

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 functioning 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.

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 food-grains."

(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, 35,000 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.

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 29th 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

¹The 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 to from Bengal districts	Export to Bengal districts	Net retention in the Calcutta Trade Block
1st quarter	7	32	7	32
2nd "	51	47	9	39
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' organiza- tions 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

¹These 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 transshipment 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.

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 $3\frac{1}{2}$ 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

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

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.

1. In this chapter we propose to discuss 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

¹Test 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 an 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.

¹This 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 work-houses, 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 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

¹Paragraph 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 de-control 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.

H.—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, difficulties 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 recognize 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

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 brought 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 trades 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

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