves suffered some loss of life, took the initiative in the clearance of debris and the removal of the dead. Immediate measures to succour the survivors were called for. Relief parties bringing food, water, and medical supplies were despatched from Calcutta and a special medical staff was appointed under the Director of Public Health. On November 11th the Revenue Secretary was appointed as Additional Commissioner of the Division concerned, to direct and co-ordinate relief.

4. Between November 1942 and the end of May 1943, over two crores of rupees (Rs. 2,00,00,000) were spent on relief in the affected areas. About one-quarter of this sum was distributed as gratuitous relief while the remainder was used in the granting of agricultural loans, and in test relief.[1] Expenditure on relief was increased in the subsequent period when the effects of the general famine reinforced those of the cyclone. Homes for children and infants were opened. Fishermen in the coastal areas were helped with free grants of money for boats, nets, etc., and with loans the total amount of which amounted to Rs. 1,29,000. Officers in the Departments of Irrigation, Agriculture, and Education visited the devastated areas to report on the damage caused and the measures needed for reconstruction.

5. The Midnapore cyclone was in fact a very serious catastrophe, if overshadowed by the greater one which followed. While the measures undertaken afforded considerable relief, recovery was far from complete by the middle of 1943. Operations in the affected areas provided some experience of famine relief

[1]Test relief means relief in the form of payment for work. The distinction maintained in some other provinces between Test Works and Famine Relief Works is not observed in practice in Bengal.

and its difficulties, but there is little evidence that this was made use of at a later stage. Reports of voluntary workers on the cyclone-damaged areas contain many complaints of confusion, lack of co-ordination, and unnecessary delays in relief work, of a very similar nature to those made during the major famine.

6. One point must be emphasized in connection with the Midnapore cyclone and the widespread destruction which resulted. An additional burden of worry and responsibility was thrown on the administration by a natural calamity at a time when all its energies were needed to deal with the darkening food situation throughout the province.

B.—Conditions produced by the famine

7. We must now turn to the great famine of 1943. In previous chapters we have described the shortage of rice supplies and the rise in prices which prevented a considerable section of the population from obtaining its staple food Before discussing relief measures it is necessary to give the reader some idea of the effect of famine on the life of the community and the extent of the task to be faced in the provision of relief and the subsequent rehabilitation of the affected population.

8. In chapter II a brief account has been given of the economy of rural Bengal in which it is shown that about half the families in the rural areas, depending wholly or mainly on the cultivation of land, hold less than 2 acres or are landless. Of these, some 2 million families—about 10 million people—are dependent mainly or entirely on agricultural wages. In addition, there are artisans such as potters, carpenters, basket-makers, weavers, etc., who depend mainly upon their trade for their livelihood and generally speaking are not themselves producers of food. And lastly, there are in each village indigent people who, for various reasons, depend wholly or partially on charity. A considerable proportion of the rural population lives on the margin of subsistence, with few or no reserves of grain, money or other assets. As prices rose in the early part of 1943, non-producers were the first to suffer. Village charity, customarily in the form of gifts of rice, dried up not only because rice was in short supply but also because it had become such an expensive commodity. Those dependent on charity were thus soon reduced to starvation. Village labourers and artisans, at a somewhat higher economic level, sold their domestic utensils, ornaments, parts of their dwellings such as doors, windows and corrugated iron sheets, trade implements, clothes and domestic animals if they had any—sold indeed anything on which money could be raised—to more fortunate neighbours at cut-throat prices. They reduced their food intake by degrees to make their dwindling reserves of money and food last as long as possible. As the famine developed, numerous small holders were reduced to the same straits. With the rise of prices early in the year, many were tempted to sell their stocks at prices which seemed at the time prodigious, but were in fact low in comparison with prices prevailing in subsequent months. They hoped to re-purchase rice later for their own needs at lower prices, but actually prices soon soared far beyond their reach. Faced with starvation, many sold their land and other possessions to obtain money to buy rice, but with continually rising prices the proceeds of the sale could ward off hunger for only a brief period.

9. Larger landholders benefited from the situation, since they could sell most of their rice at an enormous profit and keep sufficient for themselves and their families. But the cultivator of a holding below a certain size was not in this happy position. It has been said that small holders who possessed less than 5 *bighas* of land (1·7 acres) were vulnerable and usually forced to sell house and land and look for food elsewhere. This we consider to be on over statement, but there can be no doubt that many small holders were compelled to sell their land.

10. The famine thus principally affected one section of the community—the poorer classes in rural areas. It is impossible to estimate the percentage of the rural population that suffered; possibly it was about one-tenth. The amount of distress differed, of course, from district to district. Well-to-do people in country areas were not short of food and rice dealers and merchants prospered. The industrial population of Greater Calcutta was assured of its food supply throughout the famine, and while some of the urban lower middle classes found it difficult to obtain an adequate diet, there was no starvation amongst them. It should be clearly understood that the greater part of the population of Bengal did not suffer from lack of food in 1943.

11. Those who found themselves unable to buy food reacted to the situation in various ways. Some remained in their villages and starved there. Many men left home in search of work, particularly on military projects, leaving their families behind. As things worsened, many thousands of people left their homes and wandered across the countryside in the direction of towns or cities where they hoped to obtain food. The existence in various urban centres of controlled food shops, at which rice was available at lower prices, and later of relief kitchens providing free food encouraged the migration. The greatest flow was towards Calcutta. The Calcutta destitutes came mainly from the 24-Parganas, while nearly all the rest belonged to Midnapore and other districts not far removed from the capital. Many travelled by train without tickets and stations on railway lines south of Calcutta were thronged by starving crowds waiting for transport. Some destitutes living in villages near Calcutta came daily by train to the city to obtain food at relief kitchens and returned home by night. Migration of destitutes towards other centres in Bengal also occurred, though on a smaller scale. No figures are available as to what proportion of the population affected left home. While many thousands migrated, it is probable that the majority of famine victims remained in their villages.

12. Famine and migration led to much family disintegration. Husbands deserted wives and wives husbands; elderly dependants were left behind in the villages; babies and young children were sometimes abandoned. According to a sample survey carried out in Calcutta during the latter half of 1943, some breaking up of the family had occurred in about half the destitute population which reached the city.

13. The famine stricken population made little attempt to loot food shops and stores, and there was no organized rioting. The lack of violence can be explained in various ways. In general, famine victims belonged to the poorer classes and were accustomed to accept misfortune passively. The migrating crowds came from different villages and there was no corporate spirit amongst them to initiate any concerted move to obtain food by violent means. Lastly, and most important, the famine victims were soon reduced to a state of debility which prevented vigorous action. There was a very serious rise in the number of dacoities reported in Bengal in 1943. Thefts of rice, particularly from boats, were very common and in certain areas its transport was attended by considerable risk. It appears, however, that the dacoits were not in general famine victims, but usually ordinary thieves taking advantage of the prevailing situation. Rice had become a very valuable commodity, selling at a high price, and hence well worth stealing. Violence and looting on the part of famine victims was thus not one of the problems with which the authorities had to deal.

14. The situation was further complicated by the fact that famine victims rapidly became physically weak and a prey to epidemic and other disease, by the difficulty of obtaining and transporting the necessary food supplies, and by the lack of sufficient and satisfactory staff for employment on relief work.

C.—Relief measures

I. General:

15. During the early part of 1943 the bulk of relief expenditure was devoted to relief in the cyclone-affected areas, which was further extended later in the year. Reports of growing distress were received from Commissioners and Collectors in many parts of the province during the first 6 months of 1943. Relief operations, however, were undertaken only on a limited scale. How distress grew during the period, and how widespread it was, can be seen from the summary of reports from Commissioners and Collectors given in Appendix VI. At the beginning of June a confidential circular was issued to Collectors indicating that famine might have to be declared and requesting them to report to Government on the position in their districts. This was followed towards the end of the month by a letter in which Collectors were asked to forward detailed demands for funds for relief. The object of these enquiries was to obtain information on which the relief policy of Government could be based. Replies, received about the middle of July, showed the situation to be grave.

In the same month District Officers in Chittagong and Noakhali, where the famine had already started, were authorised to employ whatever relief staff was necessary and an allotment for gratuitous relief was sanctioned. Food kitchens were opened in these districts at about this time. In June 1943, the Government of India were approached for financial help to meet the obligations of relief. In February 1944, the Government of India gave the Government of Bengal Rs. 3,00,00,000 for "Famine and Rehabilitation".[1]

16. During the first quarter of the year relief was given mainly in the form of agricultural loans. Expenditure under this head during the second quarter, in districts other than the cyclone-affected districts, was quadrupled and a considerable sum was spent on test relief. Gratuitous relief was on a small scale at this stage. During July the amount of money allotted for relief in general was reduced, since it was reported that the agricultural operations were proceeding on a large scale in all parts of the province and that the demand for labour had increased. From August onwards, however, large allotments were made for all forms of relief, with the emphasis on gratuitous relief. The total sum sanctioned for the latter during the second half of the year was in the neighbourhood of Rs. 1,80,00,000.

17. In August it became abundantly clear that Bengal was in the grip of a great famine and that relief on a very wide scale was necessary. Commissioners and Collectors were called to a conference in Calcutta on August 14th, 15th and 16th, and were given instructions by the Government. On August 18th Government issued a memorandum on the relief of distress in which the necessity for "speedy and resolute action" was emphasized. District Officers were instructed to set up food kitchens at once and funds were made available for this purpose. It was pointed out that "relief work was of such paramount importance that it must take precedence over the ordinary duties of the administration". A circular issued by the Revenue Department on August 20th described in detail the relief measures to be taken and the administrative procedure to be adopted. Relief could be given in any of the following ways:—

(a) Gratuitous relief in the form of gruel, uncooked foodgrains and cash.
(b) Wages for test relief in kind or cash.
(c) Agricultural loans for—
    (i) maintenance—in kind or cash.
    (ii) purchase of cattle—in cash.
    (iii) agricultural operations in kind or cash.
(d) Sale of foodgrains at cheap rates to the poor.

[1]This has been since increased to half the direct cost of the famine, subject to a maximum of Rs. 10,00,00,000.

Union relief committees were to be established, the unit of relief being the Union. Collectors were instructed to forward requisition lists for food and other essentials, but they were urged to use local resources as far as possible. As regards staff, the circular pointed out that the Government could not arrange for the deputation of extra staff for relief work and that District Officers would consequently have to find the necessary workers from amongst the staff employed in their respective districts. The duties of those employed on relief work were defined in detail. The circular also laid down the prices to be charged by the Civil Supplies Department for rice and other food sent to districts. In practice, however, the issue of these instructions was not accompanied by the adequate provision of food and funds, with the result that the relief measures taken failed to prevent distress and death on a large scale.

18. At the end of September a senior I.C.S. officer was appointed Relief Commissioner. He was not given the plenary powers of a Famine Commissioner but was an inspecting and reporting officer only, ranking as an additional member of the Board of Revenue. In practice the Relief Commissioner had to issue local orders in much the same way as prescribed in the Famine Code in the case of a Famine Commissioner. He had, however, no control over food supplies, which was vested in the Civil Supplies Department. In January 1944 he was given the powers of a Secretary to Government.

From October 1942 to March 1944, Rs. 7,42,00,000 was allotted for various forms of relief. Of this about Rs. 2,94,00,000 was used for agricultural loans, Rs. 3,03,00,000 for gratuitous relief and Rs. 1,45,00,000 for test relief.

II. Food Kitchens:

19. The provision of cooked food to starving people was the most important relief measure during the acute stages of the famine. In November 1943 the total number of food kitchens reached 6,625. Of these, 551 were financed and run by private relief organizations, 4,469 by Government, while the remainder were subsidized by government but run by other agencies. Most of the kitchens were opened after the issue in August of the circulars giving instructions about relief measures. From December 1943 onwards the food kitchens were gradually closed down and homeless and indigent people were housed and fed in workhouses, destitute homes, and orphanages.

III. Clothing:

20. Some of the destitutes were clothed in rags. Others had no clothes at all. The majority of destitute children were naked. During the sultry months of summer and autumn, this state of affairs did not perhaps occasion much additional suffering. It was clear, however, that supplies of clothes and coverings were needed not only for protection against the colder weather which begins in November, but also to restore decency and self-respect. Clothes totalling 1,600,000 pieces and some 600,000 blankets were distributed by Government through official and non-official relief agencies. The latter were supplied with clothes or blankets free or at half price.

IV. Relief in Calcutta:

21. Calcutta presented a special problem of relief. The migration of destitutes to the Capital, from July and August onwards, has already been described. It was reckoned that in the middle of October the number in Calcutta rose to nearly 100,000. In the early weeks of the famine, there was some individual distribution of food by the charitable. Destitutes in Calcutta begged for food and sought for scraps even in refuse bins. They flocked round military and hotel kitchens to get such food as they could. They lay on pavements even in the busiest parts of the city, and corpses became a familiar sight. Complaints of delay and inefficiency were made against the authorities responsible for the removal and disposal of corpses. It was at this stage that most of

the gruesome photographs of famine victims were taken, which, when published in the "Statesman" and subsequently in newspapers and journals in England and America, familiarised the world with the horrors of the Bengal famine. In publishing such photographs for the first time the "Statesman", we consider, rendered a valuable public service.

22. The opening of free kitchens, and famine hospitals and wards, had some visible effect on the situation. In September a small daily ration of cooked food became available to all destitutes for the asking. Meals were given at the same time of the day in all kitchens, to prevent destitutes from getting more than one meal. The destitutes tended to gather in the neighbourhood of kitchens, sitting or lying on the pavements throughout most of the day and night. The influx of famine victims created a serious sanitary problem in the city.

23. The relief authorities were impressed by the necessity of getting the destitutes out of Calcutta and back to their villages. A special officer was placed in charge of relief work in Calcutta (the Relief Co-ordination Officer) and plans were formulated along the following lines. The first necessary step was to collect destitutes from the streets and put them in poor-houses or destitute homes in the city, those requiring medical attention being sent to hospitals. This involved the establishment of suitable homes and the development of hospital services. Next, it was proposed to create a ring of famine camps round Calcutta to which destitutes could be sent in the first stage of their homeward journey; these would also serve the purpose of diverting fresh swarms of destitutes *en route* to the city. Since people could not be sent back to their villages unless food was available for them there, the scheme included the provision of poor-houses and kitchens in the rural areas concerned, to prevent the starvation of the people on return to their villages.

24. In practice the scheme did not work altogether smoothly. There was at first difficulty in finding suitable accommodation in Calcutta, which was partially solved when a *bustee* area capable of accommodating several thousand people was placed at the disposal of the relief authorities by the Calcutta Improvement Trust. Camps constructed for evacuation in the event of air raids were available outside Calcutta, but these lay mostly to the north, whereas the great majority of destitutes came from the south. New camps had, therefore, to be established and the usual obstacles imposed by lack of transport and shortage of materials circumvented. Operations in Calcutta were hindered by the weak and diseased state of the famine-stricken population and their reluctance to enter Government institutions. Malicious rumours were spread about the motives of Government in collecting the destitutes. Further, the destitutes had acquired a "wandering habit" and resented confinement in camps. Many, placed under control, absconded if opportunity occurred. The peculiar mental condition induced by lack of food, to which reference is made in Chapter II of Part II, reduced their amenability to restraint. The following passage from the evidence of a witness concerned in famine relief illustrates some of the difficulties encountered in dealing with the destitute population:

"Sickness of the population very much complicated the arrangements. There was mental demoralization which followed and it made our problem very difficult. The wandering habit amongst the children was difficult to stop. Famine orphanages had to have prison rooms. Children—skin and bone—had got into the habit of feeding like dogs. You tried to give them a decent meal but they would break away and start wandering about and eat filth. You had to lock them up in a special room. They would come to normal after they had been fed and kept for a fortnight in a decent manner. They would not wander then. They developed the mentality of wandering."

Some force was used in collecting destitutes from the streets and unpleasant scenes occurred. In the early stages the task of removal was entrusted to

the police and the arrival of a police lorry in a street crowded with destitutes would be a signal for their rapid and noisy dispersal. Towards the middle of October, some 15 lorries were made available to the relief authorities, and responsible Government officers, accompanied whenever possible by non-official volunteers, toured the streets and collected destitutes by more persuasive and gentle means.

25. Reference has already been made to the disruption of family ties which occurred when the destitutes left their homes and wandered into towns and cities. In the confusion prevailing in the Capital, further family separations took place. When people were picked up on the streets and taken to hospitals and homes, members of the family left behind would usually have no idea where to look for them and the latter would be equally at a loss. A special officer was appointed to undertake the re-uniting of separated families. The nature of his task, and the steps taken, are illustrated in the following account given by a witness:

"In Calcutta people were very often picked up from the food kitchen centres and brought to the poor-houses. There some woman would complain that she had lost her child and that her husband had gone away. When we picked up people under compulsion it very often happened that some persons were separated from their relations. What we did in the end was to set apart one poor-house in Calcutta to which we sent all the people who were separated from their relatives. Such persons were sent to that particular poor house and when they were there picked out their lost relatives. Besides if anybody in the street said that his daughter or wife was lost he was told to go to that particular poor-house and find her."

26 By the end of November 1943, the majority of destitutes had left Calcutta and had returned to their villages. It was estimated that during the relief operations, over 55,000 people were received in destitute homes and camps. The relief organization employed a paid staff of nearly 1,500. Actually a very considerable proportion of the destitute population did not leave the city *via* the Government organization. When it became known that a good *aman* crop was on the ground numerous destitutes found their way home on their own account. A few thousands remained in relief institutions in Calcutta and throughout 1944 there was a steady influx of small numbers of vagrants and beggars, including people reduced to penury by the famine, who required institutional relief. But in general Calcutta had returned to normal by December 1943.

V. Relief in the districts:

27. It is not easy to give a general account of famine relief work in rural Bengal, since the urgency of the famine situation, and the extent and efficiency of relief measures, differed from district to district. The availability of supplies, the size of the district, the personality of the District Magistrate—all these affected in various ways the provision of relief and the degree of success attained. Comprehensive relief measures were first undertaken in the Chittagong district, in which a serious situation was reported as early as January 1943. Distress first became evident in the town of Chittagong and was temporarily relieved, during the early months of the year, by requisitioning supplies of rice from big cultivators in the southern parts of the district. Some 15,000 to 20,000 maunds were requisitioned. In April a scheme for supplying a ration of rice to the poor in Chittagong town was instituted.

In rural Chittagong famine became imminent in February and March. Test relief works were opened in April and were attended by large numbers of women. Thousands of men left their families to work on military projects. It became evident, however, that work and wages alone could not prevent famine. Food was required. Free kitchens were opened in Chittagong in May, the first in Bengal. Credit for initiating this system of relief, later to be extended

to most of the province, is due to the Circle Officer of Rouzan. Supplies of food for relief of various kinds were obtained with great difficulty. Some were secured by local purchase and requisitioning and in July, during the free trade period, 50,000 maunds were purchased in Assam. During the later months of the year supplies received through the Department of Civil Supplies relieved the situation. It has been estimated that about 100,000 people, out of a population of 2 millions, received a small ration of cooked food at the free kitchens.

28. Mortality in Chittagong was high during the early months of the famine, reaching its peak in July and August. During the remaining months of 1943 it declined and by June 1944 had returned to the normal level. In Tipperah, on the other hand, where the famine began a few weeks later than in Chittagong, the peak in mortality was not reached until December, when the number of deaths was 272 per cent in excess of the quinquennial average. Throughout the first six months of 1944 mortality remained high in Tipperah. In this district relief operations compared unfavourably with those in Chittagong, chiefly owing to lack of supplies. In October 1943 it was reported that food could not be provided for kitchens, that relief was intermittent and scanty, and that cases of emaciation and deaths from starvation were numerous. The contrasting mortality trends in Tipperah and Chittagong can unquestionably be related to the adequacy of relief.

29. In Faridpur, where famine was severe, great difficulty was experienced in the running of food kitchens owing to scarcity of supplies, lack of transport, and corruption on the part of local officials in charge. Workhouses providing food and shelter were established at an early stage to replace the kitchens, and this measure proved a success. Another step was the rationing of towns and of a number of villages.

A Co-operative Community Scheme, embracing some 20 villages, was initiated by the District Magistrate. This involved the pooling of the food resources of each village. Each family in the villages participated and was given a ration card ensuring its own supplies. No food was allowed to be sent out of the villages until their own needs were satisfied.

In Dacca city a local rationing scheme was organized by a public-spirited Judge. This helped to eke out the limited supplies of rice available and assisted not only the poor, but also middle class families, to obtain food during the famine.

30. Each district had in fact its own difficulties to contend with. In some districts the situation was got under control fairly rapidly; in others confusion, inefficiency, and lack of transport and supplies hindered the provision of relief. Medical and public health measures were an essential part of relief and here again there were different degrees of achievement. The general course of relief was approximately as follows: As the famine developed, ineffective attempts were made to relieve distress by agricultural loans, test relief, and gratuitous relief as money on a small scale. Test works, which were mainly under the administration of District Boards, were unsatisfactory in many areas. No measured task was exacted, supervision was lax, and there was great waste of public money. When the famine reached its height, the main problem was to obtain supplies of food, either locally or through the Government, and distribute them to the needy through free kitchens. Relatively small amounts of dry grain were issued. At this stage destitutes flocked into towns in the districts, as into Calcutta, and similar scenes were enacted, though on a smaller scale. By degrees food was provided and acute starvation diminished, relief in many areas being hastened in November and December by the help of the military transport organization. With the arrival of the harvest, and the increase in, and accelerated transport of, provincial supplies, food and work became available for the survivors. Free kitchens were replaced by workhouses and orphanages which provided food and shelter for famine victims who remained destitute and homeless. Complete recovery did not, however, follow

the relief of starvation. The death rate from epidemic disease remained high for many months and the satisfactory rehabilitation of the classes in the population most affected by the famine is an extensive problem which will be discussed in a later chapter.

VI. Work of non-official relief organisations:

31. Many non-official bodies participated in relief work. In Calcutta, 40 food kitchens were run by such bodies, and several hundreds were opened in districts. Numerous cheap canteens and centres for the issue of free doles of uncooked food were also established by voluntary organizations. The latter were allowed to buy food for distribution through the Department of Civil Supplies at controlled prices. Most of the gruel issued in Calcutta was cooked in Government kitchens, 7 in number, and distributed to Government and voluntary kitchens. Some of the voluntary organizations made their own arrangements about food supplies. Charitable organizations assisted in the distribution of milk and cloth, and at a later stage of the famine some of them played a useful part in establishing and running homes and orphanages.

32. At the end of September a Relief Co-ordinating Committee was set up by Government, including representatives of voluntary relief agencies and some representatives of the press. The Relief Co-ordination Officer had the task of co-ordinating the work of non-official agencies in Calcutta, where there was some overlapping of charitable activities. Some voluntary organizations were reluctant to combine in relief work. The fact that some had political affiliations did not facilitate co-operation but all communities benefited equally from the distribution of voluntary relief. The criticism has been made that non-official relief was concentrated in Calcutta to the exclusion of the districts. It was, however, natural that organizations centered in Calcutta should prefer to work in the city where voluntary workers and suitable premises were easily available. There was plenty of visible distress in Calcutta for charity to relieve. Actually valuable work was done in the districts by old-established non-official bodies with experience of work in villages and with a trained staff at their disposal. While it is invidious to draw distinctions, it may be said that the Commission heard from many quarters of the excellent work carried out by the Ramkrishna Mission in various rural areas.

33. Complaints have been made, by various voluntary organizations, of lack of assistance and co-operation on the part of the Government. In particular it has been said that difficulties arose with regard to supplies of food for voluntary relief work. Unquestionably there were delays and some friction, inevitable in the circumstances. But on the whole co-operation between the Government relief organization and the voluntary agencies seems to have been reasonably satisfactory.

Hard things have been said about the reluctance of the well-to-do to share surplus food with poorer neighbours. Many witnesses appearing before the Commission expressed bitter views on this subject. There was unquestionably much callousness and indifference to suffering on the part of people who were themselves in no danger of starvation. On the other hand, the appeal for gifts of money to support voluntary relief met with a generous response from the public in general in Bengal. Mention must also be made of contributions for famine relief received from other parts of India and also from abroad.

The extent of distress was so great that relief on a wide scale could be provided only by Government action. The contribution made by voluntary effort could only be relatively small. It must, however, be said that the voluntary organizations very materially assisted in the mitigation of suffering.

VII. Transport:

34. The difficulties of transporting food supplies to and within Bengal have been referred to in another chapter. Lack of transport, and defects in the organization of whatever transport was available, were serious obstacles to relief work in rural areas in the early stage of the famine. Until the arrival of the military in November 1943, it was, as put by one witness, "a case of making the best of a bad job with the limited transport available" When the army organization undertook the transport of food and medical and other supplies to the districts, the problem of relief was immediately simplified.

VIII. Military assistance in relief:

35. An account has already been given in chapter VIII. of the part played by the military in the relief of the famine. In another chapter military co-operation in medical and public health work will be described. Here we shall refer to the effect of military assistance in two spheres of relief.

Officers and men were encouraged to visit and report on food kitchens, to see that food was satisfactorily prepared and that adequate accounts were maintained. This acted as a check on corruption. Assistance given in another branch of relief—the distribution of clothing—is illustrated in the following passage from a report:

"Civil arrangements were extremely slow in maturing and in many places much of the cold weather had passed before adequate supplies were made available. The army did everything in its power to speed up the distribution of clothing and to ensure that as far as possible it was distributed to the most deserving cases. The utmost vigilance had to be maintained in the early stages when there was mal-administration and it was not uncommon for District Board officials to distribute clothing to their relations and friends who were in a position to obtain them for themselves. Army supervision helped to rectify this state of affairs"

The relations between military and civil authorities in the application of relief measures, after some friction in the early stages, were on the whole satisfactory. The public appreciated the rescue work of the army and friendly relations were established. In general military participation was invaluable in restoring public confidence, shattered by the extent of the catastrophe, and in stimulating and improving famine relief work in all its aspects.

CHAPTER X—LOOKING BACK.

A.—Preliminary remarks.

1. The Famine Inquiry Commission Ordinance has given us the task of determining the causes of the food shortage in India generally, and particularly in Bengal. In the discharge of this duty, it is not enough merely to explain why there was a food shortage in Bengal as a whole; we must also explain why such a large number of the people of the province were deprived of their share of the supplies available—how in fact, the over-all shortage was converted into famine. As we look back on the events in Bengal during 1943, the high prices of that year clearly stand out as unprecedented, much more so, indeed, than the failure of the crop. Men, women, and children died, as much because they could not pay for the food they needed, as because food was not available. Why did this happen? Were the high prices an inevitable result of the underlying scarcity? Or were they the result of an avoidable failure in price control and in the distribution of available supplies according to needs? We must attempt to furnish answers to these questions.

2. Such questions obviously cannot be answered merely by an arithmetical computation of supplies and requirements. We must examine the working of the machinery of the trade as it existed in Bengal before the shortage occurred, and determine whether it was capable of distributing supplies equitably in the circumstances which arose during 1943. If it was not, what were the measures which were necessary and feasible for ensuring proper distribution? We must review the measures which were actually taken and assess their effectiveness. If we conclude that, at the various stages in the crisis, the measures taken were inadequate or inappropriate, we must suggest what, in our opinion, would have been the correct action in the circumstances.

3. With these objectives in mind, we shall now proceed to review critically the course of events described in earlier chapters. We fully realise that we are in a very different position from the men who in various spheres of authority had the responsibility for dealing with the crisis at it developed from day to day. As a result of our inquiries, we are in possession of information about the situation which was not available at the time. We have also had the advantage of being able to "look back" and survey the effects of the policies adopted and the measures taken on the course of events. We are not unmindful of the saying "it is easy to be wise after the event" We would add that we have not always found it easy, in spite of the advantages of our position, to reach conclusions as to what would have been the most effective means of dealing with various crucial problems which arose during the famine. This has given us an understanding of the difficulties which confronted those who had to take immediate decisions and give effect to them in the midst of the crisis. We should be sorry if, in any part of our critical review, we have conveyed the impression of not being fully aware of these difficulties.

B.—The causes of the Bengal famine.

4. The crisis in Bengal which culminated in the famine began by the end of December 1942. The shortage of supplies developed rapidly in Greater Calcutta and became acute in March 1943. The measures taken by the Government of Bengal and the Government of India succeeded in averting a catastrophe in Greater Calcutta. At the same time distress was developing more slowly but steadily in other parts of Bengal, and successive efforts to avoid a

disaster failed. Famine raged over large areas in the province and came to an end only with the reaping of the *aman* crop in December 1943.

5. On a review of all the facts which we have set out in earlier chapters, we are led to the following conclusions about the causes of the Bengal famine:—

I. During 1943, there was a serious shortage in the total supply of rice available for consumption in Bengal as compared with the total supply normally available. This was due to

(A) a shortage in the yield of the winter rice crop (*aman*) of 1942, combined with

(B) a shortage in the stock of old rice carried forward from 1942 to 1943.

II. Out of the total supply available for consumption in Bengal, the proportionate requirements of large sections of the population who normally buy their supplies from the market, either all the year round or during a part of the year, were not distributed to them at a price which they could afford to pay. This was due to

(A) the incapacity of the trade operating freely in response to supply and demand, to effect such a distribution in the conditions prevailing; and

(B) the absence of that measure of control, by the Bengal Government, over producers, traders, and consumers in Bengal necessary for ensuring such a distribution.

III. The supply of rice and wheat which, under normal conditions, would have been available to Bengal from sources external to the province, was not available during the closing months of 1942 and the early part of 1943. This was due to

(A) the loss of imports of rice from Burma; and

(B) the delay in the establishment of a system of planned movement of supplies from surplus provinces and states to deficit provinces and states.

The supply position during 1943 has been discussed in Chapter III and in section A of chapter VI, and recapitulation is unnecessary. There is no doubt that shortage of supplies was a basic cause of the famine. We can put this in another way by saying that, if the *aman* crop had been a good one, the famine would not have occurred. With regard to the conclusions stated above about external supplies of rice and wheat, the non-availability of such imports during the period in question was a much less important factor in the causation of the total shortage than the failure of the *aman* crop and the depletion of reserve supplies. It was, however, an important factor in creating and maintaining a tendency to a rise in prices.

The causes of the rise in the price of rice which, in combination with shortage, led to famine on a wide scale will be discussed in the sections which follow.

C.—High prices and failure of distribution

6. In theory, it should have been possible to distribute the total supply, even if it fell short of normal requirements, in such a way that everyone got an equal share of it and none need have starved merely as a result of foregoing a small fraction of his normal food requirements. In theory, again, it should not have been impossible during 1943 to effect this distribution at a price not much in excess of that at which consumers obtained their supplies during the latter half of 1942. The cost of production and distribution had undergone no striking change in the meantime. It is true that the failure of the crop meant a diminution in the purchasing power of large sections of the rural population as compared with the preceding year. But this could have been met in the same

way as it had been met during 1941, namely, by the provision of relief to the affected classes through loans, wages on relief works, and gratuitous relief. Actually, the normal distribution of supplies did not take place, and in many parts of the province consumers could not obtain even a fraction of their requirements. Prices rose fantastically placing food above the reach of large numbers of people and rendering the usual form of relief largely ineffective.

7. What were the conditions prevailing in Bengal at the end of 1942 which prevented the distribution of supplies at reasonable prices by normal unrestricted trade? They cannot be described in a single sentence for they include a series of inter-connected events which occurred during 1942, and the reactions of those events on the minds of sellers, (producers and traders) and buyers (traders and consumers). The events to which we refer have been described first in section D of chapter IV, where we have dealt with the disturbances occurring in the rice markets of different parts of the country almost simultaneously within a short time after the fall of Burma, secondly, in section B of chapter V, where we have described the course of events in the rice markets of Bengal at about the same time and before the failure of the *aman* crop, and thirdly, in section F of the same chapter in which a description has been given of the swift developments in Bengal which followed the failure of the *aman* crop.

8. The initial phase of the disturbances in the rice markets in India was the direct result of the fall of Burma. Until then, the movement of rice prices had been more subdued than that of wheat prices, even though the relation between total supply and total demand was more unfavourable in the case of rice than in the case of wheat. As long as the possibility of imports from Burma remained, there was little speculative activity in the rice markets. When Burma fell and it became plain that the areas which were largely dependent on imports from Burma, must obtain their supplies in India and nowhere else, prices of rice rose suddenly and alarmingly. This was mainly due to purchases in the rice producing areas for export to Western India, Travancore, Cochin, and Ceylon. A reference to the figures in paragraph 3 of Chapter VII shows that Western India, Travancore, and Cochin were the areas in India which were most severely hit by the loss of imports from Burma. The figures also indicate the weight of the additional demand which the fall of Burma threw on markets in India, most of which were themselves somewhat short of supplies because of the loss of imports from Burma. Unquestionably, the main factor in the disturbances in the rice markets in the summer of 1942 was the demand from areas which depended largely on imports from Burma.

9. Prices rose in the rice markets of India in the first instance because the need of the buyers from the areas to which we have referred was urgent and sellers in the principal markets could demand a higher price. The latter in their turn had to secure supplies from the secondary markets more quickly and in larger quantities than usual, in order to meet further demands from the outside buyers. The merchants in the secondary markets were then in a position to demand and obtain higher prices for their stocks. The rise in prices which was thus spreading could not be confined to the stocks which were purchased for export; it affected all transactions in the principal and secondary markets. It is necessary at this stage to emphasize the sharply contradictory character of the reaction of the markets to rising prices in different conditions. A rise of prices which is believed to be likely to continue influences the minds of producers, traders, and consumers very differently from a rise of prices which is generally expected to be temporary. In the latter case, sellers—both producers and traders—are anxious to sell before prices fall; and buyers—both traders and consumers—reduce, so far as possible, the quantities they buy. Such a reaction automatically corrects the temporary mal-adjustment between

the available market supply and the demand which caused the upward movement in prices. If the mal-adjustment is corrected by an increase in supply in the market and a reduction in demand, prices fall again. This does not, however, happen when the rise in prices is sharp and unusual, and is also expected to continue. In these circumstances, it produces an exactly opposite reaction in the minds of buyers and sellers. Buyers are anxious to buy before a further rise occurs and therefore increase their purchases, while sellers are reluctant to sell because they wait for still better prices. This further decreases the supply available in the markets and increases the demand on the diminishing supply. Prices move up still further in consequence. This reinforces the fears of buyers and the greed of sellers and intensifies the market disturbances. Given sufficient time for the psychology of greed and fear generated in this manner to penetrate, on the one hand, to the primary markets and the producers—the ultimate source of supply—and, on the other hand, to the retail shops and the consumers—the ultimate source of demand—prices may rise to such an extent that large sections of the population find themselves unable to buy.

10. There is, therefore, no quantitative relation between the movement of prices and the volume of the additional demand which initiated the movement. Unquestionably, the volume of imports which was lost as a result of the fall of Burma and had to be met from the principal rice producing areas of India was only a very small proportion of the total supply in these areas. Nevertheless, it was the diversion of the demand formerly met from Burma to the Indian markets which started the increase of prices in the summer of 1942. The extent of the rise was out of all proportion to the disturbing cause because of its repercussions on the local markets which we have described. There were also certain other factors during 1942 favourable to a steady rise in prices. The rise which had occurred during the war period had enabled the cultivators to meet their cash obligations by selling a smaller quantity of their produce than formerly. This meant that they were, in general, better able than before to wait for better prices by withholding supplies from the market. At the same time, the demand from a large class of consumers had become more effective. In many parts of the country, the assuring of supplies for labour engaged in industry, transport, and the essential services, became of primary importance for the prosecution of the war. Purchases were therefore being made by employers on their behalf. Also, in areas which were exposed to invasion or air raids, there was a sense of insecurity which reinforced the effect of the rise in prices and the uncertainty about supplies. Consumers became alarmed and, as far as their purses permitted, purchased and stocked more than they would have done in normal conditions.

11. This, we believe, is in broad outline the picture of what happened in 1942, after the fall of Burma, in many provinces and states, including Bengal The pressure of demand which arose in consequence of the loss of rice imports from Burma was only the first of the factors leading to disturbances in the markets and the rise in the price level. The disturbances developed in successive phases until all the local markets were affected and not merely those in which purchases were being made for export. The various phases of the market disturbances were reached in different places at different times, and were of varying degrees of intensity, depending on various factors, such as the conditions of local supply and transport, the extent to which different areas were affected by war conditions—the threat of invasion or air raids or the speeding up of defence preparations—and they no doubt also varied to some extent with the general psychology.

12. Looking back, we have no doubt that in such conditions normal unrestricted trade operations could not ensure distribution at reasonable prices.

A breakdown in distribution could be averted only by an intervention of Government, which would have the effect of restoring public confidence and of demonstrating to producers and traders the determination and the ability of Government to prevent a further rise in prices, and of assuring traders and consumers that the flow of supplies would be maintained. We have also no doubt that it was this compelling necessity which led a number of Provincial and State Governments to undertake at about the same time a series of measures in restraint of trade. The measures which they adopted differed in several respects, but one measure was taken by all. Unusual exports were the original cause of the trouble. Control of exports was, therefore, the necessary first step in the attempt to control prices and ensure a satisfactory distribution of supplies. It was, however, only the first step. Other measures were necessary in order, first, to deal with questions of price control and distribution within the province or state, and secondly, to ensure a flow of supplies from surplus provinces and states to deficit provinces and states.

13. We must now turn to Bengal and consider the course of events within the province in the latter half of 1942. Prices in Bengal rose sharply in May and June 1942, and the Provincial Government issued an Order fixing maximum prices with effect from the 1st July. This Order failed in its purpose but by the middle of September prices had steadied. It will be recalled that four factors helped in producing this improvement. First, a decrease in exports, secondly, the judicious use of "denial" stocks, thirdly, good rain in September and October, and fourthly, the decision not to enforce price control. All the markets in Bengal, however, had been affected and prices were well above the maxima prescribed by Government in July. The inability of Government to enforce price control had become manifest. Would prices begin moving up again or not? No one knew for certain—neither those who feared that prices would rise nor those who hoped that they would. Exports, though on a much reduced scale, were taking place. Perhaps the needs of other areas might compel Government to allow larger exports, and in that case surely prices must rise. Markets in the province generally, and Calcutta markets in particular, were in a state of suspense about the future when the cyclone struck the province and within a few weeks it became generally known that the *aman* crop would be a poor one.

14. The suspense was ended. It was clear that prices must rise again and no one believed that Government could control them. The events that followed have been described in section F of chapter V. Prices rose rapidly and by January 1943 had reached levels never before known in Bengal. This rise in prices continued unchecked and converted a shortage of supply into a famine. The rise of prices, which we hold to be the second basic cause of the famine, was something more than the natural result of the shortage of supply which had occurred. It was the result of the belief of the producers, traders, and consumers in Bengal at the end of 1942 and the beginning of 1943 that an ever-increasing rise in prices was inevitable and could not be prevented. This belief had been created, not only by the failure of the *aman* crop but by the entire course of events during 1942.

D.—Control measures during 1942

15. In this section we propose to consider whether any measures could have been taken by the Bengal Government during 1942 to restore confidence, and to prevent the steep rise in prices which took place at the end of the year.

Statutory price control was a failure. At the time the Order was issued Government had no control over supplies and the only means of enforcing the Order was through the ordinary staff employed for the maintenance of law and order. It was not till August that the Director of Civil Supplies with a small staff was appointed. There was little information about the stocks held

by traders, for the Foodgrains Control Order was not brought into force till December. In these circumstances, an attempt to control prices by the prescription of statutory maxima aggravated the situation by driving stocks underground. The subsequent decision not to enforce the Order, while alleviating the difficulties which the Order created, advertized the inability of Government to control the markets.

16. The control of exports and the use of "denial" stocks were measures which had helped to ease the situation. Was it possible in the light of this experience to have taken further measures which would have prevented conditions deteriorating so rapidly in the latter half of November and in December? In considering this question, it is useful to compare the course of events in Bengal and Madras during the months following the fall of Burma. Conditions in Madras were at this time somewhat similar to those in Bengal. Both were important rice producing areas and the over-all supply position was fairly satisfactory in both provinces; market conditions had been disturbed in substantially the same way by similar causes; and control of exports was introduced at about the same time. The Government of Madras did not impose statutory price control. They proceeded instead to develop the control of exports into a Government monopoly of exports, and in September an official organization was set up in the principal surplus areas to undertake all buying for export outside the province. At the same time private buying for such export was stopped. Later the organization was used for the purchase of supplies in the surplus areas for export to deficit areas within the province. This enabled the Government to maintain better control over the markets in the surplus areas and to introduce control over imports into deficit areas. Early in the following year, monthly quotas were fixed by Government for all deficit areas of the province. These quotas could be purchased only by traders operating under official control, and purchases could be made only through the official purchasing agency.

17. The advantages of developing control on these lines were clearly indicated by conditions in Bengal during 1942. Markets in Bengal were dominated by conditions in Calcutta. Experience during the months of July and August had shown, first, that reliance could not be placed on the trade to bring supplies to Calcutta at prices considered reasonable by Government; secondly, that the use of "denial" stocks had helped; and thirdly, that the absence of adequate supplies had made it impossible to enforce maximum prices. There was also the circumstance that organized industry, in the effort to assure supplies for its large labour force, was seeking the help of Government. Finally, there was the danger that air raids on Calcutta might seriously interfere with the flow of supplies to the city. We think that at this stage, that is, in September, Government should have organized an adequate procurement machinery with the object of maintaining supplies for Calcutta, the heaviest deficit area in the province, and should have undertaken, certainly in Calcutta, rigorous and drastic enforcement of the Foodgrains Control Order. The purchasing organization could also have undertaken the purchases of the limited amounts which were then being exported under permit and by this means another disturbing element in the situation would have been removed. Larger supplies in the hands of Government would have enabled the system of controlled shops, which came into existence in September, to be expanded, and this might have paved the way for the introduction of rationing at a later date. It would also have been possible to make larger allocations to employers organizations, and thereby to have reduced the pressure on the market by wealthy buyers. Further, the enforcement of the Foodgrains Control Order would have provided accurate information about stocks, and would have enabled Government to watch and if necessary exercise control over the distribution of those stocks. If these measures had been adopted

by September and their scope and purpose clearly explained to the people, public confidence would have improved; the scope for speculative buying would have been curtailed, and competitive buying for the provision of supplies for Calcutta would have been greatly reduced. Indeed, in view of what followed, it is now clear that September was a critical month in the development of the famine. The failure of price control had caused a loss of confidence in the ability of Government to control the markets, and it was important that Government should demonstrate without delay their determination to prevent a further rise in price, and to assure traders and consumers that the flow of supplies would be maintained.

18. We do not wish to suggest that the Bengal Government were oblivious to the need of obtaining control over supplies. They were not. At this time, however, ideas had not crystallized as to the form foodgrain procurement organizations in India should take, whether they should be under central or provincial control, or whether for rice they should be on a regional basis. The Provinces, with one or two exceptions, had not established purchasing organizations. The Government of Bengal favoured central control and in September 1942 were considering a scheme for "making the whole of Assam, Bengal, Bihar, and Orissa into one producing region", within which there should be "no restriction on the movement of rice except in gravest emergency or when possibilities of centralized control have broken down". The scheme also contemplated the establishment of a "Rice Commission, a small body of integrity and commercial experience, whose duty it would be to carry out the general instructions of the Central Government but who would be as completely free from Government influence in their actual business operations as is a statutory body such as the Port Commissioners or the Calcutta Improvement Trust". The Government of India also at this time favoured the control of rice on a regional basis, and the Sixth Price Control Conference held in Delhi in September 1942 recommended that the primary responsibility for distribution within each region should be vested in the Regional Price and Control Board, operating either through its own machinery or through the machinery of the Provincial Governments, subject to the direction of the Central Government. The idea of the regional control of rice was not proceeded with, but it was finally decided that the procurement organizations should be under provincial and not under central control.

19. There was also another reason which, no doubt, influenced the Government of Bengal at the time. By September and October 1942, prices had steadied themselves, and supplies and prices appeared to have reached a state of equilibrium. The anxiety about the lack of rain had been relieved in August, and by the end of September and the beginning of October an average *aman* crop seemed assured. The *aman* crop would be coming on the market within a few months, and that would be the most favourable time for making purchases. Subsequent events unfortunately proved how quickly crop prospects can change owing to the vagaries of the weather, and how dangerous it is to delay taking action in regard to such a vital matter as food. There was, however, a real danger of air raids upsetting the Calcutta market, as actually happened towards the end of December 1942. The province was also still in the "front line" and the feeling of insecurity which was so pronounced in the early months of 1942, owing to the rapid approach of the Japanese to the borders of the province, had not entirely disappeared. It could not be said with certainty that all danger had passed, and that Government might not once again find themselves unable to maintain supplies at prices which they considered reasonable. The only way of preventing such a situation developing was by control over supplies, and that could only be assured by the operations of an efficient procurement organization.

20. We are confident that if an efficient procurement organization had been developed about September 1942, the crisis which began towards the end of 1942, would not have taken such a grave form. We have also said that we think Government should have taken steps to establish such an organization. We believe we are right in that view. It is true that prices had steadied themselves about the middle of September, but it was impossible to say that all danger of disturbances in the markets had passed. The events of 1942 had shown how necessary it was for the Bengal Government to secure control of supplies. In these circumstances, we think that the wise course would have been for Government to have recognized that it was inadvisable to wait for a decision whether the control of rice should be a central, provincial or regional responsibility, and that the proper course was to establish as quickly as possible their own procurement machinery.

E.—The people and the government

21. We now come to the beginning of 1943, and in the course of the following sections we shall consider what was done and should have been done to prevent or mitigate the famine which began in June and reached its height in the second half of the year. For this purpose we must first make clear our conception of the actual process of events, and thereby indicate the state of affairs which had to be remedied. What happened was that producers sold their rice as they thought fit at the best price they could obtain, or held it in the hope of still higher prices. Traders bought, held and sold with the object of obtaining maximum profits, and consumers who could afford it bought as much as they could and not as much as they needed. The results were on the one hand unprecedented profiteering and the enrichment of those on the right side of the fence; on the other, the rise of prices to fantastic heights and the death of perhaps one and a half million people. It has been reckoned that the amount of unusual profits made on the buying and selling of rice during 1943, was 150 crores.[1] We cannot vouch for the accuracy of this figure, but beyond question huge profits were made. Very naturally, in the circumstances, there was great indignation against "profiteers, speculators, and hoarders", to whose greed the famine was ascribed; while equally naturally the Government were blamed for their failure to deal drastically with such enemies of society. Popular views about large profiteers who speculated and hoarded amid growing distress, and the inability of Government to control them, were indeed not without foundation. There were such profiteers, but they were not the only culprits.

22. Many witnesses appearing before us laid great stress on profiteering on the part of traders, particularly large traders, and attached much less importance to the attitude and actions of the producer. They pointed to the negative results of the "Food Drive" in June 1943 as evidence against the view that withholding of stocks by the producer played a part in causing the famine. Representatives of the trade, on the other hand, maintained that stocks in the hands of traders were generally much lower during 1943 than in normal years, and referred to the results of the food census in Calcutta and Howrah in support of this contention. They emphasized the reluctance of cultivators, large and small, to part with their produce. The fact is that a large section of the com-

[1] The details of this gruesome calculation are as follows :—
Normally, about 4·5 million tons of rice and paddy in terms of rice pass through the markets and are bought by consumers in the course of the year. At least 5/6th of this quantity, or 3·75 million tons, must have been bought during 1943. Judging from the differences in the prices which prevailed during 1942; and those which prevailed during 1943, as well as the available statistics about prices which actually were paid during 1943, the average difference was not less than Rs. 15 per maund or Rs. 400 per ton in round figures. Hence the figure of Rs. 150 crores as the excess price charged for 3·75 million tons during 1943. Thus every death in the famine was balanced by roughly a thousand rupees of excess profit.

munity, including producers, traders, and consumers, contributed in varying degrees to the tragic outcome. The movement of prices which started in 1942 did not originate in the villages but by the end of the year producers as well as traders were infected by the unhealthy atmosphere of fear, greed, and speculation. At this point the upward movement of prices was resumed. The rise reflected the prevailing mood of producers as well as of traders and consumers. Thereafter every producer who retained his surplus grain or sold it at prices much higher than those prevailing in the autumn of 1942, every trader who held back stocks in the hope of further gain or made a big profit on his sales, every consumer who held larger supplies than usual, helped in accelerating the rise in prices and in precipitating the final catastrophe.

23. It is, therefore, clear that further deterioration in the situation as it existed at the beginning of 1943 would have been prevented only by strict measures of control, affecting not only traders and urban consumers but large numbers of producers in every part of the province. Further, such measures depended for their complete success on full popular co-operation and support. Unfortunately all this was lacking and co-operation was not obtained. We have no desire to enter current political controversies and shall confine ourselves to a brief discussion of the reasons for the lack of full co-operation between the Government and the people.

24. Except for a few days in 1943, the legislature was functioning in Bengal and Ministers responsible to that legislature were in office. At no time, however, was the Government so constituted as to command the support of all principal parties in the legislature. We have had the benefit of discussions with leading representatives of several of these parties, and all have told us that the emergency required an "all-party" Government. This we have no doubt is correct. In a situation such as that arose in Bengal in 1942 and 1943, endangering the food supply and hence the very life of the people, it was clearly necessary that the measures taken by Government should receive the full support of public opinion. This was difficult when counsels were divided, and food administration was the subject of public controversy conducted on party lines. It was necessary that the leaders of the principal parties should all speak with one voice. We are convinced that political strife in Bengal was a serious obstacle to an effective attack on the problems created by high prices and food shortage. Ministries which were subjected to bitter assaults by their political opponents must have been hampered in their endeavour to take decisive action. The opposition parties, on the other hand, would no doubt claim that their assaults were justified, and that they themselves would have handled the food situation more efficiently than the Government in office. We cannot pass judgment on these matters and confine ourselves to emphasizing the lack of unity in the political sphere.

We have been informed that a series of attempts were made to form an "all-party Government" before and after the change of Ministry in March—April 1943. They all failed. We understand that the main reasons for the failure were, first, the refusal of the Muslim League party in accordance with its all-India political policy, to join a government which included any Muslim who did not belong to the party, and secondly, the refusal of other principal parties either to join or support a government from which Muslim leaders, who did not belong to the Muslim League party, were excluded.

25. The formation of an all-party Government was not, however, the only possible means of securing public confidence. The alternative would have been to establish an *ad hoc* advisory body consisting of representatives (including members of the legislature) of producers, traders, and consumers, to promote co-operation between the administration and the public. Such bodies have been set up in several other provinces, and have helped governments to reach satisfactory decisions on food policy and obtain popular support in executing

them. If a body on similar lines had been established in Bengal, it would, we think, have enabled questions arising out of high prices and food shortage to be considered in an atmosphere less charged with political controversy. We understand that a proposal to set up such a body was considered but that Government and the Opposition could not agree on its functions. As a result, food administration continued to be involved in party politics.

26. While there was little co-operation between members of Government on the one hand and the opposition leaders on the other, matters were not improved by the friction and misunderstanding which appear to have prevailed towards the end of 1942 and in the early months of 1943, between the Governor and his Ministers. We have been told by certain of those who held the office of Minister at the time that decisions on food policy were taken by the Governor on the advice of permanent officials, and that Ministers were not "allowed a free hand to deal with the situation in the light of the experience and knowledge they undoubtedly possessed, of the situation in the country". We are unable to endorse this contention. We are satisfied from the material which has been placed before us that important issues of food policy and administration were referred to the Cabinet and decisions taken in the normal way. The statements referred to, do however, indicate differences at the seat of Government which cannot have facilitated the handling of such extremely difficult issues.

27. Finally, reference must be made to the political disturbances which started in August 1942. Apart from the fact that they claimed the attention of Government at a time when the development of the food situation required all their special attention, they added to the difficulties of securing public co-operation and maintaining public confidence. The fact that the disturbances took place in the district of Midnapore where the cyclone had caused such serious damage to life and property was a most unfortunate combination of events in a part of the province which suffered seriously in 1943.

28. We have shown that by the end of 1942 all the signals were set at danger and that great efforts were needed to avoid catastrophe. We do not however, wish to imply that famine, in the form in which it finally appeared, had become inevitable. The lack of political unity was a handicap, but the possibility of effective leadership of the people, and effective action stimulated by such leadership, had by no means disappeared. It may be that when this stage was reached, distress and starvation, in some degree, could not have been entirely averted. But opportunities for mitigating the famine and its lethal results still remained open.

F. The Situation in January 1943

29. In Section B of Chapter VI we described the purchasing schemes undertaken by the Bengal Government towards the end of December 1942 and in January-February 1943. The object of the first scheme was to secure from the districts in the Rajshahi Division a limited quantity of rice and paddy (7,400 tons) to be used for the purpose of moderating prices in the Calcutta market. This objective, it will be noticed, bore no relation to the situation in Bengal as we have described it. On the 9th January, this scheme was replaced by a more extensive one. If the second scheme had been a success, the supplies obtained would have been almost sufficient to feed Calcutta, and imports into that city on private account would have been practically unnecessary. The scheme failed, primarily because purchases could not be made on a voluntary basis within the price limit fixed by Government. It was abandoned on the 17th February. The quantity procured under the second and more ambitious scheme was smaller than that under the first, in spite of the fact that purchases were made in a wider area and for a longer period. Whereas under the earlier scheme, purchases were made by District Officers, agents chosen from the trade were employed for this purpose under the later scheme. Had this change anything to do with the result?

30. This brings us to an important question, namely, the type of organization which is most suitable for undertaking procurement on behalf of Government. At first sight it might appear that a commercial firm with experience in the buying and selling of foodgrains would be a more suitable agency than a purchasing organization manned by officials. This, however, has not been the experience of the large majority of the provinces. Madras, Bombay, Orissa, Bihar, United Provinces, the Central Provinces, and the Punjab have all preferred an official agency, and even more significant is the fact that when a change has been made it has been the substitution of an official for a trade agency. The result of this experience, in our opinion, shows conclusively that in the conditions prevailing in India the procurement of foodgrains on behalf of Government should be carried out by responsible officers in the public service and not by firms chosen from the trade. We shall refer to this matter again in a later chapter, but it is convenient at this stage to indicate the reasons for our view.

31. To begin with, the establishment of a non-official agency raises a problem of selection. The selection of the few gives rise to jealousies and friction which may often lead to difficulties for the agents actually chosen, and this in its turn hinders the co-operation between Government and the trade which is so important for the success of control measures. Again, selection may be influenced by political considerations, and there is the danger that political animosities may lead to allegations against the firms selected. Further, the employment of agents chosen from the trade has been found to impair the confidence of the public generally in the intentions of Government and their ability to carry them out. The public does not readily believe that private firms can be imbued with a spirit of public service; it tends rather to assume that their objective in the circumstances is gain at the public expense. Thus it was alleged at the time, and has been repeated before us, that some of the agents chosen by the Bengal Government under the "denial" scheme, took unfair advantage of their position as agents of Government to make purchases on their own account. It has also been said that some of those employed in January and February 1943 made large private purchases and large profits on such purchases after Government decided on de-control. In fairness to those agents we should state that these allegations were not substantiated by evidence and that the witnesses who appeared before us, did not claim that they possessed such evidence. Nevertheless, the fact remains that such accusations were made, were believed, and did harm in undermining public confidence in the measures undertaken by Government

32. Another reason why an "official" procurement agency is preferable to a "trade" agency is that there is a fundamental difference between normal trading and the procurement of supplies on behalf of Government. Normal trading rests entirely on voluntary contracts; there is no obligation on the seller to sell. A procurement organization established by Government must, however, in the last resort depend on coercion. Any attempt by traders or producers to combine and withhold supplies with the object of forcing up prices must be broken by requisitioning. Requisitioning involves the use of legal powers which must be entrusted only to responsible state officials and not to private individuals. It can be undertaken more effectively, and with less risk of misunderstanding as to its necessity in the public interest, by officers who are part of an official purchasing agency than by officers who are normally outside the procurement organization and are only occasionally called in to support the operations of the trade agents.

33. We can understand why the Government of Bengal in January 1943, at a time when little experience of the technique of procurement was available, decided to entrust the purchasing operations to agents chosen from

the trade. But we have no doubt that they were on right lines when, at the end of December 1942, they started making purchases through District Officers. We believe that if after deciding in January 1943 to increase the scale of these purchases, they had strengthened the official purchasing agency by the substitution of special procurement officers for District Officers, fixed ceiling prices within which purchases would be made, and made it clear that they would not hesitate to requisition from large producers as well as from traders, better results would have been obtained.

34. Procurement, as we have already remarked, must in the last resort depend on coercion. If supplies are held back by traders or large producers, requisitioning is essential. At the beginning of 1943 the Government of Bengal did not take this view. They regarded requisitioning from the cultivator as "quite unthinkable" and feared that if it were done otherwise than occasionally in a local emergency it would end in widespread violence and disorder. But by January 1943 the danger of famine was already imminent. It was of the utmost importance that Government should obtain control of supplies, and if they were not brought to the market voluntarily, there was, in our view, no alternative to the use of coercion in the form of requisitioning from the hoarder, whether he were a trader or a large producer. Clearly, the longer such action was postponed, the more difficult and dangerous it would become. In January 1943 the *aman* crop had just been reaped. The crop was a poor one but was not equally bad all over the province; it was in the western districts that the crop had suffered most. Requisitioning at this time was least likely to arouse opposition, particularly in the areas where the crop had been fairly good. We recognize, of course, that procurement, if it is to be successful in times of shortage, must have the support of public opinion. This applies with special force to requisitioning. The "hoarder" must not be in a position to rely upon public sympathy; public opinion must make him realize that hoarding grain is an anti-social act. As we have already pointed out, there is in Bengal no establishment linking the District and Sub-divisional Officers with the villagers, corresponding to the subordinate revenue establishment in the *ryotwari* provinces.[1] If there had been such an establishment in Bengal, the fears that coercive measures would fail might not have been so pronounced, for Government would have had ready at hand a staff which could have been used not only for obtaining information about the large producers who were holding up supplies, but also for explaining to the villagers the necessity that producers who had a surplus should not withhold it from the market. Its absence was a serious handicap at this time. The question, therefore, which we have to ask ourselves is this: was it possible, at the beginning of January 1943, in the conditions then existing in Bengal, for the Government to undertake a scheme of procurement as outlined in the previous paragraph, without precipitating a breakdown of the administration? We think this would have been possible provided:

(i) procurement was undertaken by Government to assure supplies, not merely for Calcutta but also for other deficit areas in the province;

(ii) a "propaganda drive" was undertaken simultaneously to explain the danger threatening the province, and the reasons for the measures Government were taking; and

(iii) local food committees were set up for the purpose of mobilizing public opinion in the villages in support of the administration.

35. We realize that local opinion in the districts, particularly in those in which the *aman* crop had suffered most, was likely to be opposed to purchases

[1]Paragraph 9 of Chapter II.

being made by Government for supplying other deficit areas, particularly Calcutta. It would be inclined to favour local self-sufficiency. We doubt, however, whether in January this opposition was very pronounced, and we think it would not have been impossible to have reconciled rural public opinion to the need for an equitable distribution of available supplies to urban as well as rural consumers. The announcement that the procurement operations were being undertaken not merely for supplying Calcutta but also for meeting the needs of rural deficit areas would have helped in overcoming any such opposition.

36. In view of what we have said in paragraph 34, the need for the "propaganda drive" referred to therein is, we think, obvious. Such a campaign was undertaken later towards the end of April and during May 1943. It failed and has been severely criticized. We have been told that Government advised people that there was no shortage at a time when everybody knew that there was a shortage, and that this increased the prevailing lack of confidence. At that time the original Basic Plan had just been drawn up, and it will be recalled that under the Plan Bengal was to receive, in monthly quotas, a total quantity of 350,000 tons of rice, in addition to large quantities of wheat and millets. It was calculated that, taking into account these supplies, there would be no shortage in Bengal, and so far as we can gather it was on the result of this calculation that the propaganda was based. Certainly this was the line taken by the spokesman of the Government of India about the middle of May in Calcutta. The impression created in the public mind, however, was that Government were maintaining that there was no shortage in Bengal irrespective of the supplies to be received under the Basic Plan. Conditions actually prevailing in Bengal at the time were far too serious for anyone to believe anything of the kind. We consider that this propaganda of sufficiency was quite ill-advised. We think that it would have been wiser to have told the people the truth, that is, that there was a shortage, and that although it was hoped to obtain supplies from other provinces it was essential, if famine was to be averted, that everybody who had stocks should dispose of them without waiting for higher prices. It was considered at the time that it was inadvisable to alarm the public by referring to the possibility of famine, and that it was undesirable that the enemy in Burma should be acquainted with the serious position in regard to food supplies in Bengal. We are not impressed by these arguments. The emergency was such—famine started in Chittagong by the beginning of June—that it could not be hidden, and in the circumstances it was essential that the people should be truthfully informed about the real position.

37. We now turn to the proposal for the formation of local food committees. We do not over-estimate the capacity of village committees for sustained effort; nor do we minimize the usual difficulties arising out of personal, communal, and political factions which, in rural areas no less than in urban areas, often tend to impair the usefulness of such committees. Nevertheless it seems plain that the problems which had arisen at the beginning of 1943, were such that the district administration in Bengal could not cope with them without the support of an emergency organization of local committees. We believe that the organization which was subsequently created in June, (which we described in paragraph 3 of Chapter VIII) served a valuable purpose and must have helped to save some lives. If local committees had been set up earlier, they could have been used as a medium for explaining Government's policy and the need for the stringent measures which were being taken. They could also have helped in the prevention of hoarding in their own villages. We recognize that all would not have been efficient, and that some might even have hampered rather than assisted the carrying out of Government's policy. But we take the view that on the

whole these committees would have been of considerable assistance in the circumstances.

G.—The situation in March 1943

38. As we have explained in Section C of Chapter VI and Section C of Chapter VII, two inter-related measures—"De-control" and a "Rescue Plan"—were undertaken in March, 1943, in an endeavour to increase the flow of supplies and to moderate prices. Early in March the developing crisis came to a head in Calcutta. During the two previous months, the Government of Bengal had tried to keep supplies moving without allowing prices to rise, and had failed. They were faced with this dilemma. If they continued their policy, Calcutta would starve with the certainty of serious disorder among the large labour force employed in war industries. If, on the other hand, they attempted to secure supplies by coercion in the rural areas, it was feared that widespread violence and disorder would occur. They decided to concentrate on the purchase of supplies and to abandon "any vestige of price control", in the hope that prices, after an initial flare-up, would settle down near the level at which they originally stood. The "rescue plan" aimed at obtaining 60,000 tons of rice from neighbouring provinces and the Eastern States within three or four weeks for the purpose of "breaking" the Calcutta market.

39. The hope that under de-control prices, after a preliminary rise, would fall was not realized. On the 3rd March 1943, the price of coarse rice in Calcutta was Rs. 15 a maund; by the 20th of the month it had risen to Rs. 21 a maund. The supply position was for a time easier but by the end of April the stocks of rice in Calcutta were running low again. The "rescue plan" contemplated the despatch to Bengal of 60,000 tons of rice but only about half that quantity was obtained. It has been urged that if the 60,000 tons had been obtained within three or four weeks as originally intended—the quantity actually received was spread over about 6 weeks—de-control would have proved successful. We doubt it, for in the conditions prevailing in Bengal producers and traders would have held on to their stocks in the knowledge that the 60,000 tons would be quickly consumed.

40. In the absence of internal control, the only method by which control could be exercised was by securing large imports from outside the province, and thereby convincing the producer and the trader that nothing would be gained by holding on to stocks in the expectation of higher prices. This, however, would have required the import not of a few thousand tons but of hundreds of thousands of tons. Indeed in the conditions of scarcity, fear, and greed prevailing in Bengal by the middle of March 1943, it would have been necessary to "flood" the markets not for a week or two but for a considerable period; without this it was impossible to spread among producers, traders, and consumers the idea that a fall in price was imminent. The immediate import of so large a quantity from the other provinces and states was not a practical proposition. An export surplus of this magnitude did not exist and it was quite unreasonable to expect the rest of India to feed Bengal while the trader and producer were being convinced that the game was up.

41. The dumping of relatively small quantities of rice thus gave no hope of reducing prices and huge imports were out of the question. In the circumstances, was there any course left open which offered a prospect of retaining control? We recognize the risk involved in requisitioning from the large producer at that time, particularly if the stocks requisitioned were to be used mainly for supplying Calcutta. Was there any way by which requisitioning could be made less risky? We suggest there was. It seems to us that the position by March had so deteriorated that some measure of external assistance had become indispensable if a disaster was to be avoided. A heavy burden was placed upon the resources of the province in 1943 by the demands of Greater Calcutta. The population of this important industrial area, over 4

millions, includes a large number of persons employed by the Provincial and Central Governments, local Bodies, the railways, utility companies, and firms engaged on war work. It was essential that they should remain at work, for the life of the community and the prosecution of the war depended upon their being at their posts. The extent to which external assistance could be given was limited, and moreover its value depended on the intensification of controls and not on their relaxation. We think, therefore, that the correct course in March was for the Government of India to have *announced* that they would provide, *month by month*, first, the full quantity of wheat required by Greater Calcutta and secondly, a certain quantity of rice. We do not suggest that it would have been possible to supply the full quantity of rice required by Greater Calcutta, but the assurance that a specified amount would be forthcoming regularly would have had a good psychological effect and would have eased the situation in the city. It should then have been possible for the Government of Bengal to undertake requisitioning. It is true that the scheme we have outlined would have involved the risk of a full supply not reaching Calcutta. In the circumstances, it was justifiable that Calcutta should have some share in the risk of short supplies which faced the province as a whole.

42. The question then arises whether the Government of India could have ensured these supplies. We think there would have been no serious difficulty. At the time there was a bumper wheat crop on the ground in the Punjab, price control had been removed, and supplies were moving into the markets. As regards rice, there would have been more difficulty. But supplies were coming in from Orissa and satisfactory arrangements might have been made for procuring the supplies available in the Eastern States. This would have given the Government of India time to explore the feasibility of obtaining supplies from other provinces. We consider that pressure should, if necessary, have been brought to bear upon those Governments to come to the help of Bengal.

43. We have described the dilemma with which the Government of Bengal were faced early in March 1943. They had to decide between two courses of action, both of which involved serious risks. Their decision in favour of decontrol was in accordance with the policy of the Government of India and indeed, was taken with their approval. We appreciate the care with which the Bengal Government weighed the *pros* and *cons* before reaching their decision. But it was, in our opinion, a wrong decision.

II.—External assistance

44. In paragraph 5 of this Chapter, we have stated that one of the causes of the Bengal famine was the delay in the establishment of a system of planned movement of supplies from surplus provinces and states to deficit provinces and states. We shall now consider to what extent external assistance could have influenced the course of events in Bengal, and whether there was any avoidable failure in the provision.

45. In this connection, a clear distinction must be drawn between wheat and rice. The need of Bengal for imports of wheat was never in doubt. We have seen that the supply of wheat received by Bengal during the last five months of 1942 and the first two months of 1943 was seriously inadequate. This shortage unquestionably intensified the demand for rice in Calcutta at a critical time. Was it unavoidable? We do not think so. What happened was that a speculative rise in prices occurred in the wheat producing areas of Northern India. The Government of India attempted to check it by the imposition of statutory maximum prices but failed, and the failure showed the real nature of the problems which had to be solved before control of prices could be made effective. We have explained in paragraph 24 of Chapter IV how it had become evident that an equitable distribution of wheat supplies could not be maintained, unless some authority determined the quantity of wheat to be taken off the Punjab market from time to time, and how it should be distributed

between the Army and the various consuming areas. It had also become clear that the establishment of an adequate procurement organization in the wheat producing areas was necessary to secure the exportable surplus. These problems largely remained unsolved throughout 1942. They could not be solved except by arrangements such as those subsequently made under the Basic Plan of the Government of India. In other words, the Basic Plan should have come into operation very much earlier than it did. Was this possible? We think it would have been if there had been agreement on the matter between the Punjab Government and the Government of India. The key to the situation was held by the Government of the Punjab. The bulk of the exportable supplies of wheat is in the Punjab and the successful procurement of these supplies depended on administrative action by the Punjab Government. The Government of India did not possess the necessary administrative machinery. The situation prevailing throughout the latter half of 1942, when purchases continued to be made by competing private agencies at prices in excess of the statutory limits, should, in our opinion, have been brought to an end sooner than it was. In our opinion an agreement should have been reached at a very early stage between the Government of India and the Government of the Punjab on the price level to be maintained; and price control should have been fortified by the establishment of an adequate procurement organization and consequent control of supplies. If, instead of de-controlling prices, this had been done, and wheat had been procured and distributed under a central plan, Bengal would have secured larger supplies. This would have been beneficial in two ways: first, it would have reduced the pressure on the Calcutta rice market in so far as it arose out of the shortage of wheat, and secondly, in view of the bumper wheat harvest of 1943, it would have been possible to send a large proportion of the supplies which reached Bengal towards the end of the year, at an earlier period when they would have been more useful

46. The possibilities of help from outside were much more limited in the case of rice. The reasons have been explained in earlier chapters. Here we would merely recall the attitude of the Bengal Government themselves at the Food Conference held in December 1942 as proof of their recognition of this fact. Nevertheless, the Bengal Government maintain the view, which is also shared by many witnesses who appeared before us, that Bengal might have secured larger supplies during the early months of 1943 from the adjoining areas of the Eastern Region. It is urged that this was prevented by the fact that the Central Government had delegated powers to provinces to control exports and the provinces, in their anxiety to conserve their own resources, refused to release sufficient supplies for Bengal. We have already said that in our opinion the system of the control of exports, adopted by the provinces during 1942, was in the conditions created by the fall of Burma a necessary step towards the control by Government over the trade and that free trade could not have continued. The question therefore, to be considered is whether arrangements could have been made quickly enough to provide Bengal at an earlier date with supplies of rice in approximately those quantities which were obtained later in 1943 from other provinces and states. We think that the arrangements under the Basic Plan should have been made earlier in respect of rice also.

47. In retrospect, it now seems clear that the transfer in 1942 of the demand from areas formerly dependent largely on supplies from Burma to the markets in the main rice-producing areas in India was bound to give rise to serious disturbances in those markets. It will be recalled that prices rose sharply soon after the fall of Burma, that is, in the summer of 1942. But we think we are right in saying that it was not realized beforehand how swift and violent the reaction in the rice markets would be. The fall of Burma was also not anticipated until shortly before the event. It is true that difficulties occurred during 1941 which can now be identified as premonitory symptoms of subsequent disturbances in the rice markets during the summer of 1942. We may

refer to the account in paragraph 20 of Chapter IV of the proceedings of the Third Price Control Conference. Difficulties at that time were due largely to the shortage of shipping, and no one then anticipated the loss of imports. The conclusion reached at that conference was that rice, generally speaking, was a problem for which solution should be found by provincial authorities. When the Fourth Price Control Conference met in February 1942, the invasion of Burma had already begun and the dangers were becoming more obvious. The Government of Bihar were concerned about the effect of the possible loss of rice imports from Burma, and at their instance representatives of the Governments of the Eastern Region and of the Government of the Central Provinces met on the day preceding the conference to discuss the regulation of prices and supplies. Various measures, including price control, were discussed at this meeting but complete agreement was not reached. At the conference on the following day, discussion centred round price control and it was generally agreed that prices might have to be controlled in the near future. The distribution of the supplies available in India was not discussed. In April 1942, the Government of India convened a conference for examining the problems of food production, and the question of the arrangements necessary for the maintenance of the distribution of supplies between provinces and states was discussed at this conference. The need for the establishment of a central authority for regulating distribution was recognized, and the dangers inherent in the control of exports by individual provinces and states, with reference only to their own needs and without adequate co-ordination by a central authority, were prominently emphasized. But, even as late as September 1942, when the Sixth Price Control Conference considered the rice situation as it had already developed in several provinces, ideas regarding arrangements for the control of the movement of rice supplies across provincial and state frontiers had not crystallized into a concrete plan. We feel that valuable time was lost during this period when the need for co-ordinating the demands of the deficit areas with supplies from surplus areas was pressing. The rapid imposition of embargoes on export, without provision for meeting the needs of deficit from surplus areas, also indicated the urgency of the problem. Further, the time taken for the evolution of the Basic Plan might, in our opinion, have been considerably shortened if the rapidity with which a serious food situation was developing in the country had been realized early in 1942, and a separate department of the Government of India established for dealing with it.

48. In our analysis of the situation in Bengal at the end of 1942 and the beginning of 1943, we have stressed the psychological aspect. One of the causes of the general belief that prices must rise was the sense of isolation. People in Bengal knew that the *aman* crop had failed, that there would be no imports from Burma, and that all the surrounding provinces had closed the door against exports. If at that time the people could have been informed that procurement operations were in progress in other provinces, and that the Central Government would distribute supplies from the surplus areas to provinces in need, the psychological problem would not have been so intractable.

I.—Free trade

49. A turning point in the history of the Bengal famine occurred on the 11th March 1943. Up to that date, the Government of Bengal, as well as the Government of India, had been moving, on the whole, in the direction of increasing control, though the pace of progress proved too slow in the conditions following the failure of the *aman* crop. The situation which developed in January and February 1943, demanded an intensification of control measures. Not only did this not take place, but on the 11th March there was a striking change in the direction of the policy of Government and a retreat from control began. "De-control" was the first step in this retreat. The removal of the

"barriers" within Bengal was the next step. Early in April, as we saw, the Bengal Government told the Government of India that "the barriers will have to be broken despite the risks and the pent up forces that will thus be let loose. They are of opinion that the logic of events will compel the Central Government to adopt the same course in respect of this Region". In the event, free trade was introduced into the Eastern Region.

50. Free trade came into force on 18th May. We have described in Section C of Chapter VII why this policy was adopted, how it worked, and the results it produced. In earlier sections of the present Chapter we have explained why, after the fall of Burma, it was impossible under free trading conditions to ensure the distribution of supplies of rice at reasonable prices in Bengal and the other main rice producing provinces. It is, therefore, clear to us that the decision to introduce free trade into the Eastern Region was a mistake. It could only result, not in the solution of the food problem in Bengal, but in the creation of similar conditions in other areas of the Eastern Region. We have little doubt that if free trade had been continued for a longer period it would have caused widespread distress and starvation among poorer classes in those areas. Indeed, by the middle of July prices had risen very steeply in the Eastern Region outside Bengal, and had reached a level which was placing food beyond the reach of the poorer sections of the population. It has been alleged that the Provincial Governments and their officers took steps to prevent rice being despatched to Bengal. We have ourselves little doubt that there was obstruction to purchases and removal of rice in certain areas. But we do not think that this made any serious difference to the Bengal situation as a whole. As we have said, free trade, while it could not solve the problem in Bengal, was, in the conditions then prevailing, a measure calculated to cause a steep rise in prices and consequent severe distress in buying areas. The attitude, helpful or otherwise, of the provinces concerned was not material to the success or failure of free trade.

51. We must again ask the question: What was the alternative? Two courses were at the time regarded as open. One was "unrestricted free trade" and the other "modified free trade". We have described the difference between these two courses in paragraph 27 of Chapter VII. "Modified free trade" meant the continuance of the Basic Plan, with the important modification of substituting an officer of the Central Government for the Provincial Governments of the Region as the authority responsible for controlling inter-provincial movements. As between the two proposals, the advantages of "Modified free trade" were so obvious that we consider it unfortunate that the Government of India gave up their initial preference for it on the insistence of the Government of Bengal. We appreciate the anxiety of the Bengal Government to secure as large a quantity of supplies as possible, but we feel that they failed to realize the importance of securing control of all the supplies brought into Bengal from outside the province. "Modified free trade" would have enabled such control to be exercised for all purchases would have been made under permits granted by an officer of the Central Government. The Government of Bengal would have been able to control, not only the places to which supplies were sent, but also the prices at which they were sold. Further, the licensed traders could have been allotted different areas in which to make their purchases, and in this way competitive buying would have been avoided. Lastly, the serious disturbances in the markets of the buying areas caused by unregulated purchases during the free trade period would not have occurred. These advantages were lost as a result of the choice of "unrestricted free trade".

52. One of the most unfortunate results of free trade was that it evoked hostility to Bengal in the Eastern Region. We have already described the charges and counter-charges which were made at the time and need not repeat

them. They were the inevitable result of the attempt to extract the maximum amount of rice in the shortest possible time, without regard to its effect on prices and supplies in the areas outside Bengal in which purchases were made. One particular cause of illwill and hostility was the feeling that it was not the Bengal Government or the people in need who reaped the benefit, but the traders themselves. This was true enough as far as private traders were concerned, for prices did not fall in Bengal. The same allegations were, however, made and repeated before us with regard to the purchasing agent of the Bengal Government. At this period the buying of rice on behalf of Government was entrusted to a firm of rice merchants in Calcutta. It was publicly alleged at the time that control over purchases made by this firm was inadequate and that undue profits were made by the firm or its agents at the expense of Government. We have given the matter our most careful consideration but have had no opportunity, within the time at our disposal, of making a detailed inquiry. Accordingly, previous to the submission of this report, we have recommended to the Government of India the investigation of certain accounts and other questions relating to those transactions.[1] We feel that the matter needs to be cleared up in the interests of the Government of Bengal and the public, and in order to promote confidence in food administration in Bengal.

J.—Distribution of supplies

53. Rationing was not introduced into Calcutta until 1944. During 1943 consumers made their purchases from three kinds of shops, ordinary retail shops, controlled shops, and employers' shops. Retail shopkeepers bought their supplies in the open market and their sales were not controlled as regards quantity or price. Everybody could buy grain in these shops provided he could pay the prevailing high prices. Controlled shops provided a limited supply, at prices subsidized by Government, to consumers who were prepared to undergo the discomfort of waiting in long queues. These shops were supplied from Government stocks. The employers' shops obtained their stocks partly from Government and partly by purchases in the open market. These shops provided a regular supply to about one million consumers at subsidized rates. Throughout the year a large proportion of the supplies arriving in Calcutta were brought in by private traders over whose transactions there was no control. They were free to sell to the highest bidder—and there was no lack of bidders. They were also free to withhold stocks from sale if the prices offered were not according to their expectations. This was the position in regard to the distribution of rice in Calcutta during 1943.

54. Prices in the Calcutta rice market govern rice prices throughout Bengal. In the absence of control by Government over the distribution of the rice supplies reaching the Calcutta market on private account during 1943—and given the shortage of supplies in Bengal—it was inevitable that the pace for the rise of rice prices throughout Bengal should be set by the purchasing power of consumers and employers, including the private and public employers of the "priority" classes in Calcutta. The city was prosperous and the purchasing power was large. Many persons could afford to pay high prices for the supplies required for their own domestic consumption and for that of their servants and employees. The Excess Profits Tax afforded a means whereby a large proportion of the cost of supplying the industrial labour force with food at subsidized rates could be passed on to Government revenues. The cost of feeding other categories of the "priority classes" at subsidized rates fell directly on the revenues of the Central Government, the Provincial Government, or the Railways. It was, therefore, possible for Calcutta to pay a price for rice which was beyond the reach of large classes of the population in the rural areas.

[1] One of us Mr. M. Afzal Husain has further recommended that similar inquiries by a similar agency should be conducted into similar allegations regarding food purchases in India.

55. The ordinary consumer in Calcutta was helpless in this state of affairs. He had to buy at the prevailing market prices. The employers of labour had to provide their employees with food at subsidized rates or give ever increasing dearness allowances to enable them to buy it. The individual trader sold at the prevailing market prices, for if he contented himself with a smaller profit than the maximum obtainable, he merely helped another trader to make more profit. The "free market" in Calcutta was in an unnatural condition in which there was no competition among sellers and intense competition among buyers. The only way by which the conditions in the Calcutta market could have been prevented from raising prices throughout Bengal was by Government assuming control of the distribution of supplies in Calcutta, that is, first by controlling the wholesale and retail traders and secondly by the introduction of rationing.

56. Rationing did not come into force in Calcutta until the 31st January 1944. The reasons for this delay, in their order of importance, may be summarized as follows:—

(i) Lack of confidence of the Bengal Government in their ability to undertake the responsibility for supplies which rationing implies.

(ii) The preference by the Government of Bengal for a scheme of distribution under which Government shops replaced entirely private shops.

(iii) Difficulties and delays in securing staff and accommodation.

57. The first of these reasons was the crucial one. By March 1943, as we explained in Section G of this Chapter, the position had so deteriorated that external assistance was necessary. Under the scheme we outlined in that Section it would have been possible, by the combined efforts of the Government of India and the Government of Bengal, to maintain controlled procurement and at the same time provide supplies for Greater Calcutta, though a full supply of rice could not be guaranteed. It would also have been necessary for the Bengal Government to take action, preliminary to the introduction of rationing, to tighten up the control of distribution in Greater Calcutta. This would have involved the strict enforcement of the Foodgrains Control Order and the licensing of retail traders not covered by that Order. In this way full information would have been obtained of stocks and it would also have been possible to ensure that they were not held up or unevenly distributed. Provided this action was taken we do not think that a relatively small deficiency in the rice supply would have caused a catastrophe in Calcutta. In any case some risk had to be run. Preparations for rationing should also have been pushed on as quickly as possible and rationing introduced in two or more stages as in 1944. We recognize that these measures would have thrown a heavy burden on the administration but the danger threatening the province was great. If this scheme had been adopted in March controlled procurement could have continued and at the same time control would have been obtained over supply and distribution in Greater Calcutta. The latter in its turn would have assisted procurement.

58. Under the scheme actually adopted in March, controlled procurement was abandoned and the disturbing influence of conditions in the Calcutta market on prices throughout Bengal continued unchecked. Again when free trade was introduced in May large quantities of rice brought to Calcutta from other areas in the Eastern Region were not under Government control, and the disturbing influence of conditions in the Calcutta market on prices throughout Bengal remained unabated. Controlled procurement was also impossible. In the conditions created by the adoption of a policy of de-control in March and the introduction of free trade in May, it was impossible for the Provincial Government to obtain control of supply and distribution in Greater Calcutta and rationing was impracticable. Free trade was abandoned at the beginning of August but controlled procurement was not undertaken until the end of that month when famine was raging in the province.

59. Large quantities of wheat and rice started arriving in Calcutta on Government account from other parts of India in August and October 1943 respectively and the Provincial Government were assured of adequate supplies of both wheat and rice from the beginning of October. Although the rationing of Greater Calcutta remained a matter of primary importance in the food administration of Bengal, it was not until the 31st January 1944 that rationing was brought into force in the city of Calcutta and certain neighbouring municipalities, and not till May 1944 that it was extended to the whole of Greater Calcutta. The delay was chiefly due to two causes. First, the preference by the Government of Bengal for a scheme of distribution under which Government shops replaced entirely private shops, and secondly, difficulities and delays in securing staff and accommodation. The number of retail shops required to meet the needs of a population of four millions must run perhaps to a couple of thousands. We can understand that it was desirable to have a certain number of Government shops but, clearly, the proposal for the entire exclusion from the distribution system of private retail dealers would have resulted in the introduction of rationing being delayed almost indefinitely. We recognise that the difficulties of recruiting and training the large staff required and of acquiring accommodation were real and great, but we are of opinion that avoidable delay did take place. The delay in the recruitment was accentuated at one stage by an endeavour to maintain communal proportions. We consider this to have been particularly unfortunate. In an emergency, particularly one affecting the food of the people, administrative action should not be delayed by attempts to observe rules fixing communal ratios.

K.—Famine relief

60. In this Section we propose to consider in retrospect the problem of relief and the relief measures taken by the Bengal Government. In a previous chapter we have told how the famine affected the poor in rural areas and how the situation was made more difficult by the migration of large numbers of famine victims. The magnitude of the task of relief should be fully understood. In this connection we may draw attention to the size of the population of Bengal. For administrative purposes the province is divided into five Divisions. Two of these, namely, the Presidency and Burdwan Divisions which include Greater Calcutta, contain a larger population than the province of Bombay, the State of Baroda, and the Gujerat and Deccan States taken together. A third Division, Dacca, has a larger population than the two provinces of Assam and Orissa taken together. A fourth, Rajshahi, is more populous than the Central Provinces and the last, the Chittagong Division has a population equivalent to Travancore and Cochin taken together.

61. There were variations in the seriousness of the famine in different parts of Bengal. According to an estimate made by the Government of Bengal, the intensity of distress was greatest in 29 sub-divisions with a total area of 21,665 square miles and a population of 20 millions. The rise in the price of rice was, however, general throughout the province and involved danger of starvation for the poor everywhere. Hence, while the need of certain areas was particularly urgent, relief operations on a varying scale were required throughout most of the province.

62. The remarkable feature of the Bengal famine was that the rise in the price of rice was one of the principal *causes* of the famine. This, as far as we are aware, makes it unique in the history of famine in India. The great majority of Indian famines have been caused by drought and widespread failure of crops over wide areas. Floods, hail, and cyclones have on rare occasions produced the same effect. War, and civil disorder played a part in some of the great famines of the 18th century and earlier eras. In large famines produced by such calamities the shortage of grain was naturally reflected in a

rise in price, but the latter was a secondary phenomenon, and not a primary cause of the famine.

63. The Famine Code, which took shape during the last quarter of the 19th century, was evolved as a measure against typical "drought famines" (Each province has its own Famine Code, but the principles of all are similar). The course of events in such famines and the way in which the Code operates, are somewhat as follows:—The crops fail because of drought. The people in the affected area are deprived of local supplies of grain, and their reserves of money are reduced because agriculture is their sole means of livelihood. Without help, they would starve. At this point, Government steps in and provides them with money to buy food, the money being provided as loans, gratuitous relief, or as wages for labour on relief works, the last being much the most important. Labourers on famine relief works are paid a wage adjusted to the local price of grain, enabling them to buy enough food to cover their calorie requirements. The system requires that supplies of grain should be available in the famine area at a reasonable price and this again depends on the existence of surplus stocks elsewhere in the country, the free commercial movement of grains, and adequate means of transport into the famine area. In recent famines, apart from the Bengal famine, these conditions have been fulfilled and grain has flowed into the famine area through ordinary commercial channels. In the Hissar famine of 1940, for example, there were abundant supplies of wheat in the affected area throughout the famine, and its price did not rise above the all-India level. Under certain circumstances the Government may intervene to secure supplies of grain for the famine stricken population, but in general the policy of the Code is one of non-interference with private trade.[1] The Code envisages the appointment of a Famine Commissioner, with dictatorial powers, should famine be serious and widespread. In smaller famines a special Famine Commissioner need not be appointed, his functions being exercised by the Collector in the famine area.

64. In the relatively small famines of the last 40 years, the relief procedure embodied in the Code has on the whole proved satisfactory. It has served to mitigate distress and prevent deaths from starvation. Some rise in the death rate might occur in times of famine, due to debility and disease, but mortality on a catastrophic scale was avoided. Experience in the Hissar famine suggested that the Code requires modification in various respects, but in general it has achieved the purpose for which it was designed.

65. It is at once obvious that the Bengal famine, as it had developed by the middle of 1943, and the kind of famine with which the Code is concerned, were two very different things. The Code does not anticipate an enormous rise in the price of grain, to five or six times the normal level. It assumes free trade in foodgrains; free trade no longer existed in India in 1943. It assumes that there are surplus supplies of food in the country and that their transport to the famine area will be unchecked; this was not the case in the Bengal famine. Further, the setting up of relief works on a sufficient scale in the very large area ultimately affected in the 1943 famine would have been, for various

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Extract from Section 83 of the Bengal Famine Code:—

"(a) Without the previous orders of the local Government no grain shall be imported by the local authorities into any tract or area of relief work. The policy followed should be strictly one of non-interference with private trade.

(b) Every possible facility shall be given for the free action of private trade in time of scarcity or famine"

It is of interest to mention two famines in the second half of the 19th century in which private trade did not bring in supplies. In the Orissa famine of 1866 the threat of famine was not realized until after the monsoon had arrived and the famine area was cut off from supplies by the impossibility of transporting grain during the rains. In the Bihar famine of 1873, Government concluded that private trade could not bring in sufficient supplies and bought large stocks of rice in Burma and distributed them to the affected population through Government depots.

reasons, a formidable if not an impossible task. The organization of relief works in Bengal during the rainy season, when the greater part of the countryside is under water, presents special and almost insuperable difficulties. These considerations would not, however, have hindered the application of relief along the lines of the Code at an earlier stage in the development of the famine.

66. We may now consider certain criticisms of the relief measures taken by the Bengal Government which have been made by numerous witnesses. These can be briefly summarised as follows:—

(i) Failure to declare famine under the Famine Code;

(ii) Failure to make an early start in the organization of relief measures;

(iii) Failure to establish in time an adequate organization for the movement of supplies available to the Government.

67. The declaration of famine is a stage in the procedure prescribed in the Famine Code. The reasons why famine was not declared in Bengal have been explained as follows by the Bengal Government. Up to June 1943 such a declaration would have been inconsistent with the existing propaganda policy by which an attempt was being made to allay fears of shortage and create confidence. After this date, the Government felt it unnecessary to declare famine because "the circumstances envisaged by the Famine Code in administering famine relief did not virtually exist in Bengal at that time." We may quote here from a report presented to us by the Bengal Government:

"The general principles of the Famine Code could not be applied in their entirety: that Code envisages the grant of agricultural loans and the opening of relief works as the basis of operations and postulates that trade will be able to move in supplies (if necessary with help in transport) if loans and money are made available. In the conditions of 1943 the supplies were neither adequate nor free to move. The grant of loans or issue of money would therefore merely aggravate the situation as relief in kind had to be improvised with such supplies as could be got.

"The Revenue Department did actually distribute agricultural loans on a fairly large scale in all areas where it was thought that foodgrains might be had from the small reserves held by various people. The distribution of such loans on a very large scale might have led to greater inflation with a further upward tendency in prices. On the other hand, it was scarcely possible to open large relief works or poor houses on a large scale without a definite possibility of obtaining supplies through the traders or otherwise but this did not exist. Government therefore had to improvise an alternative procedure for the distribution of relief and this mainly took the form of free kitchens for which supplies on a very limited scale could be obtained"

68. We have already expressed the view that the propaganda policy followed during April and May 1943 by the Bengal Government with the support of the Central Government was misguided and that it would have been better to warn the people fully of the danger of famine. As regards the inapplicability of the Famine Code, it is certainly true that the relief measures feasible in the circumstances were very different from those prescribed in the Code. Local Officers would have required guidance in the unusual circumstances and the provisions of the Code would have had to be modified by special orders such as those issued to District Officers in August. Nevertheless, we believe that the declaration of famine would have been attended with certain advantages. It would have led to the appointment of a Famine Commissioner with plenary powers over relief, who would presumably also have assumed control of food supplies allotted to the districts. It would have simplified administrative and financial procedure and removed the uncertainty with regard to such procedure in dealing with problems of relief which we believe existed to some extent in

1943. Under the Code, District Officers are required to make frequent and detailed reports about the situation in their districts; if the Code had come into operation during the premonitory stages of the famine, the Government might have obtained earlier clearer information about the extent of the famine and the number of people in need of relief. Finally the declaration of famine might have quickened public sympathy, both within and without the province, and focussed the attention of other provinces on the plight of Bengal, and her need for assistance, at an earlier date.

69. **Delay in starting relief measures.**—We have already referred to the fact that Commissioners and District Officers reported growing distress in many districts very early in 1943. From March onward the anxieties of local officers increased and they left the Provincial Government in no doubt about the seriousness of the situation. Towards the end of June famine was present in many parts of Bengal. It was not, however, until 11th June that the Government called for detailed information about the areas affected, the numbers involved and the nature of the relief required. Orders for the organization of relief measures were not issued until 20th August, and the Famine Relief Commissioner was not appointed until 26th September. We feel that all this should have been done at least 3 months earlier. When the "food drive" was undertaken famine should have been already declared and the drive should have been linked with arrangements for collecting and distributing supplies for relief purposes. Distribution of food on a large scale was not begun, except in isolated areas as a result of local initiative, until September—several months after the need for it had arisen. With prices of rice soaring to unheard of levels, relief in the form of small payments of money, whether given gratuitously, as agricultural loans, or as test relief in return for work, could do little to relieve distress. Food was required. The delay in organizing relief, and the inadequacy of the quantities later issued as uncooked grain or cooked "gruel", both reflect the disastrous supply situation that had developed.

70. It appears that at one stage in 1943, expenditure on relief was limited on financial grounds.[1] We are of opinion that when the lives of the people are at stake financial considerations must not be allowed to restrict relief operations. If necessary, funds to the fullest extent required should be provided by borrowing in consultation with the Reserve Bank or the Government of India.

71. **Movement and Storage of Supplies.**—We have described the piling up of stocks of grain in Calcutta and in certain procurement areas in the second half of the year. This began in Calcutta in August and continued until the Army took charge of movement in November. The accumulation of stocks urgently needed for the relief of hunger all over Bengal was due to lack of adequate organization for the reception of supplies of foodgrains and their despatch to the districts. The arrival of large supplies from outside Bengal overwhelmed whatever organization already existed in the province. The Government of Bengal stated in July that they were prepared to deal with the arrival of 120 or even 500 wagons of foodgrains daily, and also "to appoint a Transport Officer and a Transport Department who will do the work of receiving goods, handling them here, distributing them to the various districts, and also doing inter-district transport" In the event, they failed to carry out these undertakings. Stocks arriving in Calcutta were not properly located and identified on arrival, the station of despatch and the quantities received were often not noted and arrangements for storage and distribution were unsatisfactory. It has been claimed that the arrival of such large supplies was unforeseen and hence suitable arrangements could not be made to deal with them. In view of what has been said above, this claim appears to be inadmissible. We feel

[1]Extracts from papers relating to certain financial aspects of relief—Appendix VIII.

that an energetic attempt should have been made to secure the necessary personnel and build up the necessary organization; for example, officers could have been obtained from outside the province. According to evidence presented to the Commission, the Government of India offered help in September 1943, but the reply was received that this was not required. In October, two officers from the Department of Supplies, Government of India, were sent to the Government of Bengal to help in supervising the reception and despatch of grain supplies; it appears, however, that their services were not fully utilized. We may add that there were in Calcutta businessmen whose experience of organization qualified them for such work, but according to the Government of Bengal, "all attempts to secure suitable men from the business houses proved abortive" The Bengal Government should, in July or thereabouts, have undertaken the task of setting up the organization needed to deal with the arrival of foodgrains in Calcutta under the Basic Plan and their despatch to the districts, and, if local resources were inadequate, impressed on the Government of India their need for assistance. If they had done so, the latter might have found that suitable help could be obtained only from the Army, which possessed trained personnel with experience of large scale transport problems. We have already described the vigorous steps taken by the Army to organize transport when it came to the rescue in November. If the Army had been called in two months earlier, say in September, famine mortality would have been considerably reduced.

One of the reasons why the arrangements made by the Government of Bengal to deal with transport and other problems arising during the famine were unsatisfactory was that they failed to realize the magnitude of these problems and the scale of the organization required for their successful solution. Associated with this was a reluctance to appeal for outside help even when the organization and personnel available within the province were obviously inadequate. We feel that this attitude was particularly unfortunate in the circumstances.

Reference has been made elsewhere to the inadequate storage accommodation in Calcutta and the fact that during the closing months of 1943, and in 1944, grain was stored in the open in the Royal Botanical Gardens. While we have evidence that only a small percentage of these stocks deteriorated, their storage under such conditions was undesirable for various reasons, including the effect on public opinion. According to non-official witnesses appearing before us suitable storage accommodation could have been found in Calcutta if the trade had been consulted and its co-operation invited.

72. Among other criticisms of relief measures, we may mention the view that the establishment of food kitchens was a mistake—that it would have been better to distribute food as "dry doles" through a reliable method. Unquestionably the food kitchen system led to corruption and there was much mismanagement. It was, however, the only feasible method for the general appeasement of hunger in the situation which developed from July onwards, when many thousands of people left their homes and flocked into towns and cities. The migrating masses could not have been given food in any other way. Further, rice was in short supply and unfamiliar cereals such as bajra, jowar and wheat had to be distributed. The people were unused to these and did not know how to cook them.

73. Lastly, we must refer to the view which attributes the failure to relieve the famine situation in the rural areas to the undue preoccupation of the Government of Bengal with the needs of Greater Calcutta generally, and those of the "priority classes" in particular. It is undeniable that, throughout 1943, the necessary supplies reached Calcutta and a considerable proportion of the population of Greater Calcutta obtained their supplies at subsidized prices from either

employers' shops or the controlled shops. It is also true that a relatively large proportion, about two-thirds, of the supplies of rice reaching Calcutta under the control of Government, much of which was secured from outside the province, was consumed in Greater Calcutta. The quantities sent to the districts were only a small fraction of the requirements of the poorer classes in the rural areas who were unable to buy rice at the prevailing prices. This would have been the case even if all the supplies distributed in Calcutta under Government control, about 141,000 tons, had been sent to the rural area. It seems probable that the rural areas would not have been materially helped by a reduction in the Calcutta allotment, as, in the absence of control, Calcutta would have bought more from the rural areas and raised prices still higher in the province in doing so. This would have further increased the numbers of the people who were unable to buy their supplies. In the opinion of a majority of us, the Government of Bengal is open to criticism not on the ground that Calcutta was provided with the bulk of the supplies reaching that city under Government control, but for their failure to acquire control of supplies and distribution in Bengal.

Sir Manilal Nanavati and Mr. Ramamurty do not agree with the above view regarding the distribution of available foodstuffs in the hands of the Bengal Government, during 1943. Their opinion is as follows:—

"Out of the 206,000 tons that came in the hands of the Bengal Government at Calcutta during 1943, 141,000 tons were retained in Calcutta while only 65,000 tons were sent to the mofussil.

"Prices in many parts of the mofussil were generally higher than in Greater Calcutta; more foodstuffs sent to rural areas might probably have helped to bring down the prices and would certainly have given relief to the needy. Greater Calcutta was all along well supplied with foodstuffs and there was never any serious shortage; the priorities and the Industries carried ample stocks to last them for weeks. Therefore, if more foodstuffs had been sent to the rural areas they would have been materially helped without interference with essential needs in Calcutta".

74. Sir Manilal considers that this question of Calcutta *versus* the rural areas has certain other important aspects which should be stressed. He says:—

"In my opinion, a clear conflict of interest arose early in 1943 between Calcutta, where the maintenance of supplies, especially for the priority services and War Industries, was a primary problem, and the rural areas where the lives of the poorer classes depended on the availability of supplies at reasonable prices. Inflation was raising prices, and wages in the rural areas were not responding. The denial policy in rice, boats, and cycles enforced by the Government of India, the evacuation of villages for military reasons (nearly 35,000 homesteads were affected), the floods, and the cyclone, and the failure of crops had already weakened the economy of rural Bengal. By the end of December 1942 distress had already appeared and by March 1943 widespread famine was anticipated by district officials. Consciously or unconsciously, the Bengal Government allowed the needs of the rural areas to be outweighed by those of Calcutta and particularly its big business interests. If the interests of the rural population had been kept more prominently in mind, the mistaken policies of "de-control" and "unrestricted free trade, the relaxation of the Foodgrains Control Order and other policies which encouraged profiteering and hoarding would not have been adopted. The same policy was adopted in the distribution of available stocks when every ounce was urgently needed to feed the starving, where relief works had to be slowed down at critical moments for lack of food and funds. From the moment the signs of distress appeared, the Government of Bengal should have made it clear to the Government of India as well as to the employers' organisations who had adequate resources and who had great influence, that they could not discharge their primary duty

to the population in Bengal as a whole unless they maintained strict control over prices and that, in the distribution of supplies under their control, Calcutta would not have priority over other deficit areas in the province. At the same time, they should have clearly brought to the notice of the Government of India the seriousness of the situation as it was developing and demanded their immediate attention in the strongest terms as was done by the Bombay Government. If this course had been followed, the need of Bengal for external assistance would have been recognized earlier; supplies would have been procured from outside more expeditiously; earlier attention would have been given to the state of the people in the rural areas and much of the misery would have been avoided. On the contrary when distress appeared, there was a tendency both on the part of the Government of India and of Bengal to minimize the prevalence of famine, with the result that the efforts of the Government of India to secure external supplies were prejudiced even as late as August 1943 by the mistrust and suspicion occasioned by complaints about profiteering which prevailed in Bengal. This atmosphere of mistrust influenced the situation throughout the famine. In the end not a single man died of starvation from the population of Greater Calcutta, while millions in rural areas starved and suffered."

CHAPTER XI.—GENERAL CONCLUSIONS AND OBSERVATIONS.

1. **The Background.**—The economic level of the population previous to the famine was low in Bengal, as in the greater part of India. Agricultural production was not keeping pace with the growth of population. There was increasing pressure on land which was not relieved by compensatory growth in industry. A considerable section of the population was living on the margin of subsistence and was incapable of standing any severe economic stress. Parallel conditions prevailed in the health sphere; standards of nutrition were low and the epidemic diseases which caused high mortality during the famine were prevalent in normal times. There was no "margin of safety" as regards either health or wealth. These underlying conditions, common indeed to many other parts of India, were favourable to the occurrence of famine accompanied by high mortality.

2. **The basic causes of the famine.**—Shortage in the supply of rice in 1943 was one of the basic causes of the famine. The main reason for this was the low yield of the *aman* crop reaped at the close of 1942. Another reason was that the stocks carried over from the previous year (1942) were also short. The *aman* crop reaped at the end of 1940 was exceptionally poor and in consequence stocks were heavily drawn upon during 1941. The *aman* crop reaped in December 1941 was a good one, but not so good as to enable stocks to be replenished materially. After the fall of Burma early in 1942, imports from that country ceased, but exports from Bengal to areas which were more seriously dependent on imports from Burma, increased during the first half of the year. This also contributed to some extent to the smallness of the carry-over from 1942 to 1943. Again, during 1943 the loss of imports from Burma was only partially offset by increased imports from other parts of India. It appears probable that the total supply during 1943 was not sufficient for the requirements of the province and that there was an absolute deficiency of the order of 3 weeks' requirements. This meant that even if all producers sold their entire surplus stocks without retaining the usual reserve for consumption beyond the next harvest, it was unlikely that consumers would have secured their normal requirements in full.

In the summer of 1942, that is, some months before the failure of the *aman* crop in Bengal, a situation had arisen in the rice markets of India, including those in Bengal, in which the normal trade machinery was beginning to fail to distribute supplies at reasonable prices. This was due to the stoppage of imports of rice from Burma and the consequent transfer of the demands of Ceylon, Travancore, Cochin, and Western India, formerly met from Burma, to the markets in the main rice producing areas of India. Other circumstances arising out of the war also accentuated the disturbances to normal trade. In Bengal, owing to its proximity to the fighting zone and its position as a base for military operations in Burma, the material and psychological repercussions of the war on the life of the people were more pronounced in 1942, and also in 1943, than elsewhere in India. The failure of the *aman* crop at the end of 1942, in combination with the whole existing set of circumstances, made it inevitable that, in the absence of control, the price of rice would rise to a level at which the poor would be unable to obtain their needs. It was necessary for the Bengal Government to undertake measures for controlling supplies and ensuring their distribution at prices at which the poor could afford to buy their requirements. It was also necessary for the Government of India to establish a system of planned movement of supplies from surplus to deficit provinces and states.

There was delay in the establishment by the Government of India of a system of planned movement of supplies. The Bengal Government failed to secure control over supply and distribution and widespread famine followed a rise of prices to abnormal levels—to five to six times the prices prevailing in the early months of 1942. This rise in prices was the second basic cause of the famine. Famine, in the form in which it occurred, could have been prevented by resolute action at the right time to ensure the equitable distribution of available supplies.

3. **The Government of Bengal.**—When the price of rice rose steeply in May and June 1942, the Government of Bengal endeavoured to bring the situation under control by the prohibition of exports and by fixing statutory maximum prices. In the absence of control over supplies, price control failed, but by September 1942, supplies and prices appeared to have reached a state of equilibrium. This month was a critical one in the development of the famine. If the Government of Bengal had set up at that time a procurement organization, the crisis, which began about two months later, would not have taken such a grave turn.

With the partial failure of the *aman* crop at the end of 1942, the supply position became serious and prices again rose steeply. If a breakdown in distribution was to be averted, it was essential that Government should obtain control of supplies and prices. The measures taken by the Government of Bengal to achieve control of supplies and prices during 1943 were inadequate and, in some instances wrong in principle. In January and February 1943, the Provincial Government endeavoured unsuccessfully to obtain control of supplies and to regulate prices by means of procurement operations. Better success would have been achieved if procurement had been undertaken by an official agency instead of by agents chosen from the trade, and if Government had made it clear that they would not hesitate to requisition from large producers as well as from traders, in case supplies were held back. The decision in favour of "de-control" in March 1943 was a mistake. In the conditions prevailing in Bengal at the time, it was essential to maintain control; its abandonment meant disaster. We refer to this matter again in the immediately succeeding paragraph. The Government of Bengal erred in pressing strongly for "unrestricted free trade" in the Eastern Region in May 1943 in preference to the alternative of "modified free trade". The introduction of "unrestricted free trade" was a mistake. It could not save Bengal and was bound to lead to severe distress and possibly starvation in the neighbouring areas of the Region.

One result of the policy underlying "de-control" and "unrestricted free trade" was that the greater part of the supplies reaching Calcutta was not under the control of Government. So long as this policy was followed it was not possible to introduce rationing in Greater Calcutta. Even after the policy was reversed, there was considerable delay in the introduction of rationing. The absence of control over the distribution of supplies in Calcutta and the failure to introduce rationing at any time during 1943 contributed largely to the failure of control over supplies and prices in the province as a whole.

The arrangements for the receipt, storage, and distribution of food supplies despatched to Bengal from other parts of India during the autumn of 1943 were thoroughly inadequate and a proportion of the supplies, received during the height of the famine, was not distributed to the needy in the districts, where such food was most required. Better arrangements for the despatch and distribution would have saved many lives.

While reports of distress in various districts were received from Commissioners and Collectors from the early months of 1943, the Provincial Government did not call for a report on the situation in the districts until June, and detailed instructions relating to relief were not issued till August. Famine was not declared. The delay in facing the problem of relief and the non-declaration of

famine were bound up with the unfortunate propaganda policy of "No Shortage" which, followed during the months April to June with the support of the Government of India, was unjustified when the danger of famine was plainly apparent. The measures initiated in August were inadequate and failed to prevent further distress, mainly because of the disastrous supply position which had been allowed to develop. A Famine Relief Commissioner was not appointed till late in September. It appears that at one stage in 1943, the expenditure on relief was limited on financial grounds. There is no justification, whatsoever, for cutting down relief in times of famine on the plea of lack of funds. If necessary, funds should be provided by borrowing in consultation with the Reserve Bank or the Government of India. This principle holds even when, as in the Bengal famine, food was more urgently required than money for relief purposes. The medical relief provided during 1943 was also inadequate. Some of the mortality which occurred, could have been prevented by more efficient medical and public health measures.

Between the Government in office and the various political parties, and in the early part of the year, between the Governor and his Ministry, and between the administrative organization of Government and the public there was lack of co-operation which stood in the way of a united and vigorous effort to prevent and relieve famine. The change in the Ministry in March-April 1943, failed to bring about political unity. An "all-party" Government might have created public confidence and led to more effective action, but no such Government came into being. It may be added that during and preceding the famine, there were changes in key officers concerned with food administration. In 1943, there were three changes in the post of Director of Civil Supplies.

Due weight has been given in our report to the great difficulties with which the Bengal Government were faced. The impact of the war was more severe in Bengal than in the rest of India. The "denial" policy had its effect on local trade and transport, and in particular affected certain classes of the population, for instance, the fishermen in the coastal area. The military demands on transport were large. There was a shortage of suitable workers available for recruitment into Government organizations concerned with food administration and famine relief. The cyclone and the partial failure of the *aman* crop were serious and unavoidable natural calamities. But after considering all the circumstances, we cannot avoid the conclusion that it lay in the power of the Government of Bengal, by bold, resolute and well-conceived measures at the right time to have largely prevented the tragedy of the famine as it actually took place. While other Governments in India were admittedly faced with a much less serious situation than the Government of Bengal, their generally successful handling of the food problem, and the spirit in which those problems were approached, and the extent to which public co-operation was secured stand in contrast to the failure in Bengal.

4. **The Government of India.**—The Government of India failed to recognize at a sufficiently early date, the need for a system of planned movement of foodgrains, including rice as well as wheat, from surplus to deficit provinces and states; in other words, the Basic Plan should have come into operation much earlier than it did. With regard to wheat, an agreement should have been reached at an early stage between the Government of India and the Government of the Punjab about the price level to be maintained and the establishment in that province of an adequate procurement organization. If this had been done, the price of wheat would have remained under control and it should have been possible to send to Bengal a large proportion of the supplies which reached that province towards the close of the year, at an earlier period when they would have been much more useful. In the closing months of 1942, and the first two months of 1943, the supplies of wheat reaching Calcutta were only

a fraction of normal requirements. If adequate supplies had been available in these months, the pressure on the Calcutta rice market, in so far as it arose out of the shortage of wheat, would have been reduced. Again, if the Basic Plan in regard to rice had come into operation in the beginning of 1943, it would have been possible to provide Bengal at an earlier date with supplies of rice in approximately those quantities which were obtained later in the year from other provinces and states.

The Government of India must share with the Bengal Government responsibility for the decision to de-control in March 1943. That decision was taken in agreement with the Government of India and was in accordance with their policy at the time. By March the position had so deteriorated that some measure of external assistance was indispensable if a disaster was to be avoided. The correct course at the time was for the Government of India to have announced that they would provide, month by month, first, the full quantity of wheat required by Greater Calcutta, and secondly, a certain quantity of rice. It would, then have been possible for the Government of Bengal to have maintained controlled procurement, and secured control over supply and distribution in Greater Calcutta. The Government of India erred in deciding to introduce "unrestricted free trade" in the Eastern Region in 1943 in preference to "modified free trade". The subsequent proposal of the Government of India to introduce free trade throughout the greater part of India was quite unjustified and should not have been put forward. Its application, successfully resisted by many of the provinces and states, particularly by the Governments of Bombay and Madras, might have led to serious catastrophe in various parts of India.

By August 1943, it was clear that the Provincial Administration in Bengal was failing to control the famine. Deaths and mass migration on a large scale were occurring. In such circumstances, the Government of India, whatever the constitutional position, must share with the Provincial Government the responsibility for saving lives. The Government of India sent large supplies of wheat and rice to Bengal during the last five months of 1943, but it was not till the end of October, when His Excellency the Viceroy, Lord Wavell, visited Bengal, as his first duty on taking office, that adequate arrangements were made to ensure that these supplies were properly distributed. After his visit, the whole situation took an immediate turn for the better.

We feel it necessary to draw attention to the numerous changes in the individuals in charge of food administration of the Government of India during the crucial year of the famine. Mr. N. R. Sarker, the Food Member, resigned in February 1943, and His Excellency the Viceroy, Lord Linlithgow, held the food portfolio without a Member to assist him until May. The Secretary of the Food Department, Mr. Holdsworth, fell ill during this period and died. His place was taken by the Additional Secretary, Major-General Wood, a Military Officer new to the problems of civil administration. Sir Azizul Haque became Member in charge of the Food Department in May. He was succeeded by Sir J. P. Srivastava in August and a new Secretary of the Department, Mr. Hutchings, was appointed in September.

In Bengal, the new Ministry took office towards the end of April and Sir Thomas Rutherford became Governor in September 1943, replacing the late Sir John Herbert, then suffering from the illness of which he subsequently died.

Thus, during the various critical stages in the famine, heavy responsibility fell on individuals who were new to their posts.

5. **The people and the famine.**—We have criticized the Government of Bengal for their failure to control the famine. It is the responsibility of the Government to lead the people and take effective steps to prevent avoidable catastrophe. But the public in Bengal, or at least certain sections of it, have

also their share of blame. We have referred to the atmosphere of fear and greed which, in the absence of control, was one of the causes of the rapid rise in the price level. Enormous profits were made out of the calamity, and in the circumstances, profits for some meant death for others. A large part of the community lived in plenty while others starved, and there was much indifference in face of suffering. Corruption was widespread throughout the province and in many classes of society.

It has been for us a sad task to inquire into the course and causes of the Bengal famine. We have been haunted by a deep sense of tragedy. A million and a half of the poor of Bengal fell victim to circumstances for which they themselves were not responsible. Society, together with its organs, failed to protect its weaker members. Indeed there was a moral and social breakdown, as well as an administrative breakdown.