



**Report on an Investigation into the
Finance and marketing of cultivators
Cotton in Sind
1927-28
(1929)**



Government Document

Indian Central Cotton Committee.



REPORT

ON

AN INVESTIGATION INTO THE FINANCE

AND

MARKETING OF CULTIVATORS' COTTON

IN

SIND.

1927-28

BOMBAY:

C. V. THOMAS, STRAND ROAD.

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Indian Central Cotton Committee

Report of Special Sub-Committee appointed by the Indian Central Cotton Committee to consider the results of investigations into the Finance and Marketing of Cultivators' Cotton.

REPORT ON INVESTIGATIONS CARRIED OUT IN SIND.

The methods of marketing cotton in Sind have been more or less a sealed book to most members of the Committee and the present enquiry which is here reported on has supplied much light on the subject and has also afforded an illuminating insight into the financial position of the growers.

Fifteen villages were investigated and 721 cultivators interrogated, only three replies being incomplete. A general summary of the information for the villages is attached.

Only five markets were visited. These served the villages under investigation. A summary of market information is attached.

The following are the outstanding points brought to light :—

- (1) As in Berar, Khandesh and Gujerat borrowing is mainly confined to the growing period of the crop, although the percentage of borrowers is much higher here than in the other places, being 94% against 60% in Berar and 71% in North Gujerat. In the second period only 28% and in the third period 15% of the cultivators had recourse to the money-lender.
- (2) The borrowings of the cultivator *per capita* and per acre are heavy and appear to be excessive.
- (3) The *sowcar* is the chief financing agent, 77% being lent by him, while 10% is advanced by *zamindars* and 7% by Co-operative Societies. The most common rates of interest were 18½% (23% of loans) ; 37½% (20·5%), 24% (15%) although a rate as high as 75% has been recorded.
- (4) The condition attached to the granting of loans compelling the borrower to sell his *kapas* to or through the *sowcar* is responsible for the high percentage of early sales and the total lack of holding back of cotton by the growers.
- (5) Advance sales of the whole or part of the crop are comparatively common—20% of the cultivators adopting this system although only 9% of the crop was sold thus.

Practically all the cotton is sold in the villages as soon as it is mainly to the *sowcar* to liquidate the debts of the growers

- (6) The rates obtained in the villages compare favourably with ~~them~~ in the market although there was a general complaint by growers that the rates were concealed from them.
- (7) The chief complaints from practically all the villages were.
 - (i) of the excessive number and amount of levies made on the sale of their *kapas* ;
 - (ii) of the deceitful practices in weighing.
- (8) Markets, as understood in the other centres investigated, do not exist. The markets in Sind are the gineries but the number of growers who sell there direct is negligible. The bulk of the cotton is sold in the villages.

From the results obtained we think we are justified in making the following recommendations in the interests of the growers :—

- (1) That Co-operative Sale Societies should be formed to provide the growers with a better outlet for their produce.
 - (2) That the attention of the Government of Bombay should be drawn to the general use of false weights and scales in the villages and district authorities should be requested to take action under the Indian Penal Code and under the Bombay Act III (District Municipal Act) of 1901.
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REPORT ON INVESTIGATIONS CARRIED OUT IN SIND.

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Note.—The Special Sub-Committee decided that the Village Sheets, which summarize the details in each village, should not be printed, owing to their bulk, but they are available for inspection by any interested reader in the office of the Indian Central Cotton Committee.

COTTON FINANCE ENQUIRY—SIND.

REPORT ON THE VILLAGE INVESTIGATIONS, INTRODUCTORY.

This inquiry into the financing and marketing of cotton in Sind is the fifth of a series of inquiries undertaken by the Indian Central Cotton

The mode of Investigation. Committee at typical centres in the various cotton-growing tracts of India. The essential spade-work in connection with all these inquiries, *viz.*, the collection of information from individual cultivators in selected villages by direct questioning, and the collection of the necessary data of sales from individual sellers in selected markets, has been done by a special staff of investigators, supervised by the officers of the Department of Agriculture on the lines laid down by a Special Sub-Committee of the Indian Central Cotton Committee which drew up a carefully prepared questionnaire which also gave precise instructions to the investigators.

The inquiry under review in Sind has likewise been carried out by special investigators working under the supervision of a Chief Investigating Officer, Mr. A. M. Ulvi, B.Ag., a Senior Officer of the Subordinate Agricultural Service, with his headquarters at Mirpurkhas. Advantage was taken of the experience gained in the previous inquiries in preparing a revised questionnaire which filled in certain 'lacunae' perceived when the results of the earlier inquiries were reviewed. The chief among these new points on which investigators were asked to obtain information were :—

- (a) the source of the cultivator's seed supply, which would bring to light loans for seed which might otherwise escape record ;
- (b) the nature of the tenancy, *e. g.*, whether the tenant pays a money rent or gives a share of the crops ;
- (c) the rates obtained for the different sales of cotton in the third period of investigation in villages.

Certain other questions were also recast so as to make them free from any possible ambiguity, and other amendments were made so as to clearly emphasise the point for which any particular answer was sought.

As in the previous inquiries the first essential was the fixing of a number of places (villages and market towns) where the investigations were to be carried out. This is very important because it is in the selection of typical villages that the value of the inquiry depends ; and the importance is even greater in an inquiry conducted on a limited scale like the one under review. The selection of the sites for the Sind inquiry was left to the Department of Agriculture (Bombay). Dr. H. H. Mann, the then Director, made the selection of the fifteen places ("dehs")* in consultation with the Chief Investigating

*A 'Deh' is the smallest revenue collection unit in Sind. It is somewhat smaller than an ordinary village. From five to ten dehs' constitute what is called a "Tapa" (group of villages) and several tapas make a taluka.

Officer. The principal cotton growing area in Sind is what is called the "Middle-Sind Cotton tract" in economic maps of India, and comprises the districts of Hyderabad (Sind), Nawabshah and Thar and Parkar. The principal variety grown here is *Gossypium neglectum*. The places actually selected are tabulated below:—

District	Taluka	(Centre).	Village or Deh.
Hyderabad (Sind)	.. Hala	.. Khandoo-Salaro	Khandoo† Salaro
	Hyderabad	.. Tando Kaiser	.. Tando Kaiser. Bhindo.
Nawabshah	.. Nawabshah	.. Jam Saheb	.. Deh No. 26 Nasrat.@
			.. 106 "
			.. 107 "
			.. 26A "
Thar and Parkar	Shahdadpur	.. Bhiswal	.. Sohi Kandhar.
	.. Mirpurkhas	.. Kathri	.. Deh No. 127 Jamrao.+
			.. 128 "
	Digri	.. Kachhelo	.. " 167 "
	Jamesabad	Do.	.. " 259 "
			.. " 270 "
			.. 270-A "

The village inquiries were conducted between the beginning of August 1927 and the end of February 1928. As in the earlier inquiries, investigators

Periods of the investigation. were required to visit the villages and question the same cultivators at three different times in the course of the growth and marketing of the crop. The first period was fixed to fall before any of the crop was picked, i. e., during the last stages of growth and before harvest. The second period coincided with the picking season and continued until some early sales had been made. The third and last period commenced after all the crop had been picked and continued until the majority of sales had been made. The reason for these divisions is that it is intended to find out the amount of the three different categories of advances usually taken by the cultivator. The first are the cultivation advances. Next come the borrowings made for harvesting the crop and bringing it to market, for paying Government dues and for paying off the cultivation advances. Lastly come the advances which the cultivator may have to take against his unsold crop (if, as sometimes happens, he is not able to sell off

†This, the next three and Sohi Kandhar are mostly lift-irrigated areas.

@This and the next three are in the Nasrat canal district. In subsequent pages these villages will be called by their numbers only.

+This and the last five are in the Jamrao canal district.

the whole of it at once) for the maintenance of his family, for paying off earlier debts, for marriages, feasts and other expenses.

The periods of actual investigations in the different villages were as under :—

Villages.	First period.	Second period.	Third period.
Khandoo ..	20-8-27 to 30-8-27	4-11-27 to 15-12-27	1-2-28 to 15-2-28
Salaro ..	20-8-27 to 30-8-27	4-11-27 to 15-12-27	1-2-28 to 7-2-28
Tando Kaiser ..	10-9-27 to 20-9-27	16-11-27 to 31-12-27	25-1-28 to 15-2-28
Bhindo ..	10-9-27 to 20-9-27	16-11-27 to 31-12-27	25-1-28 to 15-2-28
Deh No. 26 ..	26-9-27 to 29-9-27	16-11-27 to 15-12-27	10-2-28 to 15-2-28
Deh No. 106 ..	26-9-27 to 29-9-27	16-11-27 to 15-12-27	10-2-28 to 15-2-28
Deh No. 107 ..	26-9-27 to 29-9-27	15-11-27 to 20-12-27	15-2-28 to 29-2-28
Deh No. 26-A ..	26-9-27 to 29-9-27	20-11-27 to 20-12-27	15-2-28 to 29-2-28
Sohi Kandhar ..	6-9-27 to 12-9-27	7-11-27 to 30-12-27	25-1-28 to 15-2-28
Deh No. 127 ..	27-9-27 to 30-9-27	1-12-27 to 15-12-27	1-2-28 to 15-2-28
Deh No. 128 ..	22-9-27 to 30-9-27	1-12-27 to 15-12-27	10-2-28 to 15-2-28
Deh No. 167 ..	1-10-27 to 10-10-27	1-12-27 to 15-12-27	10-2-28 to 15-2-28
Deh No. 259 ..	1-10-27 to 10-10-27	1-12-27 to 15-12-27	10-2-28 to 15-2-28
Deh No. 270 ..	1-10-27 to 10-10-27	1-12-27 to 15-12-27	10-2-28 to 15-2-28
Deh No. 270 A ..	1-10-27 to 10-10-27	1-12-27 to 15-12-27	10-2-28 to 15-2-28

Detailed replies were received from 721 cultivators ("haris")† as given below :—

Hyderabad District	..	{	Khandoo	..	59
			Salaro	..	30
			Tando Kaiser	..	51
			Bhindo	..	91
Nawabshah District	..	{	Deh No. 26	..	56
			„ „ 106	..	49
			„ „ 107	..	53
			„ „ 26-A	..	46
			Sohi Kandhar	..	124@
Thar & Parkar District.	..	{	Deh No. 127	..	33@
			„ „ 128	..	41
			„ „ 167	..	20
			„ „ 259	..	28
			„ „ 270	..	23
			„ „ 270-A	..	17@
Total				..	721

Out of these three replies are not complete as the whole of the crop was destroyed.

† A "hari" is, strictly speaking, a tenant farmer, but the word is often used generically for a cultivator whether proprietor or tenant or field-labourer.

@ One reply is incomplete.

Unfortunately, the season this year was an abnormal one. The Indus, as is well known, begins to rise gradually from April onwards and inundation

The Season. canals are opened about the middle of May, sowing taking places in June. Not infrequently, however, the Indus rises late, and sowing then takes place in July. Such was the case this year. But when the crops were about a foot high severe and possibly unprecedented floods, due to excessive rainfall in east and lower Sind, ravaged the cotton-growing tract and destroyed practically the whole of the crop in the Jamrao canal system. The Hyderabad District was also partially affected. Re-sowing had to be done in the flood-devastated areas, and pickings which usually begin in October were consequently about a month late, continuing till almost the first week of February. On the whole the season was not favourable for the cotton crop in Sind.

The number of cultivators recorded for the inquiry is 721. These may be classified as follows according to the size of **The cultivators.** their holdings :—

Small (i.e. having 15 acres or less) 519 or 72%.

Medium (i.e. having between 15 & 50 acres) 196 or 27%.

Medium-large (i.e. having between 50 & 100 acres) 6 or 1%.

Of the 721 cultivators recorded, 213 or 30% were proprietors, 476 or 66% were tenants, and 32 or 4% were returned as partly proprietors and partly tenants.

The 476 tenants may again be divided into two classes according to the mode in which rent is paid. Those paying money rent number 160 or 34% and those taking their holdings on the share system number 302 or 63%. About 14 cases (3%) are recorded where rent was paid partly in cash and partly by sharing the produce. The subject of rent is touched upon below.

With reference to the cultivators it may be interesting to note that in all the areas except the Nasrat canal district and in the Hala Taluka there is a good sprinkling of peasant proprietors, called the *Khatedar haris*, who carry on cultivation on their own account.

The large majority of the cultivators however are tenant farmers, called "*har haris*". They cultivate singly or in partnership with one or two others and between them own a pair of bullocks and a camel. With the aid of these and by borrowing, they contrive to lease a small holding which they work up with the manual labour of themselves and their families. Occasional field labour is employed.* The tenant farmers are in a chronic state of indebtedness; their whole crop is often taken away by or deposited with the *sowcar* or *bania* at each picking and credited to their debt account. The replies show that in 484 out of 586 cases of sales of the first pickings (as recorded in the 2nd period of the investigation), i.e. in 82% cases, payment was not received

*These field labourers are called "*siriryo haris*". These own no cattle and find employment from either of the two classes of cultivators mentioned above, in consideration mostly of a share of the crop. They do not bear any share in the expenses which are incurred on account of cultivation.

in full; and out of these 484 cases in 439 (or 92%) payment was credited to debt account. Similarly, in the third period when practically the whole of the crop had been sold, it is found that, out of 686 cultivators who had sold in 603 or 90% cases payment was not received in full; and out of these 603 cases, in 513 (or 85%) cases payment was again credited to debt account either wholly or partially (mostly the former).

The large majority of the tenants as has been shown pay rent on the share system,* called "*Batai*"@, which is opposed to the "*airiyo*" or cash payment system. It may be noted that the percentage of cases of cash rents to the total, which here is 34%, would be much smaller in the case of those lands growing purely food crops like wheat, as these are capable of easy division.

In the lift-irrigated areas of the Hala and Hyderabad Talukas of the Hyderabad district (comprising the villages of Khandoo and Salaro, Tando Kaiser and Bhindo) and in the Shahdadpur taluka of the Nawabshah district (comprising the village of Sohi Kandhar), the prevalent mode is that of cash payments.

The rents range from Rs. 7 to Rs. 41 per acre. The normal, that is to say the most frequent, rates are as follows. They are Rs. 7/- in Khandoo, Rs. 10/- in Salaro and Sohi Kandhar, and both Rs. 15/- and Rs. 30/- in Bhindo (where the share system prevails equally with the cash system, and where the rents are heavier than elsewhere). In Tando Kaiser there is no one normal rate. In Bhindo two cases of rates over Rs. 50/- were reported but it was found on inquiry that that was because the *Zamindar* himself manured the soil†

In the Nasrat and Jamrao canals districts (comprising the remaining villages of the inquiry) the share system prevails without an exception. The information collected shows that out of 302 cases of the share system, 247 or 81% are cases of "half and half", that is the *Zemindar* takes half the produce and the cultivator takes the other half. In 47 or 16% cases the share is $\frac{1}{2}$ to $\frac{3}{4}$ and in 8 or 3% cases it is $\frac{2}{5}$ to $\frac{3}{5}$. Although the number of cases where the share is half and half is thus overwhelming, it must be noted

*These tenants are nearly all tenants-at-will. The tenant possessing a right of occupancy, called the "*Maurusi hari*" (lit. "hereditary cultivator") who is to be met with in North Sind, in Sukkur and Larkana, for instance, is almost unknown in the middle-Sind cotton tract. But the tenant-at-will is nevertheless well treated *qua* tenant and has an equally secure foothold on the land he cultivates.

@ "*Batai*" is really the distribution of the produce at harvest between the *Zamindar*, tenant and field-labourer. The word is also applied to what comes to one's share at that distribution, and is extended to mean all sorts of payments in kind.

†The rates given here may be compared with the pre-war rates of Rs. 6 to Rs. 15 per acre. *Vide* the "*Gazetteer of the Province of Sind*," Vol. A., p. 333.

that in most cases the cultivators have to pay what is called "*Lapo*". This is a peculiar kind of extra charge on cultivation payable by the cultivator either to the *Zemindar* or to the rent-farming contractor. This contractor is usually the *sowcar* or the *bania* to whom a *Zemindar* may have given over the rent farming of a series of holdings. Among other considerations the "*lapo*," which is a customary *Zemindari* right, enforceable even in courts of law, is made over to the contractor. The cultivator is therefore mulcted into paying the contractor or the *Zemindar*, per acre, a couple of *seers* of "*phutties*" (i.e., cotton seed) a few bales of grass, or sometimes corn, by way of "*lapo*". We thus see that the cultivator is often left with less than half the produce to maintain himself and his family and livestock for the year, and to pay his debts and interest charges out of.

There are about 14 cases of mixed rent system and ten of these are in Sohi Kandhar. The rates work out to Rs. 10 plus about 6 *seers* grain (or seed cotton) and about two bundles of grass per acre.

The results at a glance are :—

Cash system	..	..	..	160 cases or 34%.
Range of rent Rs. 7 to Rs. 41 per acre.				
Normal rate Rs. 10.				
Share system.				
$\frac{1}{2}$ to $\frac{1}{3}$	..	247 cases.		
$\frac{1}{2}$ to $\frac{2}{3}$	..	47 "		
$\frac{2}{5}$ to $\frac{3}{5}$	..	8 "	302 cases or 63%.	
Mixed system	..		14 cases or 3%	
Total tenants			..	<u>476</u>

The area under cultivation of the holdings recorded in the inquiry was 9,053 acres. Out of this 4,089 acres or 45% were under cotton cultivation. The percentage of area under cotton to the total cultivated area for the recorded holdings is to be found in table IV. The highest is (65%) in *Deh* No. 26,

*As to the origin of "*Lapo*" :—

"Under the former native rule certain individuals were granted the privilege of collecting certain fees on the revenue accruing from the lands of a tract of country in consideration of their using their influence in bringing it under cultivation and collecting the revenue on the same. They attracted cultivators, probably advanced them money on account of the expenses of cultivation, afforded them the protection necessary in the unsettled state of the country, and aided in the collection of revenue ; and the *lapo* was the consideration they received in payment of their services.

Selections from the Records of the Bombay Government No. CCLXX-VIII, New Series. There is also another kind of "*lapo*" taken by money-lenders, about which more later.

Nasrat. Other particulars about the area are given below.

Number of holdings	..	..	721
Area	..	..	9,053 acres.
Average size of holdings	..	..	12.5 "
Area under cotton	..	..	4,089 "
Average area under cotton per holding	..	..	5.5 "

As regards the number of cotton areas recorded :—

394 or 55 % were small ones (i.e. below 5 acres),

321 or 44 % were medium (from 5 to 25 acres),

and 5 or 1 % were medium large (from 26 to 50 acres),

there being only one large area of 77 acres in the village of Sohi Kandhar.

The largest cotton areas are 623 acres in Sohi Kandhar, 418 acres in Bhindo and 412 acres in *Deh* No. 26, Nasrat. But the highest figures of average area of cotton per holding is 8 acres in *Deh* No. 127, Jamrao. The smallest is 62 acres (4 acres per holding) in *Deh* No. 270-A, also in Jamrao; but this village was one of those severely affected by floods. (*Vide* Table IV in this connection).

The total yield of *kapas* recorded for the year was 39,218 *maunds* equivalent to 3,388,340 lbs. (a). This gives us an average

Production.

yield of 831 lbs. per acre under cotton (b). In table No. I, the maximum, minimum and average yields of *kapas* in each village of the inquiry are given.

The normal average yields are 7 *maunds* or 604 lbs. in the Jamrao tract, 8 *maunds* or 691 lbs. in the Nasrat tract, and 10 *maunds* or 864 lbs. in the lift-irrigated areas of Shahdampur, Hala and Hyderabad Talukas.

The average yield for the four classes into which we have already divided the number of cotton areas is :—

For small areas .. 829 lbs.

For medium areas .. 864 lbs.

For medium-large areas.. 432 lbs.

For large areas .. 305 lbs.

It may be noted that the yields which are recorded here are mostly not gross yields, but the quantities left after paying the pickers. The payment made to the pickers in kind is called *Lai*. For the first pickings the *Lai* is usually 1/16th of the actual pickings made by the picker. For the second picking the rates vary from 1/12th to 1/16th. Sometimes picking is done by contractors, e.g. in the Nasrat Canals District. These usually pay themselves at the usual rate of *lai*, but pay their labourers at the rate of one pice per *seer* or 10 annas per *maund*.

(a) 1 *Maund* = 42 *seers* = 86.4 lbs.

(b) Omitting the flood-stricken villages, that is the whole of the Jamrao district, the figures are 34,111 *maunds* equal to 2,947,098 lbs, i.e., 974 lbs. per acre.

The cotton areas were irrigated as follows :—

Irrigation.	
Irrigated.	{ Lift system, 2,275 acres or 55%.
	{ Flow system, 1,814 acres or 45%.
Unirrigated.	Nil.

It was not possible to give separate figures for the yields from lands irrigated under both the different systems together, but considering the cases only of those cultivators all of whose acreage under cotton was irrigated definitely by lift, or by flow, we obtain the following average yields:—

Irrigated lands	{ Lift system, 904 lbs. per acre.
	{ Flow system, 755 lbs. per acre.

Irrigation by the lift system is exclusively prevalent in the Hyderabad and Hala talukas of the Hyderabad district and in the Shahdampur taluka of the Nawabshah district; and that by the flow system (but not exclusively) in the Nasrat and Jamrao Canals districts.

Though a distinction is here made between lands irrigated by the lift and those irrigated by flow, it must be remembered that these two systems are not mutually exclusive. At certain places water in the canal may at times be sufficiently high to enable the lift to be stopped and the water to be run off.

The variety of cotton grown is mostly a local variety called "*Deshi*" **Variety of cotton.** or "*Bhit Shah*".

The figures are as under :—

Local, " <i>Deshi</i> " or " <i>Bhit Shah</i> "—	3,433 acres or 85%
<i>Neglectum Roseum</i> , 27 W. N. of the	
Sind Agricultural Department	.. 319 acres or 7%
Punjab-American F4	.. 84 " " 2%
Punjab-American 285	.. 42 " " 1%
Mixed	.. 212 " " 5%.

The recorded answers show that the sources of the cultivator's seed

Seed supply. supply are:—

Cultivator himself	..	.. 26 instances or 4%
<i>Sowcar</i>	..	.. 423 " " 58%
<i>Bania</i>	..	.. 12 " " 2%
<i>Zemindar</i>	..	.. 6 " " 1%
Ginnery	..	.. 217 " " 30%
Government farm	..	.. 37 " " 5%

(including 5 cases of supply from the Government Taluka Development Agricultural Association).

This shows that the chief source of the seed supply is the *Sowcar*, and next come the ginneries. In one case a landlord having a large number of tenants purchased the whole stock of seed required by himself and his tenants from a ginnery and distributed it among his tenants.

It further appears from the notes taken by the investigators that out of the total advances taken by cultivators in the first period (the "cultivation advances" as we have called them), hardly one per cent. is spent in the purchase of seed.*

II. FINANCE.

Coming to the question of advances taken by the cultivators we find that practically all the cultivators had to take advances. **Number of cultivators who took advances.**

In Table II is given a consolidated statement showing for each village the number of cultivators who took advances, the total amounts borrowed, the sources of borrowings, the rates of interest and other particulars.

The usual time of borrowing is, at, or slightly before, the commencement of cultivation operations.

Cultivation advances were taken by 680 out of the total number of 721 cultivators. This means that 94% had to resort to the money-lender before commencing cultivation operations. This percentage is in marked contrast with the corresponding figures obtained in the Berar and the North Gujerat inquiries where the figures are only 60% and 71% respectively. **Time of borrowing.**

The number of cultivators who took advances in the second period (that is to say advances against the first pickings), is 19 only; and in the 3rd period (against unsold *kapas*) 10 only. **General effect of borrowing on sales.**

The fact is that early sales are forced upon the cultivators, and the holding-up of cotton to a later period in the hope of getting higher prices does not exist in Sind. This is purely due to the fact that Sind cultivators are in a most depressing state of indebtedness. A number of cases have been reported where the whole of the crop has been taken by the *sowcar* at each picking, and sold. In a large number of other cases the *kapas* picked at a picking had to be compulsorily deposited for sale with the *sowcar* (and sometimes the *Zamindar*); this being one of the terms on which cultivation advances were made. There are next a few cases of advance sales. 148 cases have been noted in this inquiry. The net result of all this is that as soon as the crop is picked the cultivator loses all control over it; and there is nothing left with him which he can "hold up" on the security

*The figures which may be obtained will not enable us to gauge the actual seed requirements of the cotton cultivation (or to find out its relation to the acreage or to the yield obtained), as these figures will not include the cases of persons who had taken no advances nor will they take into account other sources of seed, e.g., that stored by the cultivator himself.

of which he may take loans. This difference is further borne out by the fact that in a very large number of cases no money has been received for the *kapas* sold in the second or even in the third period. It has been computed that 484 out of 586 persons who held *kapas* at this period (i.e., 82%) did not receive payments; and of these 484 cases 439 or 92% are marked "payment credited to debt account". In the final period also, that is when all the *kapas* has been picked and a good portion of it sold, one finds almost the same tale. 603 out of 686 persons who sold their *kapas* i.e., 90% did not receive payment in full for the same; in 513 out of these 603 cases (i.e., in 85% cases) the payment was again credited to debt. As an exception to this general rule we find Deh No. 167 Jamrao to be a most exceptional village in this respect. Only 6 out of 19 cultivators who sold their first pickings did not receive payments, in 5 out of these 6 cases the payment being credited to debt account. The figures for the last period in this village were the same except that only 3 out of 6 cases were marked "payment credited to debt".

The total borrowings are Rs. 550,224 which gives us the average figure of Rs. 809 per head of those who borrowed, Rs. 763 per head of cultivators recorded, Rs. 134 per acre of total cultivated area under cotton* and Rs. 61 per acre of the total area of the holdings. This total does not include the borrowings made in the 2nd and 3rd periods which are very small. In the 2nd period only Rs. 3,351 were taken as advances against the first pickings by 19 persons; and in the 3rd period only Rs. 2,328 by 10 persons. These figures, being negligible, have been omitted from the figure of total borrowings which has thus been confined to cultivation advances only.

The amount of the borrowings given here include the arrears of previous years and this, of course, is the correct criterion of the state of indebtedness in the given year. But in order to indicate exactly the fresh borrowings made in the year under inquiry reference is invited to Table VII where figures of last year's arrears are given along with the total borrowings and the fresh debts incurred are worked out. Unfortunately in only 6 out of 15 villages have the figures of arrears been detailed. From that table it will be seen that Rs. 74,785 out of Rs. 2,67,686 or 28% represent the arrears of debts, and Rs. 1,92,901 or 72% the fresh debts. These figures include those for the village of Khandoo which is the worst in point of indebtedness (and where the old debts are 42% of the total borrowings); but do not include those for the comparatively prosperous villages of the Nasrat Canals district. If these were taken into account then it is likely that the percentage of arrears to the total borrowings would be 25 or less.

In connection with these borrowings it may be mentioned that the figures returned under the column "amount signed for" are always the same as those under the column "total advances". It is almost certain however that the relative objects of these columns have been misunderstood either by the investigators or by the cultivators questioned, for there is, in the general

i.e., 4089 acres. About 446 acres more destroyed by floods have been taken into the computation. Worked out for 4535 number of borrowing per acre would be Rs. 121 instead of Rs. 134. His tenants

information column, a constantly repeated complaint that the actual cash advances were less than the amounts debited to the accounts.

The borrowings may again be studied from the point of view of the different classes of cultivators. Thus the proprietors borrowed in all Rs. 2,13,160

Tenantry and Indebtedness: which (for 189 persons) gives an average figure of Rs. 1,128 per head, while 460 tenant-cultivators borrowed in all Rs. 2,89,388/- i.e., Rs. 629/- per head. The corresponding figures for those who are partly proprietors and partly tenants are 31 persons, Rs. 47,676/-, and Rs. 1,538/- per head. It is thus seen that tenantry has some relation with indebtedness for, while 97% of the tenant cultivators are debtors, only 89% of the proprietors are in debt.

There is also another factor to be considered viz., that cotton is not the only crop grown by the cultivators of the holdings embraced in this investigation. The percentage of the area under cotton to the total cultivated area is only 45. And though a certain amount of acreage may remain fallow or under grass, it nevertheless follows that there is still a goodly portion under other crops. It would be a fair criticism on our analysis of borrowings per acre to say that that portion of the borrowings which is utilised for other cultivation purposes and not for cotton cultivation must be excluded from the calculations. There would however be insuperable practical difficulties in the way of compiling figures in this fashion. Even as regards the figures of borrowings per head a word of warning seems to be necessary. It must be remembered that in Sind two or three or even more persons working together as partners (whether proprietors or tenants) is a very common feature—indeed a more common feature than persons working singly; and in that case therefore the figures of borrowings per head must be taken with great caution when using them for comparative purposes.

Sources of borrowings. The principal source of borrowings is the *sowcar*. Of Rs. 5,50,224/- representing the total borrowings, Rs. 4,25,300/- or 77% were borrowed from the *sowcar*. This percentage is much less here than in North Gujerat (where it is 91%) but it is still very large. Next in importance to the *sowcar* in these loan operations is the *zemindar*, from whom Rs. 56,962/- or 10% were borrowed. We have not been able to ascertain whether some of these *zemindars* did not themselves borrow sums from the *sowcar* and relend portions to their own tenant-cultivators; and, therefore, whether there is any "duplication" in the figure for the total indebtedness. The next largest lenders are the Co-operative Societies which lent Rs. 38,450/- or 7% of the total. With this must be counted a loan of Rs. 5,500/- obtained from a *zemindari* bank. Friends and relatives lent Rs. 11,347/- or 2%, in most cases interest free. A gin-owner advanced Rs. 5,500 in one case. Government *takavi* loans amount to Rs. 4,893. Other sources are negligible.

There are two systems of interest rates obtaining in Sind villages. first, which may be called the "anna system", embraces all those cases where the rate is reckoned at so many annas per rupee per mensem. Thus a quarter anna per mensem per rupee would be 18½% a year; half anna per rupee

per mensem $37\frac{1}{2}\%$; three-quarter anna $56\frac{1}{2}\%$; and one anna 75% . This system is the more commonly used as will be seen from the figures given in Table VIII. The other system may be called the "ordinary" or "decimal system". In this are included cases where interest is charged at $\frac{1}{2}\%$, $\frac{3}{4}\%$, 1% , $1\frac{1}{2}\%$, $1\frac{3}{4}\%$, 2% , $2\frac{1}{2}\%$ and so on per mensem. Thus we have the rates 6% , 9% , 12% , 15% , 18% , 24% , 30% , 36% , 48% and 60% per annum in table VIII. There are a few anomalous rates which cannot be brought under either of these systems; but what is called the "Panjoth" will be explained below.

It will be convenient at this place to note that Rs. 36,288/- (or $6\frac{1}{2}\%$ of the total borrowings) were advanced free of interest. Over a third of this sum, however is given by the "*Koonjro sowcar*" under the vicious *Koonjro* system explained later on. Another third represents loans from friends and relatives, and the remaining loans from landlords, mostly Mussalmans, according to the tenets of whose religion interest is not chargeable.

Table VIII shows the amounts borrowed at the various rates of interest in each village. The range of interest recorded is from 6% to 75% . The

**Rates of
Interest.**

most common rate however is $18\frac{1}{2}\%$. Rs. 1,24,511 (or 23% of the loans) were advanced at this rate. Next comes $37\frac{1}{2}\%$ at which rate Rs. 1,13,884 (or 20.5% of the loans) were taken. 24% is also a common rate: Rs. 84,473 or 15% of the loans having been taken at this rate. The rate charged by the Co-operative Societies and by the *Zemindari* bank is between $10\frac{1}{2}\%$ and 11% , this being about $\frac{1}{2}$ pice per rupee per mensem. In all Rs. 43,450 or 8% of the loans were taken at this rate. The lowest rate is 6% at which Rs. 4,893 were advanced by the Government as *tacavi* loans and Rs. 1,200 by two *sowcars*.

A somewhat common rate of interest in these villages is what is called "*Panjoth*". It is the same as "*Sawai*" so common in the Berar cotton villages. Both words mean " 25% "(*) but this is in their literal sense only. For these loans being made for a term of about six months or so, the rate really works out to nearly 50% per annum. Rs. 26,686 (or 5% of the loans) were taken at 50% interest ("*Double Panjoth*"); and Rs. 13,954 (or 2.5%) were taken at 25% interest.

When considering these rates of interest it must be remembered that these are only "nominal" rates, as we might call them. The "real" (as opposed to "nominal") interest enjoyed by money-lenders is much greater and escapes detection altogether. For instance, in most cases the cultivator is obliged, as a condition of the loan, to sell his crop through or to the money-lender. This may appear to be merely making the crop a kind of mortgage security; but in reality it is a source of great profit to the money-lender. First, sales through

(*) *Sawai* is from *sawa*, that means one and one-fourth or five-fourths and *Panjoth* is derived from *panch* meaning "five" and "*chouth*" meaning "fourth". That word therefore also means five-fourth," giving Rs. 4/- and taking back Rs. 5/., i.e., charging 25% .

him mean his getting *dalali* and all sorts of other commissions. Next to bring *kapas* to the money-lender involves weighing it there; and this again brings some profits by reason of the deceitful weighing practices in vogue. And lastly the real rate of sale is not disclosed at all to the illiterate cultivator, a lower rate being always shown to his credit in the account.

This however is not all. There is another way of adding to the interest by the system of levying what is called the "*sowcari lapo*". *Lapo*, as we have seen (†), is essentially a *Zemindari* right recognized by Government. But the *sowcar* also charges *lapo* to "*The Sowcari lapo*," his clients. There is a very large number of such cases recorded. The *sowcar's lapo* is usually reckoned as so much per *nar* or *hurla* (lift), in the lift-irrigated areas. The usual rate is one *maund* of bajri grain (or equivalent amount of seed cotton), plus 1 "*boro*" (ponyload) of bajri ear-heads (which yield about a *maund* of grain), plus 10 to 20 bundles of grass. As there is usually one *nar* or *hurla* to a holding, this means so much per holding, or per borrower. This *lapo* is irrespective of the amount of the borrowings. In other places from one to three *maunds* of seed cotton is charged per centum of debt. This is exceedingly common in Sohi Kandhar. In the Nasrat canal district, in addition to *lapo* in kind a cash *lapo* of about Rs. 8-8-0 per pair of cattle is levied.

Although the crop may have been handed over to the *sowcar* and sold by him in January the settlement of the accounts is almost always deferred till March or April, so that interest may continue to run to that date. At the settlement some cultivators may find themselves to be sufficiently solvent to have cleared off their whole debt. But if as a very rare case a cultivator has a balance in his own favour, then the money is kept as a deposit against his future purchases and is not paid.

Nor are the interest charges and *lapo* referred to above the only tolls which the *sowcar* exacts from the unfortunate peasantry. For instance, the *sowcar* often requires the personal services of the *haris* (cultivators), his debtors, to repair his shop and house, or the services of their camels for riding or transport purposes. While the smaller fry are mulcted in ways like the above, the bigger ones, the *Zemindars*, who are equally indebted to him, are squeezed in other ways, besides having to perform the same services through their tenants. On *Divali* and other ceremonial occasions, for instance, they have to make gifts to the *sowcar*.

One of the worst ways in which the *sowcar* makes use of his position is that of forcing his debtor cultivators to work on his fields. Instances have been recorded of the *sowcar* working his own holdings through the forced labour of his debtors. Such a system is called the "*Begar*" system. In the present inquiry five such instances are recorded, one in *Deh* No. 128, Jamrao, in the Nawabshah Taluka, two in *Deh* No. 106, one in *Deh* No. 26 and one in *Deh* No. 107, all in the Nasrat canal district.

(†) See page 9.

There is no doubt that "*seri*" or free labour is sometimes given by the tenant to his *Zemindar*, this being a condition of the mitigated rent the tenant pays. But the "*begar*" system, by which the *sowcar* or *sowcar*-contractor forces the tenants of the estate to work on his field—often to the detriment of the tenants' own fields—is not only most humiliating but is also most harmful.

In connection with the *sowcar's* operations it will not be out of place to describe here another peculiar system prevailing at some places in Sind.

This system has been styled the "*Koonjro*" system." **The "*Koonjro*" System.** A "*Koonjro*" may be termed "a financing partner" (c). He is usually a *bania* trader and money-lender, whose loans to the cultivator have already accumulated to a figure of some size. He now refuses to give further advances, and then induces the cultivator to take him as a financing partner, the terms of the partnership being that the past loans remain free of interest for the year; the *bania* makes further advances at his usual rates and gets two or even three hoeings done at his own expense, while the cultivator does the rest of the cultivation with his own labour and live stock. Out of the net yield (i.e., after paying rent to the landlord, "*batai*" or share to the pickers, and other charges) the *bania* takes away half the produce for himself, and the whole produce is marketed and sold by the *bania*. The condition that the marketing and sale of the whole produce shall be done by the *bania*, gives the latter opportunities for committing abuses and considerable cheating in the matter of weighment, *dalali* (commission), and fixing of rates. But what is worse is that the remaining half of the produce, or rather its sale proceeds, which should go to the cultivator are credited to the debt account, and the cultivator gets nothing at all. This system is largely prevalent in the Hala Taluka of the Hyderabad District, and a large number of cultivators in Khandoo and Salaro have recorded that they are absolutely starved out by the *Koonjro*. Many are thus forced to quit their holdings and become mere field-labourers, their cattle and camels being sold for non-payment of debts.

Apart from the *Koonjro* system above referred to, borrowing is in a very large number of cases done on the security of the crops. Out of a total number of 721 cultivators, 680 took advances as we have seen. And out of these 680, 434 (64%) entered into bonds containing the condition of selling their *kapas* and of land, through or to the money-lender. (Table V gives the figures for each village.) By this means crops become a security in the hands of the lender for the liquidation of the loans. The highest figure in this connection is in *Dehs* Nos. 106 and 259, where all the borrowers were under this kind of obligation. The lowest figures are to be found in Salaro and Tando Kaiser (43%). In this connection it must be mentioned that in 93 cases there was a like obligation on the part of the cultivator to sell his crop through or to the landlord (who had made loans). Many cases of such bonds are reported in *Dehs* Nos. 107 and 26A. In a few cases the cultivator had also mortgaged his livestock along with the crop. The practice of mortgaging

(c) Thus he is opposed to an actual non-financing partner in cultivation called the "*adhiriyo*".

the holding itself is not in evidence, although there are some isolated instances in *Deh* No. 127, Jamrao and in Sohi Kandhar, of land being mortgaged by conditional sale. This happens when the debt has accumulated to a substantial amount and the *sowcar* or *bania* then suddenly calls upon the proprietor-cultivator to clear the account. Being unable to do so he mortgages his land by conditional sale. After some time the inevitable foreclosure causes the cultivator to be displaced by the *bania* or *sowcar* as the owner of the land; and the proprietor-cultivator is thus turned into a mere tenant-farmer (if nothing worse befalls him). Fortunately instances of such happenings are reported to be few so far as the present inquiry is concerned.

In the questionnaire framed for the inquiry a question was asked as to "the value of seed supplied in kind" in order to ascertain the amount of loans made in the form of cotton seed which might otherwise have escaped detection. This however was not properly understood by the investigators who appear to have returned under that column the amounts spent on the purchase of seed out of the total advances taken—a very different thing. This point in the inquiry therefore remains unsolved.

In connection with the subject of cultivator's finance it is worthwhile noting the part played by Co-operative Credit Societies. Our investigation shows that Rs. 38,450, i.e., 7% of the total borrowings were obtained from Co-operative Societies, as compared with only 31% in Berar and 2.5 % in North Gujerat*. Only 114 cultivators out of 721 recorded had recourse to Co-operative Societies for loans, and in almost all these 114 cases the Co-operative Society was not the sole or even a substantial source of the borrowings. The rate of interest charged by these Societies is between 10½ and 11%, as compared with between 18½% to 75% charged by the *sowcar*. Nevertheless the use of co-operative finance is not great in the villages investigated because (as the cultivators of *Deh* No. 167 Jamrao have themselves expressed) these societies advance very inadequate amounts and besides, their rules are so strict—requiring the return of the loan on a particular day on pain of forfeiture of live-stock and other moveable property—that in order to be able to return these loans cultivators have sometimes to go to the *sowcar* or the *bania* to get the wherewithal to pay the society. It should be added, however, that the villages selected are not those which correctly reflect the extent or popularity of the Co-operative movement in Sind (a).

It is worth while noting, before finishing this portion of the report that the *dalal* plays no part in the financing operations. This result confirms in a singular fashion what was established as a result of the investigation in Berar.

*In the Khandesh report the percentage has not been worked out, but from a review of the village summaries it appears that considerable use is being made of co-operative finance there.

(a) In this connection vide the Annual Report on the working of the Co-operative Societies in the Bombay Presidency (including Sind) 1927 pp. 20-22.

GENERAL CONCLUSIONS.

From a study of the foregoing the following general conclusions force themselves upon our attention as regards the finances of cotton cultivators in Sind:—

- (1) The cultivators are mostly in a heavy and chronic state of indebtedness.
- (2) Their principal source of borrowings is the *sowcar* who charges them rates of between 18½% and 75% interest, and in addition receives small services or small benefits in kind by way of grain, grass or seed cotton.
- (3) The cultivators are in most cases bound down, as a condition of their getting loans, to sell their *kapas* through or to the *sowcar* or money lender; and so they lose all control over the rates of sales.
- (4) In many cases the crop is removed by the *sowcar* at each picking and sold by him. Payment in cash to the cultivator is quite exceptional; the sale proceeds are credited to the debt account and there are many cases where the cultivator at the end of the season finds that he has not been able to clear his account.
- (5) There is a large number of cases of "advance sales" though the amount thus sold is only 9%. But early sales are forced upon the cultivators by reason of their indebtedness, and holding on becomes impossible.
- (6) Considerable difficulty is experienced in getting finances, and loans cannot usually be obtained unless on the security of the crop, the live-stock and, in some cases, even the jewellery and other belongings of the cultivator. In some cases this security is obtained in another way by a system called the "*Koonjro*" system under which the money lender becomes the (financing) partner of the cultivator, gets control over the whole produce, keeps half as his share and credits the sale proceeds of the remaining half to the cultivator's debt account.
- (7) The *sowcar* wields an enormous influence on the unfortunate cultivators and abuses his position in various ways, *e.g.*, by getting various payments like *lapo* and *dalali*, gifts and small services, by cheating in weighment and in the rates; but in none more mischievously than in the system of "*begar*" or forced labour under which he gets his own private plot tilled by the forced labour, (obtained gratis) of his debtor cultivators.
- (8) There appears to be some need to ease up the conditions on which loans are made by co-operative societies, for which there is clearly great scope.
- (9) The great illiteracy of the cultivators is in a measure responsible for their dependence on the *sowcar* in all matters and is the cause of their being cheated out of a good deal of what should come to their share.

III SALES.

From the observations made in the earlier portion of the report it is only to be expected that the quantity of cotton remaining unsold in the **Crop sold and last period of our investigation (i.e., at the end of February)** will be very small. In Table III will be found the **unsold.** figures for each village. Only 4384 *maunds* out of the total crop of 39218 *maunds* remained unsold, i.e., only 11%. Even this figure is higher than it would normally be owing to the crop having been sown very late in some villages.

Most of the crop is sold locally and is not taken to the market. This will be seen from the following statements.

Place of Sales.

NUMBER OF CULTIVATORS WHO SOLD.

	Small.		Medium.		Med- large		Total		Percentage.	
	2nd period	3rd period	2nd period	3rd period	2nd period	3rd period	2nd period	3rd period	2nd period	3rd period
In the village ..	282	465	101	172	1	3	384	640	66%	93%
In the market ..	132	26	64	13	3	2	199	41	33%	6%
Partly at both places..	2	4	1	..	..	1	3	5	1%	1%
Total	416	495	166	185	4	6	586	686	100	100

Amount Sold.

Locally (in the village)	..	27,426 <i>maunds</i>	(70%)
In the market ..	..	7,408	(19%)
Amount unsold ..	..	4,384	(11%)

This is in a large measure due to the fact that most cultivators are either bound down to sell their *kapas* through or to the local *sowcar* (or to the landlord) or their crop is mortgaged to him and he takes it away at each picking, afterwards selling the same at the market towns.

It is necessary to explain that the cultivators who are returned as having sold "in the market" are those who sold directly to the ginowner or merchant in the market (as opposed to those who had sold to the local *sowcar*, *bania* or landlord in the village). In a very large number of cases cultivators have been shown as having sold. "in the market", though delivery was given to the local agent of the gin-owner or merchant in the village itself, and the crop weighed in the village by the itinerant weighman of the gin-owner or merchant. This caution has to be borne in mind throughout. Hardly half a dozen of these cultivators gave delivery at the ginnery.

The rates obtained in village sales range from Rs. 6/- (in advance sales) to Rs. 15/-, the normal rate being Rs. 13/- per *maund*. In market sales the rates obtained were between Rs. 7/- (in advance sales) and Rs. 15/-, the normal being Rs. 13/4/- The highest

Rates obtained locally and in the market.

rates were obtained in the market at Jamesabad. There is thus scarcely any difference between the market rates and the local rates. This is because rates in the villages are very closely linked with market rates as the outcome of a system of purchase and sale which

will be described in the report on the market inquiry. In this connection it may be mentioned that the rates offered for *kapas* remaining unsold were about 15% less than the normal rates of earlier sales.

The commonest method of sale is to the gin-owner if there is a gin-ner in the village or in the adjoining village; if not, to the *sowcar* who transports it to the gin-ner. The amount sold to *dalals*

Method of sale. is small compared with the sales to the *sowcar* or the gin-owner. The figures are as follows:—

Sales to gin-owner	.. 7,220 maunds or 43%
Sales to <i>sowcar</i>	.. 5,985 " " 36%
Sales to <i>dalals</i>	.. 1,637 " " 10%
Sales to <i>banias</i> and petty merchants	.. 1,558 " " 9%
Sales to landlords	.. 300 " " 2%

These figures are in respect of the sales of *kapas* in the second period. Unfortunately corresponding information for the sales in the third period has not been uniformly obtained, but the pickings in the second period constitute the major portion (64%) of the total crop and the amounts sold in the second period represent over 65% of these pickings. Therefore the above figures should give a fairly good idea of the relative amounts of the purchases made by the gin-owner direct, or by the *sowcar* in the first instance or by the *dalal*, as such, or by the petty trader, or by the landlord.

The large amount of sales to the *sowcar* is not surprising in view of what has been said previously about cultivators having at the time of borrowing to sign bonds with a condition to sell the crop to them. What is really enlightening, however, is the percentage of the sales made to *dalals*. This is very low, and is quite contradictory to the commonly accepted notions on the subject. The explanation probably is that many of the *sowcars* and gin-owners have an understanding with, or act as *dalals* or agents for, the big cotton merchants and merchant firms, or these latter have their *dalals* who negotiate with the *sowcars* and gin-owners directly and do not come into personal touch with the cultivators.

Sowcars are also a link in the chain of the middlemen in another way, viz., that the crop is sold through them to gin-owners and others. Of course the sales to the *sowcar* described in the last paragraph are also ultimate sales through them; but from the point of view of the cultivator, it makes a difference whether the crop is sold to the *sowcar* so that the cultivator loses all control over it, or it is merely sold through him so that the cultivator still retains (in theory at least) an independent power of negotiating sales or having a say in the matter of rates. The number of cultivators who sold their crop through the *sowcar* is reported to be 92. In only 32 cases were local *dalals* employed. These figures are for sales in the second period. For the third period the following information is available:—

Total number of cultivators who sold <i>kapas</i>	.. 686
Total number of cultivators who sold outright	.. 222
No. of cultivators who deposited their crop with <i>sowcar</i> , <i>bania</i> or <i>dalal</i> for sale.	.. 239

For the rest no information has been obtained.

Inquiry as to whether cultivators had ascertained the rates before sale or had sold leaving the rent to be fixed afterwards, elicited the information that 559 had ascertained the rates and 127 had not. The sources of information about rates in the case of the cultivators who had ascertained the same are:—

From the ginneries	..	..	.. 70 cases
From local sales	..	..	.. 1 case
From <i>banias</i> , <i>dalals</i> and local dealers			.. 432 cases
From other sources	..	..	.. 56 cases.

The above information will give a fairly good idea of the sales organisation in the villages. The shortcomings which immediately come into prominence are :—
Defects of the organisation for sale.

(1) The excessive control which the *sowcar* exercises in the sale of the produce and the corresponding lack of control and interest in the negotiations for sale on the part of the cultivators. This circumstance keeps them depressed and dependent, and ignorant of the state of the market.

(2) The want of independent storage facilities in the village which compels even those cultivators who have not surrendered their right of negotiating sales to deposit their crop with the *bania* or local dealer for sale and thus to incur the many charges, deductions and commissions to be hereafter noted.

(3) The absence of means for ascertaining the prevalent rates from disinterested parties, which keeps the cultivators dependent upon the *bania's* word for their knowledge of the rates.

(4) The non-existence in Sind of organised and regulated cotton markets such as exist in Berar. Cultivators are, as a consequence, deprived of the benefit both of the open competition among buyers and of the smooth way in which sales would be effected in such markets. Cultivators have stated that much difficulty and inconvenience are experienced in marketing the crop at the neighbouring market towns, and consequently the disposal of the crop is mostly done locally.

The three chief complaints made by the cultivators of practically all the villages are in respect of :—
The chief complaints of the cultivators.

- (a) The concealment of the prevailing rates,
- (b) The excessive number and amount of levies made on sale, and
- (c) The deceitful practices in weighment,

which will now be discussed. It is noteworthy that no complaints have been put forward on the ground of deductions or "reductions" for inferior quality, rain-damage, black leaf, boll-worm stain, moisture, etc.

The first complaint made by the cultivators is that they never know the prevailing rates. Their only source of information is the local dealer who conceals the true rates. A further complaint is that the *sowcar*, the local *bania* or dealer, the itinerant *dalal* or "*vachhayat*" and the gin-owner work in complicity with each other to deceive the cultivator. Cultivators are in every way discouraged from taking their crop to the ginnery direct; they are required to sell through the *sowcar*, the *bania* or the *dalal*. If they do take their produce direct to the ginneries, they are sometimes held up as thieves, and even when they prove their *bona fides* they are offered such disappointingly low rates that it is not worth their while transporting their crop to the ginnery. In cases where the crop is deposited with the *sowcar* for sale there is a widespread suspicion that the latter credits their account with a lower rate than the one he has actually obtained at the sale. However, a comparison of the normal village and market rates would show that there is very little difference between them and that therefore the complaint about concealment of rates is not justifiable as a general complaint; it is only true for individual cases.

There are many kinds of levies made when the crop is brought by the cultivator to be sold. The chief ones are noted below:—

(1) *Tabro*. A *Tabro* is literally a small bag, and thence a "bagful." It is the levy which the weighing *bania* makes by way of commission. The amount thus taken is from 3 to 5 *seers*. *Tabro* is taken once or twice from each holding.

(2) *Dalali* is the ordinary commission charged by *dalals* and *sowcars* for negotiating the sale. The rates vary from one-quarter anna to one and a half annas per *maund* of *kapas* sold.

(3) "*Buṛro*" is a kind of *dalali*. Any small quantity less than a *maund* left after weighment is not weighed, but is taken by the *sowcar-bania*. This is called *buṛro*; but in many places *buṛro* has come to assume a definite shape and the levy is forced from the cultivators at the rate of a *seer* of *kapas* per *maund*.

(4) "*Dharmao*." The *sowcar-bania* also deducts a levy called *Dharmao* for Hindu religious purposes at rates of between one-quarter anna to one and a half-anna per *maund*. Muslim cultivators will not pay this levy; but nevertheless they have to pay the charge under some other head: either what is called *Toiki* is taken from them for charities, or they are charged extra rates for *dalali*, at $\frac{1}{2}$ to 1 anna per *maund*.

(5) *Sethai*. The *sowcar-bania* by virtue of his position as the financier or *Seth* levies small charges per *maund* on his debtors on their sales (whether made through him or through others).

(6) "*Panchayati*." This charge is levied by the Hindu *Panchayat* in kind. In Khandoo it is about $\frac{1}{4}$ th *seer* per *maund*. At other places, somewhat less. The proceeds from this source are spent for the benefit of the *Bania* community in general.

(7) "*Choongi*." This is the same thing as the *burro* above referred to. The same sort of levy is at some places called *Choongi* and at others *burro*. What the weighman charges is also sometimes referred to as the *choongi*.

(8) "*Dharawai*." is much the same kind of charge as the *Tabro* mentioned above. It is payable to the weighing *bania* or *dalai*; but unlike the *tabro* it is levied on a scale of about $\frac{1}{4}$ seer to a *maund*.

It is not suggested that all these levies are payable by every cultivator. But two at least are paid by every cultivator, and in most cases four are paid.

The greatest losses experienced by the cultivators however are in weighing. The Chief Investigating Officer made a series of weighing tests in all the villages in December last, and the results of his **Deceitful practices in weighing.** surprise visits are most illuminating. He found that in most cases the *sowcar-banias* when purchasing cotton from the cultivators did not use the correct iron weights at all (although they used them when they themselves sold), but made up approximate weights by putting in a bag pieces of stones and bricks. Thus they contrived to get from the cultivators between 90 and 96 lbs. for a *maund*, whereas the correct standard weight is 86.4 lbs. In one case a weight alleged to be of $7\frac{1}{4}$ seers actually weighed 17 $\frac{1}{4}$ lbs; so that the *bania* would really get 98 lbs. for his *maund* of cotton. In some cases the scales were also uneven.

There is yet another way in which the cultivator is put to a loss, though a small one :—

The cultivators of Deh No. 167 stated that *sowcars* and ginowners deduct 5 seers for *bardan* (i.e. for the tare weight of the carrier, bag or basket supplied by them for bringing *kapas* in.) The *bardans* supplied by a gin-owner to one of them for *phutties* to be brought to Jamesabad were tested. They were 9 in all, and on an average weighed 8 lbs. or a little less than 4 seers, while the cultivator was charged 5 seers."

148 cases of advance sales have been noted and particulars of the amounts, rates and time of sales for each village are given in Table IX.

Time of sales These figures do not include sales under the *Koonjro*
advance sales. system wherein half the crop is taken by the *Koonjro* or financing partner. In all, 3,835 *maunds* were sold in advance; which means that over 9% of the total out-

turn was sold in advance. These sales were effected between 1st June and 15th September, but mostly in the middle of July. An exceptional case is the sale of 27 *maunds* at Rs. 6-8 made as early as February 1927; in this case the cultivator wanted money and the *sowcar* would lend on no other terms. A very large number (102) of these 148 cases are sales of definite amounts ranging from 2 to 35 *maunds*. The rates range from Rs. 6 to Rs. 15—the largest quantities being sold at between Rs. 7 and Rs. 9 which figures may be treated as the normal rates for advance sales. There are 27 cases where the whole crop had been sold in advance; and 19 cases of the sale of half crop. Particulars of these are noted in Table IX. It will

be noticed that in most of these 46 cases the sale is effected at a definite price per *maund* at high rates ranging from Rs. 12 to Rs. 14-8. In five cases, however, the whole or half crop was sold for a fixed sum. And in one of these, the *sowcar* must have realised 40 *maunds* for Rs. 100 advanced. In another instance 50 *maunds* were realised for Rs. 250 advanced. In all these five cases money was paid to the cultivator immediately on sale, which explains the low rates. In the other 41 cases payment was made when the crop was picked and ascertained. In the remaining 102 cases either payment was not made on sale or was credited to the debt account. Of the 3,835 *maunds* sold in advance; 3,190 *maunds* were sold to *sowcars*, 633 to landlords and petty merchants, and only 12 to a gin-owner directly.

The extent to which early sales are made may be judged from the following figures :—

Time of Sales. Early and Late Sales.	Total outturn ..	39,218 <i>maunds</i> .
	Crop picked in the 2nd period. ..	25691 ..
	Percentage of this crop to the total ..	64% ..
	Amount of the picked crop sold in the 2nd period ..	16,700 <i>maunds</i> .
	Percentage of the picked crop sold. ..	65% ..

Much the greater part of the crop picked before the end of December is also sold before the end of December. This indicates the great urgency on the part of the cultivator to dispose of his *kapas* at an early date, although the figure of 65% should really be much higher. A large number of cases has been noted in which *kapas* at each picking was taken away by the *sowcar* for sale and for credit to the cultivator's debt-account, and in still other cases the crop was deposited with the landlord or the *sowcar* for sale. Most of these amounts however were treated as not sold, and consequently have all been entered into the column of sales in the third period.

The proportion of early and late sales, meaning thereby the relative amounts sold before and after 31st December 1927, is indicated below :—

Amount sold in the 2nd period ..	16,700 <i>maunds</i> or 43%
(No. of cultivators who sold = 586)	
Amount sold in the 3rd period ..	18,134 <i>maunds</i> or 46%
(No. of cultivators who sold = 686)	
Amount left unsold at end of 3rd period ..	4,384 <i>maunds</i> or 11%
(No. of cultivators with unsold <i>kapas</i> =133)	
Total ..	39,218 <i>maunds</i> .

There are 20 cases in Tando Kaiser and 10 in Bhindo where the crop was late sown to such an extent that no pickings at all were made in the second period. These casts yielded about 1,142 *maunds*, 65% of which

would amount to 750 *maunds*. To this extent at least by reason of the late sowing the figures of sales in the 3rd period have been appreciated and those for the 2nd period correspondingly lowered, for if the sowing had been normal this amount would have gone into the column of sales in the 2nd period, instead of in the 3rd.

The rates obtained for the early and the late sales may be compared as below :—

Rates per <i>maund</i> .						
		Highest.		Lowest.		Normal or most frequent.
		Village.	Market.	Village.	Market.	Village. Market.
Early (i.e. 2nd period)						
sales, ..	..Rs. 1=	Rs. 15	Rs. 11	Rs. 12-4	Rs. 13	Rs. 13-4
Late (i.e. 3rd period)						
sales, ..	..Rs. 15	..	Rs. 11	..	Rs. 13	..

Unfortunately the rates, particularly market rates, for the third period have not been properly investigated, due to the fact that the sales in the market in the third period were very small. Such rates as have been given are marked "for whole period October to December," which leaves us in the dark as to rates obtaining after December. In the case of two villages the January (Market) rates are given: in Deh. No. 128, Rs. 12-9; and Deh 167, 14-8. It will be seen that village rates have remained constant during the period October to January. The rate normally offered for *kapas* remaining unsold at the end of February 1928 was Rs. 10, which shows that holding would not have been profitable this year in Sind.

Particulars regarding unsold *kapas* are as follows :—

Unsold *Kapas*.

<i>Kapas</i> remaining unsold	4,384 <i>maunds</i> .
Percentage to total outturn .. .	11% ..
Number of cultivators with unsold <i>kapas</i> ..	133
Number of cultivators who took advances against unsold <i>kapas</i>	10
Amount of advances taken against unsold <i>kapas</i> Rs.	2,328

For the figures of each village vide Table III. It will be seen that the highest percentages were to be found in Deh. No. 128 and in Bhindo where as much as 30% of the outturn was left unsold at the end of February 1928. In Bhindo this would be partly explained by late sowings, but the principal reason is that the crop "deposited for sale" with the *sowcar* has been returned under the column "amount remaining in hand" owing to the inability of the cultivator to say whether the *sowcar* had sold, and, if so, what amount. This would account for the high percentages of unsold crop in Tando Kaiser, Bhindo, Dehs Nos. 127, 128 and 167. The probability, therefore, is that the quantity of unsold *kapas* has been exaggerated.

It may be noted that the rates offered for unsold *kapas* ranged from Rs. 9 to Rs. 12-8 (in one case Rs. 14-8) but the normal rates were Rs. 10 and Rs. 11-8, i. e., about 15% lower than the normal rates in the third period.

Lint sales are absolutely negligible in the Sind cotton tract. Only three cultivators out of 721 ginned *kapas* for being sold as lint, which they declared they would sell at Karachi.

There are in Sind no Co-operative Sale Societies for the sale of cotton such as those at Hubli and Gadag in the Dharwar District of the Bombay Presidency. One such society did exist at Tando Adam in the Hyderabad District, but is no longer working.

The general conclusions on this section of the report are as follows:

General Conclusions.

(1) 89% of the crop is sold by the end of February, only 11% being on hand. The probability is that the latter figure would be even less if the statistics had been more accurately compiled.

(2) By far the greater portion of the crop is sold in the village, only 7,408 *maunds* or 19% of the total outturn were taken to market for sale, the remaining 27,426 *maunds* or 70% being sold in the village itself.

(3) The normal rate obtaining locally was Rs. 13 and this remained constant throughout the season. The village rates are very closely linked with the market rates as a result of the system of purchase and sale which is described in the report on the market investigations.

(4) 43% of the crop was sold to gin-owners, and 36% to *sowcars*. Only 10% was sold to *dalals*.

(5) Only in a few cases have brokers been employed to negotiate sales, the *sowcars* very often performing this function.

(6) 222 cultivators sold their crop outright, and 239 cultivators deposited their crop for sale. For the rest no information has been given.

(7) 559 cultivators ascertained the rates of sale before selling and 127 did not; the chief sources being *bantias* and other local dealers.

(8) 64% of the total crop is picked in the second period, and 65% of these pickings are sold in the second period itself. With more accurate figures it is probable that the latter figure would be nearer 85 than 65. This discloses the urgency for early realization on the part of the cultivator. As the rates this year remained constant from October to January and declined thereafter, holding on would have proved unprofitable.

(9) 43% of the total outturn was sold before and 46% after 31st December 1927, 11% remaining unsold.

(10) Lint sales are negligible

II. The chief defects of the sale organisation in the village are :—

- (a) The *soucar* exercises excessive control over the sale of the produce, and the cultivators lack the power of negotiating sales on their own account.
- (b) Absence of storage facilities compels cultivators to sell in the village and to deposit their crop for sale with the *bania*.
- (c) There is no disinterested source from which cultivators can ascertain the prevailing market rates.
- (d) The total absence of regulated and organized markets deprives the cultivator of the benefit of open competition among buyers.

III.(1) The chief complaints of the cultivators were :—

- (i) That rates were concealed from them, and gin-owners, *soucars* and *banias* actively conspired with each other to conceal the same. As a general complaint this is not justifiable.
- (ii) That numerous levies are made on the sale of the produce, like *dalali*, *dharmao*, *choongi*, *tabro*, *burro*, *sethai* and *panchayati* or at least 3 or 4 of these.
- (iii) That fraudulent practices are the general rule when *kapas* is brought for weighment. Special weighing tests made by the Chief Investigating Officer proved that this complaint was fully justifiable.

(2) It may be noted that there was no general complaint on the ground of deductions for inferior quality, moisture, black-leaf, bollworm stain, etc. Such deductions are apparently not customary in Sind.

TABLE I.

Total yields and Yields per acre.

District.	Village.	Area under Cotton (Acres)	Total yield Maunds. (1 Maund = 86.4 lbs.)	Lbs.	Average yield.	Maximum yield.	Minimum yield.
					(In lbs. per acre).		
Hyderabad.	Khandoo	.. 309 L	4,915	424,656	1,342	1,944	345
	Salaro	.. 147 L	1,875	162,000	1,102	1,900	345
	Tando Kaiser	.. 249 L	2,475	213,750	860	1,529	311
	Bhindo	.. 418 L	4,091	353,462	845	1,589	241
Nawabshah	Deh. No. 26	.. 412 F	4,138	357,523	868	1,780	466
	" " 106	.. 219 F	3,277	283,132	1,293	2,073	190
	" " 107	.. 362 F	3,936	340,070	939	1,659	302
	" " 26-A	.. 286 M	2,550	220,320	770	1,728	354
	Sohi Kandhar	.. 623 L	6,854	592,185	950	(b) 1,745	(c) 216
Thar & Parkar.	Deh No. 127	.. 263 F	1,287	111,196	(a) 423	864	43
	" " 128	.. 295 F	1,996	172,454	(a) 586	1,296	345
	" " 167	.. 126 M	517	44,668	(a) 355	648	129
	" " 259	.. 193 L	808	69,811	(a) 362	777	172
	" " 270	.. 126 F	309	26,697	(a) 212	743	43
	" " 270-A	.. 62 M	190	16,416	(a) 265	518	43
	Total	.. 4,089	39,218	3,388,340	831	(b) 2,073	(c) 43
	Total excluding the flood affected area	.. 3,024	34,111	2,947,098	974		

L=Lift system (predominantly).

F=Flow system (predominantly).

M=Mixed system.

(a) Low yields, because severely affected by floods.

(b) There is an exceptional case of 32 maunds or 2764 lbs. per acre.

(c) 26 lbs. in one case is exceptional.

TABLE II.
STATEMENT OF ADVANCES (SOURCES OF ADVANCES).

District.	Village.	No. of cultivators who took advances	Total amount borrowed.	Borrowing per head	No. of cases in which advances were made by							Amounts borrowed from						Predominant rate(s) of interest. (a) %
					Soucar.	Co-operative Society.	Zaminadar.	Adatya or dalal.	Friends & Relatives.	Government (Taccat loans)	Others.	Soucar.	Co-operative Society.	Zaminadar.	Friends & Relatives.	Government (Taccat loans)	Others.	
Thar & Parkar. Navabehah. Hyderabad.		Rs.	Rs.	Rs.								Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Khandoo	54 (b) 74,675	1,383	48	..	..	Nil.	5	..	1 Muslim potter.	68,975	..	..	4,700	..	1,000	24	
	Salaro	30 (c) 24,700	823	31	..	..	..	..	..	1 Bania	23,700	..	..	..	..	1,000	18½; 24.	
	Iando Kaiser	47 (d) 40,013	851	45	7	2	..	7	..	..	35,107	2,390	700	1,816	..	..	18½; 37½; 12	
	Bhindo	84 (e) 60,983	726	75	7	9	..	9	..	..	51,680	3,393	3,285	2,625	..	..	50; 37½; 18½; 24	
	Deh No. 26	54 24,354	451	46	..	24	..	..	..	..	20,069	..	4,285	..	..	..	18½; 37½	
	Deh " 106	43 17,183	400	49	..	3	..	..	..	..	16,683	..	500	..	..	..	24.	
	" " 107	52 26,104	502	25	..	43	..	..	..	..	8,700	..	17,404	..	..	..	18.	
	" " 26-A	45 16,277	362	22	2	26	..	..	..	..	6,530	1,025	8,722	..	..	..	18½.	
	Sohi Kandhar	119 (f) 104,446	878	124	31	13	..	1	..	1 Gln-owner.	85,451	5,585	7,710	200	..	5,500	37½; 18½; 24	
Thar & Parkar. Navabehah. Hyderabad.	Deh No. 127	31 38,566	1,244	26	10	6	..	3	6	..	28,642	4,975	2,889	1,145	915	..	18½.	
	Deh No. 128	35 (g) 28,749	821	21	19	9	..	1	2	1 Zamin-dari Bank	19,342	6,375	2,307	25	200	500	18½.	
	Deh No. 167	19 26,213	1,380	19	17	..	..	..	17	..	18,378	6,845	..	..	990	..	37½.	
	Deh No. 259	27 29,317	1,086	27	13	10	..	..	11	2 Banias	17,983	4,190	6,400	..	472	272	37½.	
	Deh No. 270	23 17,416	757	18	..	9	..	1	4	..	14,821	..	1,760	240	595	..	37½.	
	Deh No. 270-A	17 21,228	1,249	14	8	1	..	4	14	1 Zamin-dari Bank	9,239	3,672	1,000	596	1,721	5,000	37½; 11.	
	Total	680 550,224	809	590	114	155	Nil	31	44	6	425,300	38,450	56,962	11,347	4,893	13,272	18½; 37½; 24.	
	Percentage	94% of total cultivators.									77.5	7	10	2	1	2.5		

(a) Table VIII will show the amounts borrowed at the various rates of interest.

(c) Excluding Rs. 1700 advanced in 2nd period and Rs. 500 in the 3rd period.

(d) Excluding " 273 " 2nd " " 1478 " 3rd "

(e) Excluding " 220 " 2nd " " 350 " 3rd "

(f) Excluding " 308 " 2nd period.

(h) Excluding " 3351 " 2nd " " 2328 " 3rd "

(b) Excluding Rs. 500 advanced in the 2nd period.

(g) Excluding Rs. 350 advanced in 2nd period.

TABLE III.

Amounts sold locally and in the market and that remaining unsold
(at end of February 1928).

District.	Village	Total out- turn <i>Maunds.</i>	Crop rema- ining unsold <i>Maunds</i>	Per- cent- age of unsold crop to total out- turn %	Crop sold in 2nd period.		Crop sold in 3rd period.	
					In Vil- lage. <i>Maunds</i>	In Mar- ket. <i>Maunds.</i>	In Vil- lage. <i>Maunds</i>	In Mar- ket. <i>Maunds</i>
Hyderabad.	Khandoo ..	4,915	394	8	2,533	..	1,988	..
	Salaro ..	1,875	220	12	989	..	666	..
	Tando Kaiser ..	2,475	650	27	410	127	1,288	..
	Bhindo ..	4,091	1,231	30	1,024	150	1,586	100
Nawabshah.	Deh No. 26 ..	4,138	..	..	1,526	22	2,590	..
	" " 106 ..	3,277	..	..	944	230	2,103	..
	" " 107 ..	3,936	..	..	30	1,656	2,250	..
	" " 26-A ..	2,550	..	..	487	717	1,346	..
	Sohi Kandhar ..	6,854	868	13	1,090	2,755	2,069	72
Thar & Parkar.	Deh No. 127 ..	1,287	293	23	204	50	740	..
	" " 128 ..	1,996	600	30	460	65	292	579
	" " 167 ..	517	108	20	242	134	27	6
	" " 259 ..	808	..	..	198	271	62	277
	" " 270 ..	309	20	6	146	80	41	22
	" " 270-A ..	190	..	..	65	95	30	..
Total ..		39,218	4,384	11	10,348	6,352	17,078	1,056
					16,700		18,134	

Total in village— 27,426 *maunds* or 70%
Total in market 7,408 " " 19%
Crop unsold 4,384 " " 11%

TABLE IV.

Area and Holdings.

District.	Village.	No. of holdings recorded.	Total cultivated area for the holdings recorded. Acres.	Average size of holdings Acres.	Area under cotton. Acres.	Average area under cotton per holding Acres.	Percentage of area under cotton to the total cultivated area. %
Hyderabad.	Khandoo ..	59	671	11	309	5	46
	Salaro ..	30	268	9	147	5	55
	Tando Kaiser ..	51	531	10	249	5	47
	Bhindo ..	91	1,103	12	418	4.5	38
Nawabshah.	Deh. No. 26 ..	56	630	11	412	7.5	65
	" " 106 ..	49	662	13.5	219	4.5	33
	" " 107 ..	53	777	15	362	7	47
	" " 26-A..	46	600	13	286	6	48
	Sohi Kandhar ..	124	1,590	13	623	5	39
Thar & Parkar.	Deh. No. 127 ..	33	497	15	(a) 262	8	53
	" " 128 ..	41	520	12.5	(a) 295	7	57
	" " 167 ..	20	330	16.5	(a) 126	6	38
	" " 259 ..	28	392	14	(a) 193	7	49
	" " 270 ..	23	248	10.5	(a) 126	5.5	51
	" " 270-A..	17	234	14	(a) 62	4	27
	Total ..	721	9,053	12.5	(a) 4,089	5.5	45%

(a) These figures exclude the acreage destroyed by floods which is 104, 35, 95, 43, 98 and 71 acres in these villages respectively, and which totals 446 acres.

TABLE V.

Number of cultivators who had entered into bonds to sell their crop to or through the money-lender or the landlord.

District.	Village.	1	2	3	4 5	
					No. of those who signed bonds to sell	
					to or through the <i>sowcar</i> .	to or through the landlord.
Hyderabad.	Khandoo .. ..	..	59	54	32	..
	Salaro .. ..	..	30	30	13	..
	Tando Kaiser ..	..	51	47	20	..
	Bhindo .. ..	..	91	84	47	5
Nawabshah.	Deh No. 26 ..	..	56	54	46	8(a)
	" " 106 ..	..	49	43	43	..
	" " 107 ..	..	53	52	11	40(b)
	" " 26-A ..	..	46	45	19	26(b)
	Sohi Kandhar ..	..	124	119	84	1
Thar & Parkar.	Deh. No. 127 ..	..	33	31	22	4
	" " 128 ..	..	41	35	19	9
	" " 167 ..	..	20	19	18	..
	" " 259 ..	..	28	27	27	..
	" " 270 ..	..	23	23	20	..
	" " 270-A ..	..	17	17	13	..
Total ..			721	680	434	93
Percentage ..			..	94% (of Col. 2)	527 or 78 % of col. 3	

(a) In these cases advances were taken entirely from the landlord ; so it is presumed the obligation is to sell to him.

(b) The bonds in these cases are entered into with the landlord who had made loans on the condition, *inter alia* that the whole produce should be left to be handled by him.

TABLE VI.
Borrowings per head and per acre.

District.	Village.	Total No. of cultiva- tors recorded.	Total No. of borrowers.	Amount borrowed. Rs.	Borrowing per head.		Proprietors.			Tenants.			Persons partly pro- prietors and partly tenants.			Total cultivated area. acres	Borrowing per acre of total cultivated area. Rs.	Area under cotton acres	Borrowing per acre under cotton. Rs.	
					of total cultiva- tors. Rs.	of borrow- ers Rs.	No. who borrowed.	Amount borrowed. Rs.	Borrowing per head. Rs.	No. who borrowed.	Amount borrowed. Rs.	Borrowing per head. Rs.	No. who borrowed.	Amount borrowed. Rs.	Borrowing per head. Rs.					
Thar & Parkar, Nawabshah, Hyderabad	Khandoo Salaro ..	59	54	(a) 74,675	1,266	1383	4	9,700	2425	49	62,975	1,285	12	0	2000	671	111	309	242	
	Tando Kaiser	30	30	(b) 24,700	823	823	7	7,000	1000	23	17,700	770	..	..	..	268	92	147	168
	Bhindo	51	47	(c) 40,013	785	851	27	22,393	829	15	12,861	857	5	4,759	952	531	75	249	161	
	Deh No. 26	91	84	(d) 60,983	670	726	37	23,120	625	41	26,964	658	6	10,899	1816	1103	55	418	146	
	" " 106	56	54	24,354	435	451	1	4,500	4500	53	19,854	375	..	..	..	630	39	412	59
	" " 107	49	43	17,183	351	400	1	1,000	1000	46	16,183	352	..	..	..	662	26	219	78
	" " 26-A	53	52	26,104	493	502	1	4,000	4000	51	22,104	433	..	..	..	777	34	362	72
	Sohi Kandhar	46	45	16,277	354	362	1	700	700	44	15,577	354	..	..	..	600	27	286	57
	Deh No. 127	124	119	(e) 104,446	842	878	47	47,105	1002	65	43,944	676	7	13,397	1914	1590	66	623	168	
	" " 128	33	31	38,566	1,169	1244	7	19,995	2856	21	13,678	651	3	4,893	1631	497	78	262	147(h)	
	" " 167	41	35	(f) 28,749	701	821	6	8,202	1367	22	10,185	463	7	10,362	1480	520	55	295	97(h)	
	" " 259	20	19	26,213	1,311	1380	19	26,213	1380	..	..	..	..	..	..	330	79	126	208(h)
	" " 270	28	27	29,317	1,047	1086	14	12,017	858	13	17,300	1,331	..	..	..	392	75	193	152(h)
	" " 270-A	23	23	17,416	757	757	5	9,371	1874	17	6,895	406	1	1,150	1150	248	70	126	138(h)	
	" " 270-A	17	17	21,228	1,249	1249	12	17,844	1487	4	3,168	792	1	216	216	234	91	62	342(h)	
	Total	721	680	(g) 550,224	763	809	189	213,160	1128	460	289,388	629	31	47,676	1538	9053	61	4089	134(h)	
	Percentage	..	94	89%	39	..	97%	53	..	97%	8
							of total proprietors.				of total tenants.				of total persons.					

- (a) Excluding Rs. 500 advanced in 2nd period. (b) Excluding Rs. 1700 advanced in 2nd period and Rs. 500 in the third.
(c) Excluding Rs. 273 advanced in the 2nd period and Rs. 1478 in the 3rd period.
(d) Excluding Rs. 220 advanced in the 2nd period and Rs. 350 in the 3rd period.
(e) Excluding Rs. 308 advanced in the 2nd period. (f) Excluding Rs. 350 advanced in the 2nd period.
(g) Excluding Rs. 3351 advanced in the 2nd period and Rs. 2328 in the 3rd period.
(h) In these villages 104, 35, 95, 43, 98 and 71 (total 446) acres were respectively destroyed by floods. If these figures are added to the acreage in the preceding column the borrowing per acre under cotton for these villages will be Rs. 105, 87, 119, 124, 78 and 160 and the general average will be Rs. 121 instead of Rs. 134.

TABLE VII.

Previous Arrears and Fresh Borrowings.

District.	Village.	Total borrowings	Last year's arrears.	Percent- age of arrears to total	Fresh borrowings (Col. 2 minus Col. 3)	Percent- age of fresh borrow- ings to total.
		Rs.	Rs.	%	Rs.	%
	1	2	3	4	5	6
Hyderabad.	Khandoo ..	74,675	31,385	42	43,290	58
	Salaro ..	24,700	4,475	18	20,225	82
	Tando Kaiser ..	40,013	8,955	22	31,058	78
	Bhindo ..	60,983	15,646	26	45,337	74
Nawabshah.	Deh. No. 26 ..	(24,354)	(Not de- tailed)			
	" " 106 ..	(17,183)	—do—			
	" " 107 ..	(26,104)	—do—			
	" " 26-A ..	(16,277)	—do—			
	Sohi Kandhar ..	(1,04,446)	—do—			
Thar & Parkar.	Deh. No. 127 ..	38,566	3,937	10	34,629	90
	" " 128 ..	28,749	10,387	36	18,362	64
	" " 167 ..	(26,213)	(Not de- tailed)			
	" " 259 ..	(29,317)	—do—			
	" " 270 ..	(17,416)	—do—			
	" " 270-A ..	(21,228)	—do—			
	Total	2,67,686 (Omitting figures in brackets.)	74,785	28	1,92,901	72

TABLE VIII.
Amounts borrowed at the various rates of interest.

District.	Village.	Amount advanced free of interest. Rs.	Amounts advanced at the rate of														Other rates.
			6%	9%	10½-11%	12%	15-16%	18%	18½%	20%	24%	25%	27½-28½%	30%	37½%	50 Double Panjolt.	
Hyderabad	Khandoo Salaro ..	(a) 11,000	(d) 500	..	..	7,600	..	5,000	6,660	7,900	33,235	800	..	800	1,180	..	600 @ 60%
	..	(a) 2,675	..	..	..	..	..	600	9,100	..	7,100	800	..	1,000	1,525	900	400 @ 75%
	Tando Kaiser Bhindo ..	(b) 3,750 (b) 6,176	..	..	2,390 3,393	6,550 ..	..	3,980 1,200	8,997 5,995	..	4,800 5,636	483 993	..	1,200 ..	7,613 10,556	250 16,854	1330 @ 36% 500 @ 75%.
Nawabshah.	Deh No. 26 ..	1,835	..	..	..	..	..	..	(g) 13,095	..	..	..	..	..	(g) 9,424	..	..
	" " 106 ..	500	..	..	..	..	..	..	2,481	..	12,202	..	..	..	(i) 2,000	..	..
	" " 107 ..	..	..	..	..	1,570	1,920	8,474	2,690	120	4,200	150	3660	..	3,320	..	..
	" " 26-A ..	405	..	..	1,025	..	..	..	9,167	..	..	1,850	..	..	(g) 3,850	..	..
	Sohi Kandhar ..	(b) 2,470	..	250	5,585	7,300	..	..	28,302	..	13,700	(h) 4,600	2000	6,400	(h) 33,309	..	500 @ 40%
Thar & Pafler.	Deh No. 127 ..	(c) 4,814	915	..	4,975	..	..	200	(g) 21,341	..	..	..	..	..	(g) 2,696	(g) 1,925	500 @ 56½%
	" " 128 ..	817	200	(a) 500	6,375	1,700	..	..	(g) 15,180	..	..	..	2472	..	70	(g) 847	1200 @ 60%.
	" " 167 ..	..	990	..	6,845	2,500	..	400	..	..	3,450	..	..	460	10,968	..	588 @ 48%
	" " 259 ..	..	472	..	4,190	6,400	..	384	503	..	150	2,400	..	..	10,376	4,310	600 @ 75%.
	" " 270 ..	1,240	(d) 1295	..	..	2,745	..	..	..	..	..	1,585	..	500	(g) 8,451	(g) 1,600	132 @ 75%.
	" " 270-A ..	596	1721	..	(f) 8672	..	..	..	1,000	..	..	293	..	..	8,546	..	400 @ 75%.
	Total ..	36,288	6093	750	43,450	38,565	8,070	20,238	124,511	8020	84,473	13,954	8132	10,360	113,884	26,686	1330 @ 36; 500 @ 40; 588 @ 48; 500 @ 56½; 1800 @ 60 2032 @ 75.
	Percentage ..	6.5	1	..	8	7	1.5	4	23	1.5	15	2.5	1.5	2	20.5	5	

- (a) Mostly from the *Koonjro* (or financing partner) under the "*Koonjro* system" explained in the report.
 (b) From landlords and friends and relatives. (c) From landlords.
 (d) In Khandoo Rs. 500 are from a *sowcar*. In Deh No. 270, Rs. 700 are from a *sowcar*, the rest (and the remaining figures in this column) are Government *lacavi* loans. (e) From a *Zamindari* bank. See also (f) below.
 (f) Rs. 5000 are from a *Zamindari* bank. The rest, and all the remaining figures in this column, are loans given by Co-operative Societies.
 (g) In Dehs 26, 107, 26-A, 127 and 128, over and above the interest charged at the rates given in these columns the *sowcar*, in most cases, levies his *lapo* (explained in the report), which is either (usually) Rs. 8/8 per holding or 1/6th of the total grain produce, irrespective of the amount of the loan. If these things are taken into account it is found that the interest rates given here will have to be increased by one to four rupees according as the borrowing is large or small.
 (h) In Sohi Kandhar there were many cases where the interest to be paid was "3 *maunds* of *kapas* per cent". As the normal rate per *maund* is Rs. 12/8, we have converted such cases into (the usual) 37½%. Similarly, "2 *maunds*" were converted into 25%.
 (i) On Rs. 1,910 interest was 25% plus *lapo* of about "one *maund* per cent" This would mean 37½% in all.

TABLE IX.
ADVANCE SALES.

District.	Village.	No. of cultivators who sold in advance.	Amounts and Rates. (Maunds and Rupees.)	Amount sold to			Time of sales. 1927.
				Sow-car.	Gin-owner.	Oth-ers,	
				Maunds.			
Hyderabad.	Khandoo ..	6	28 @ 15 (a)	104	7	94	About 15/9
	Salaro ..	..	..	..	..	..	..
	Tando Kaiser ..	21	77 @ 8; 44 @ 8/8; 6 @ 9; 2 @ 9/8; 21 @ 13; 21 @ 14; 19 @ 8; 87 @ 9; 17 @ 10; 14 @ 11; 2 @ 12.	173	..	..	Between 1/6 & 1/9.
	Bhindo ..	23	..	141	..	2	Between 10/6 & 15/9
Nawabshah.	Deh No. 26 ..	39	(b)	1,775	..	533	Between 1/9 & 15/9
	" " 106 ..	2	(c)	109	..	..	About 15/9
	" " 107 ..	..	..	..	..	..	..
	" " 26-A ..	..	..	..	..	..	..
Thar and Parkar.	Sohi Kandhar ..	16	10 @ 7; 14 @ 8; 38 @ 9; 32 @ 10; 7 @ 11; 2 @ 12/8; 14 @ 13/8; 14 @ 14/8 (d).	225	..	..	Between 1/7 & 6/9
	Deh No. 127 ..	4	6 @ 8; 6 @ 8/8; 50 @ 13; 10 @ 14/8;	72	..	..	About 26/9
	" " 128 ..	8	27 @ 6/8; 30 @ 8; 9 @ 11; 84 @ 14/8; 7 @ 15.	152	5	..	About 15/9 (e)
	" " 167 ..	9	81 @ 6; 4 @ 6/8; 6 @ 7.	91	..	..	Between 25/6 & 15/7
	" " 259 ..	2	10 @ 7.	10	..	..	Between 15/7 & 25/7
	" " 270 ..	3	3 @ 6; 209 @ 7.	212	..	..	Between 1/6 & 10/7
	" " 270-A ..	15	26 @ 6; 73 @ 7; 30 @ 8/8.	126	..	4	Between 1/6 & 15/8
Total		148	110 @ 6; 31 @ 6/8; 308 @ 7; 146 @ 8; 80 @ 8/8; 131 @ 9; 2 @ 9/8; 49 @ 10; 30 @ 11; 2 @ 12; 2 @ 12/8. 71 @ 13; 14 @ 13/8; 21 @ 14; 108 @ 14/8; 35 @ 15.	3,190	12	633	Between 1/6 & 15/9.
				3,835.			

(a) One case of whole crop sold away for Rs. 425. The yield was 43 maunds. Three cases of half crop (50, 44 and 40 mds.) sold for Rs. 250, 250 & 100.

(b) 31 cases of whole crop sold away,—in 19 cases (1147 mds.) half at Rs. 14/8 and half at Rs. 13/8; in 8 cases (488 mds.) @ Rs. 13; in one case (120 mds.) at Rs. 13/8; in one case (70 mds.) half at Rs. 12 and half at Rs. 13/10; in one case (65 mds.) half at Rs. 12 and half at Rs. 14; and in one case (35 mds.) half at Rs. 12/6 and half at Rs. 13/5. 8 cases of half crop sold away:—in 3 cases (52, 82 & 30 mds.) at Rs. 14/4; in 4 cases (71, 32, 70 & 22 mds.) @ Rs. 13/10; and in one case (44 mds.) @ Rs. 13/8.

(c) One case of whole crop sold away for Rs. 550; the yield was 67 maunds.

One case of whole crop (42 mds.) sold @ Rs. 13.

(d) One case of whole crop (94 mds.) sold @ Rs. 14.

(e) One cultivator sold 27 mds. at Rs. 6/8 so early as in February, 1927; this is quite exceptional.

COTTON FINANCE INQUIRY IN SIND.

Report on the Market Investigations.

In Sind, organized and regulated cotton markets do not exist. The so called "Markets" are those district or taluka head-quarter towns and im-

No regulated portant villages where ginneries have been set up. There **cotton markets** are therefore no market committees, no licensed

In Sind. brokers nor *adatyas*, no rules governing the conduct of sales and the fixing of rates, no regular methods for settling disputes and differences, no recognised practice in the matter of levies, charges and deductions for inferior quality, and no records of arrivals and sales. In short the ginneries are the only cotton "markets" in Sind where cultivators can dispose of their produce, but where each seller must make his own arrangements as regards rates, weighment, deductions and other matters with the buyer.

For the purposes of the present inquiry the centres selected, (which for the sake of convenience will now be called "markets") were five in number. They were :—

- | | |
|----------------------------------|--|
| The centres
selected. | <ol style="list-style-type: none"> 1. Nawabshah, 2. Tando Adam, 3. Shahdadpur, 4. Hyderabad (Sind)†, and 5. Mirpurkhas. |
|----------------------------------|--|

These places were selected because they are the chief centres for the sale of cotton for those villages in the middle Sind cotton tract which we have considered in our "village inquiry."

The five centres serve as the markets for the village tracts investigated, as follows :—

Nawabshah for the Nasrat Canals District,	
Tando Adam }	for the Shahdadpur taluka of the Nawabshah district, (e.g. a large amount of <i>kapas</i> from Sohi Kandhar was sold at Tando Adam); and for the Hala Taluka of the Hyderabad district.
and Shahdadpur }	

Hyderabad (Sind), together with Tando Jam, for the Hyderabad district.

Mirpurkhas, together with Jamesabad, for the Jamrao Canals district.

The dates of the visits and the number of persons who were inter-		
	gated at these centres are as under :—	No.
Dates of the visits and num- ber of replies.	Nawabshah, 2nd & 3rd December 1927.	.. 34
	Tando Adam, 6th & 7th " "	.. 34
	Shahdadpur, 8th " "	.. 13
	Hyderabad (Sind) 16th January 1928	.. 20
	Mirpurkhas, 21st January 1928	.. 17

† Properly speaking, Tando Thoro, the Municipal Suburb of Sind Hyderabad.

As might be expected, the information obtained as a result of the market inquiry in Sind is fragmentary and of uncertain utility; only half a dozen persons out of the 118 interrogated, brought the produce for sale on their own account. In all the remaining cases, *kapas* had been purchased in the villages by the agents of the big cotton merchants and ginning factories, had been weighed in the village, and consigned to these markets on camels. In all these cases therefore there is absolutely no information for the columns in the questionnaire (a) whether the person who had brought the *kapas* to the market was himself the grower or had merely bought it for sale, (b) what price he had accepted, (c) what money was actually received by him, and (d) to what deductions he had agreed. The half a dozen replies obtained are naturally quite inadequate to base any general statements on the foregoing points. Such information, however, as has been made available is summarized below :—

At each of the centres mentioned there are from two to six ginning factories†, owned by different persons or firms. Each factory has a number of paid agents permanently stationed in various cotton growing villages in the neighbourhood. These usually are the local *sowcars* and *bantias* themselves. In addition the factory has a number of paid itinerant agents called "*Vachhayats*" who during the picking season tour the villages where there are no permanent agents, and make purchases at the rates within the limits given to them from time to time by the factory-owner. Lastly, there are a number of brokers at the factory town whose duty it is to induce those sellers who have brought their *kapas* for sale to sell it to the factory to which they are attached. These are usually paid entirely on a commission basis; while the first two classes of agents get a fixed pay in addition to some commission on purchases made.

Much of the greater portion of the purchases, say about 80%, are made in the villages. The material is weighed by the itinerant weighman on the spot, that is, in the fields or at the *sowcar's* shop, and is then despatched to the factory on camels, the transport charges being paid by the factory either on contract or on piece work system.

The cultivator is not encouraged to take his *kapas* direct to the factory for sale. In most cases, of course, he is not at liberty to do so, as his produce is mortgaged to or has to be sold through the *sowcar*, the estate-contractor or the landlord who may have financed him.

In cases where the *sowcar* or estate contractor is not the paid agent of a factory, a sample of 2 to 3 lbs. of *kapas* is first given to the *dawal* or travelling agent of the factory, who examines it, and if found to be of approved quality, enters into a contract for the purchase of the whole amount, which is then despatched to the factory.

The local and travelling agents are kept very closely informed about the prevailing rates, telegrams about which are obtained by the factory thrice a day from Karachi.

† See table A.

As a rule the selling party, *e. g.* the cultivator, does not engage a broker in the market. This was observed in Tando Adam, Shahdadpur, Hyderabad (Sind) and Mirpurkhas. In Nawabshah, however, in some cases brokers were engaged by the sellers, but they were found to be mostly loyal to the buyers, the factory-owners, who are men of substance.

Payment is usually made seven days after the delivery of the cotton. If the gin-owner also happens to be financing the seller, the amount is directly credited to the debt account. When the *sowcar* receives payment for the cotton belonging to the cultivators he does not as a rule pay it over to them but settles their accounts in the month of "Phagun" (March-April) at the end of the season.

Payment.

Buyers seldom buy on the deposit system; but where they do, settlement is made within a very short time, say within a fortnight. In such cases the seller may get an advance equivalent to one-fourth the value of the produce free of interest, or one-half the value at between 6 and 12%, or three-fourths the value at between 18½% and 25% interest. Three-fourths the value of the produce is the maximum advance made.

The rates governing the Sind markets are those ruling in Karachi. Each firm or factory obtains Karachi rates for lint by telegram three times a day from which the rates for *kapas* are worked out.

Rates.

These rates are not announced or posted; and each factory tries to keep its own rate a secret, known only to its own brokers. They are then immediately communicated to the local agents of the factory. As a result of this system of having agents posted throughout the whole district, village rates are very closely linked with the market rates. Thus, for instance, our finding in the Report on the village investigations that the normal rate in the village was Rs. 13 (for a *maund* of 42 *seers*) throughout the period, October to January, may be compared with the following rates obtaining at the five markets investigated:—

Nawabshah	Rs. 12-14 to Rs. 13	on 2-12-27.
"	Rs. 12-12 to Rs. 12-14	on 3-12-27.
Tando Adam	Rs. 13-1	on 6-12-27.
" "	Rs. 12-15	on 7-12-27.
Shahdadpur	Rs. 12-13	on 8-12-27.
Hyderabad (Sind)	Rs. 12-12 to Rs. 12-14	on 16-1-28.
Mirpurkhas	Rs. 12-10 to Rs. 12-12	on 21-1-28.

(These are rates for a *maund* of 40 *seers*; 9 to 10 annas may be added to these figures to obtain the rates per *maund* of 42 *seers*.)

Good quality cotton in the village may even fetch a higher price than that ruling in the market, which is for cotton of ordinary quality. Likewise, moisture, black leaf, boll-worm stain and other causes may account for the rate in the village being about 4 annas or so less than the normal market rate.

There is no storage accommodation at any of the markets investigated.

Storage.

The factories have their own godowns for storing their own purchases; but there is no arrangement for storing on seller's account.

As there are no organized markets, no records of daily arrivals and sales are kept; and the factories have refused to disclose their purchases. This year was a slack one and by about December many of the factories had stopped making further purchases as they each had on hand three to four thousand pressed bales in stock, and outside demand had fallen off. The approximate daily arrivals of *kapas* as estimated by the investigators are :—

In Nawabshah on 2nd and 3rd December 1927	..	1,400	maunds
In Tando Adam on 6th and 7th " "	..	3,500	"
In Shahdadpur on 8th December 1927	..	1,200	"
In Hyderabad on 16th January 1928	..	1,500	"
In Mirpurkhas on 21st January 1928	..	1,200	"

These figures are stated to be half those of the normal arrivals in other years, and in Shahdadpur, one-third of the normal.

As already stated weighment is usually done locally in the fields or in the *sowcar's* shop, by the paid weighman of the factory. When the *kapas* reaches the factory the weight is again checked. Pilfering on the way by the camelmen is nowadays assuming large proportions. † Where the *kapas* is bought in the market itself it is weighed in the factory yard. There is no complaint about the weighment when it is done at the factory, and very little when it is done in the village by the factory's weighman. The complaints about the weighment in the foregoing pages of the village report have to do with the weighment done by the *sowcar* or *bania* when he buys from the cultivator, and not with the weighment done by the factory's weighman on direct sale to the factory's agent.

The factory's weighman usually carries a weight of 20 *seers* and a weight of 1 *seer* and weighs 21 *seers* or half a *maund* at a time. These weights are checked every fortnight with the *Panchayat's* brass weights, for which service the *Panchayat* charges one anna and three pies every time. The weighing-tests made at the factories have proved that the factories have been using quite correct weights and scales.

The weighman's employment is for six months during the cotton season. He is either paid at Rs. 30 to Rs. 50 per month or at the rate of one-quarter anna per *maund*, whichever is acceptable to him. But besides this the weighman always levies *choongi*† from the seller. This was formerly a small gratification in kind voluntarily given by the cultivator or other person selling; but it has now become a customary payment which the weighman always exacts. This *choongi* comes only to about 2 lbs. per camel-load (i.e. 7 *maunds* or 604 lbs).

The weighman's employment is for six months during the cotton season. He is either paid at Rs. 30 to Rs. 50 per month or at the rate of one-quarter anna per *maund*, whichever is acceptable to him. But besides this the weighman always levies *choongi*† from the seller. This was formerly a small gratification in kind voluntarily given by the cultivator or other person selling; but it has now become a customary payment which the weighman always exacts. This *choongi* comes only to about 2 lbs. per camel-load (i.e. 7 *maunds* or 604 lbs).

So far as market sales are concerned the only deductions made are

† It has been suggested that it is owing to this pilfering and to the dirt which is found mixed with the cotton that buyers evolved the idea of having a *maund* of 42 *seers*, (86.4 lbs.) though a *maund* as a standard is only 40 *seers* (82 lbs.)

‡ This has been explained in the village report (see page 24.)

half an anna per *maund* for *dalali* or brokerage which is taken from all sellers.

Customary deductions. In Sind Hyderabad this includes the *Dharmao*. † In Tando Adam one pice more is charged for *Gowshala* charity from all Hindu sellers. These charges are deducted from the payments when made. *Choongi* may also be treated as a sort of a customary deduction.

The market investigations have shown how infinitesimal is the number of growers (and of traders) who bring their produce to the market for sale on their own account, and how very few are the cases where the grower had entered into a contract with a firm or factory for the sale to it of a definite amount during the season at fixed contract rates. Practically the whole of the amount brought to the markets was purchased in the villages by the local agents of the cotton firms or ginning factories, and consigned by them to the markets. A word may be added here by way of explaining what might strike one as an apparent contradiction. The cultivators who bring their *kapas* for sale in the market and referred to here must not be confused with those who, in our report on the village inquiry, have been shown to have sold "in the market." The number of these latter is certainly considerable, more particularly in the 2nd period (i. e. of sales before 31st December). These cultivators are however those who sold their crop to the gin-owner (or cotton trader of the market as opposed to those who sold locally to the village *sowcar*, *bania* or landlord); and are not necessarily those who directly took their produce to the market for sale there on their own account. A large number of those who sold "in the market" (in this sense) nevertheless gave delivery of the *kapas* in the village itself to the local agent of the gin-owner (or trader), and the crop was weighed at their very doors or in the fields by itinerary weighman of the gin-owner (or trader).

† This has been explained in the village report (see page 23.)

TABLE A.

Ginning Factories at the Markets Investigated.

Markets.	Factory owned by.	Factory worked by.
Nawabshah	(4) 1. Messrs Ralli Bros. 2. Bhai Topandass. 3. Messrs Edulji Dinshaw.	Owners. —do— (i.) Messrs Volkart Bros. (ii.) " Louis Dreyfus. (iii.) Bhai Tillumal, in turns of 3 days each.
	4. Rai Saheb Vishindass.	Owners.
Tando Adam	(6) 1 & 2. Seth Maganlal Wadhoomal. 3 & 4. Seth D. Madandass and Seth M. Alimchand.	— do — — do —
	5. Seth Kundomal Alimchand.	— do —
	6. Seth Rachiram Sagandass.	— do —
Shahdadpur	(2) 1. Seth Kundomal Alimchand. 2. Seth Hiranand Notandass.	— do — — do —
Hyderabad (Sind)	(4) 1. Estate of the late Hon'ble Mr. G. M. Bhurgri.	Seth Revachand Shevaram.
	2. Rai Saheb Vishindass.	Seth Tarachand Ghansam- das.
	3. Seth Ajoomal Jagtarani.	Owners.
	4. Seth Moolchand Sahijram.	(not working this year).
Mirpurkhas	(4) 1. Messrs Edulji Dinshaw. 2. Seth Pahloomal Motiram. 3. Seth Ramchand Mangimal. 4. Messrs. Ralli Bros.	Messrs. Volkart Bros. Owners. — do — — do —

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Indian Central Cotton Committee.



REPORT
ON
AN INVESTIGATION INTO THE FINANCE
AND
MARKETING OF CULTIVATORS' COTTON
IN
MIDDLE GUJERAT.

BOMBAY :
C. V. THOMAS, STRAND ROAD.

Price. Rupee One.

Indian Central Cotton Committee.

**Report of Special Sub-Committee appointed by the
Indian Central Cotton Committee to consider the
results of investigations into the Finance
and Marketing of Cultivators' cotton.**

REPORT ON INVESTIGATIONS CARRIED OUT IN MIDDLE GUJERAT.

In 1925-26 an inquiry was carried out in North Gujerat (Ahmedabad District and one of the Kathiawar States), but it was started late and no record of early sales was obtained. The Committee therefore decided to finance another in a more typical part of Gujerat to get fuller details.

23 villages (4 in Broach District, 8 in Baroda State and 11 in Panch Mahals District) were visited and replies from 1,155 cultivators were recorded. 52% of the persons interrogated were proprietors, 37% were partly proprietors and partly tenants and 11% were tenants.

966 sellers were questioned in 20 markets, 5 being in Broach, 9 in Baroda and 6 in Panch Mahals.

The following general conclusions can be drawn from the data obtained:—

- (1) 82 % of the cultivators interrogated took loans, practically entirely at the commencement of cultivation operations.
- (2) The borrowing per head of cultivators recorded was Rs. 201/- and Rs. 244/- per head of borrowers.
- (3) 65% of the loans was supplied by *sowcars*, 18.4% by Co-operative Societies and 14% by merchants and landlords.
- (4) 66% of the amount was borrowed at $9\frac{3}{8}\%$ and less and 32.7% between $9\frac{3}{8}\%$ and 12%. 9 to $9\frac{3}{8}\%$ is the rate charged by Co-operative Societies.
- (5) The cultivators were not hampered in any way by their borrowings in the disposal of their produce.
- (6) Sales in the villages and in the markets were about equal, and were made mostly to *dalals* or agents of big cotton merchants, many of whom were the local *sowcars*.

- (7) The sale organisation in the villages is satisfactory and no complaints were received regarding weighment, deductions and payments. Rates approximated very closely to those in the markets and were easy to obtain.
- (8) There are no regulated markets in Middle Gujerat and there appears to be no need for them as the present organisation is very satisfactory.
- (9) Sellers can sell direct in many markets without the intervention of a broker.
- (10) Weighment is done on weighbridges and the weighman is paid by the ginowner.
- (11) Disputes or *Vandhas* are rare.
- (12) Market charges range from - /4/- to Rs. 2 /9/- per cart in the different markets.

From the above conclusions, the grower in Middle Gujerat appears to be better off with regard to marketing and finance than his *confreres* in most other parts of India. The only suggestions we can make to better the present arrangements are :—

- (1) That uniform weights should be employed in the villages.
 - (2) Steps should be taken to standardise the levies and deductions in the markets.
-

REPORT ON INVESTIGATIONS CARRIED OUT IN MIDDLE GUJERAT.

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Note.—The Special Sub-Committee decided that the village sheets, which summarize the details in each village, should not be printed owing to their bulk, but they are available for inspection by any interested reader in the office of the Indian Central Cotton Committee.

COTTON FINANCE AND MARKETING INQUIRY. MIDDLE GUJERAT 1927-28.

Report on the Village Investigations.

I. INTRODUCTORY.

In 1925-26 the Indian Central Cotton Committee carried out an investigation into the finance and marketing of cultivators' cotton in North Gujerat (Ahmedabad District and one of the Kathiawar States.) The results of this investigation have been published in a short monograph. In 1927 it was decided by the Committee that another investigation in Gujerat should be carried out in the season 1927-28 partly to enable the results to be compared with the investigations in Sind, Khandesh, the Punjab and Madras (Northern and Western tracts) which were to be carried out *paripassu*, and partly because the first inquiry was started rather late so that the record of early sales was missed and it was found difficult to draw general conclusions from the data available.

For the present investigation it was thought desirable to take a tract more typical of Gujerat. This was the Broach area proper, the Middle Gujerat area, lying between the rivers Mahi and the Narbada. In North Gujerat the practice of selling bolls instead of *kapas* introduced an unusual complication.

The investigation was carried out through the agency of the Department of Agriculture, Bombay, to which a grant of Rs. 5,000/- was given by the Indian Central Cotton Committee. The staff of investigators was supervised by the Deputy Director of Agriculture, Gujerat.

In all 23 villages were selected for the inquiry, four in the Broach taluka of the Broach District, eight in the Baroda prant of the Baroda State (after consultation with the Director of Agriculture, Baroda), and eleven in the Halol taluka of the Panch Mahals District. Broach, Dabhoi and Halol, were the respective centres for the inquiry.

The number of cultivators examined and those from whom complete replies were received are shown below:—

VILLAGES.		Number of cultivators examined.	Number of complete replies.
BROACH DISTRICT.	Derol ..	77	76
	Tavra ..	114	113
	Varedia ..	70	70
	Samni ..	64	62
BARODA STATE.	Sarar ..	92	92
	Parikha ..	49	49
	Mandala ..	83	83
	Bhilapur ..	36	35
	Bhatpur ..	87	87
	Jafarpura ..	11	11
	Rasulabad ..	67	67
	Karachia ..	37	33
PANCH MAHALS DISTRICT.	Halol ...	34	34
	Muvala ..	19	18
	Timbi ..	28	28
	Itwadi ..	74	71
	Tarkhanda ..	82	57
	Goraj ..	16	16
	Vesania ..	42	40
	Ghodadra ..	9	8
	Vaswell..	43	43
	Dankheda ..	36	32
	Ambali ..	33	30
Total		1193	1155

Many of the replies were incomplete because of the total failure of the crop due to the floods. The total number of cultivators will, therefore, be taken at 1155.

The season was marred by severe and possibly unprecedented floods. "In areas north of Broach excessive rains during the last week of July **The season.** caused heavy floods which washed away the crop to a very great extent, especially in the low-lying areas. Light rainfall in August, however, assisted the re-sowing of the crop in most of the flooded areas and under the subsequent favourable weather conditions the crop showed a very healthy development up to the middle of October. From that time onwards the crop had to struggle against many unfavourable conditions with the result that the crop is generally expected to give a return much below the normal"(a). The

(a) Vide the "Final General Memorandum on the Cotton Crop of 1927-28" published in the **Indian Trade Journal** of 23rd February 1928.

unfavourable conditions referred to included untimely rains, cloudy weather, and an attack of *aphis* at flowering time. As a result of the floods and re-sowing, the season was late by nearly a month and a half.

Owing to the lateness of the season the periods of the inquiry had to be shifted to March and April. The periods fixed for the investigation were generally as under :—

1st Period (i.e., when the crop is in the last stages of growth but before any is picked)	25th October to 20th December 1927.
2nd Period (i.e., that commencing when the major part of the crop is picked and continuing until some early sales have been effected)	1st March to 10th April 1928.
3rd Period (i.e., that commencing when all the crop has been picked and continuing until the major part of it is sold)	15th April to 10th May 1928.

The periods of actual investigation varied considerably from village to village; in some cases the third period commenced very soon after the close of the second period investigations.

The number of cultivators from whom complete replies were received (viz: 1155) may be classified according to the size of their holdings as follows :—

	Number.	Percentage.
Small (i.e., having under 15 acres)	575	50%
Medium (i.e., having between 15 and 50 acres) ..	516	44.5%
Medium large (i.e. having between 50 and 100 acres)	53	4.5%
Large (i.e. having over 100 acres)	11	1%

The small cultivators are therefore in a majority in this area as in North Gujarat. The largest holding reported was of 287 acres in Rasulabad (Baroda State). The principal cultivators are Kunbis and Rajputs.

The 1155 cultivators may also be classified according to tenantry as follows:—

	Number.	Percentage.
Proprietors	597	52%
Tenants	126	11%
Persons partly proprietors and partly tenants	432	37%

This shows that the great majority of the cultivators are proprietors, either wholly or partly, of the land they cultivate. In Mulvala (Panch Mahals District) all the cultivators examined were proprietors. The proportion of proprietors is also very great in Vesania (Panch Mahals District) and Bhatpur (Baroda State). It is lowest in Mandala (Baroda State). (It may be noted that the percentages in the table given above are the same as in North Gujarat).

The number of tenants and persons partly proprietors and partly tenants
Rent system. is 558. They pay rent as follows :—

			Number.	Percentage.
On the cash system	..	..	202	36%
On the share system	..	..	295	53%
On a mixed system	..	..	61	11%

The figures for each village, together with the particulars regarding the cash and share rents paid will be found in table IV. It will be seen from the table that the cash rent system prevails in the Broach district and (except for Halol which is the Taluka headquarters) it hardly ever obtains in the Panch Mahals district or in the Baroda State. The share rent paid is invariably half the produce. The cash rents are rather high in the villages of the Broach District, the normal rents lying between Rs. 20/- and Rs. 26/-. The range of rents was from Rs. 10/- to Rs. 52/-. In the Baroda State it was from Rs. 4½ to Rs. 32, the normal being about Rs. 22/-. In very few cases was the assessment borne by the tenant.

Particulars as regards the area and the number of holdings in each of
Area and the villages investigated will be found in Table I. The
Holdings. general result may be summed up thus :—

Total area of the holdings recorded	..	..	23,760 acres.
Total number of holdings recorded	..	..	1,155
Average size of holding	..	..	20.5 acres
Area under cotton	..	..	12,300 acres
Average cotton area per holding	..	..	10.6 acres
Percentage of cotton area to the total area of the holdings	..	..	52%

The figure for the average size of holdings was highest in Samni (Broach District), viz: 39 acres, and lowest in Muvala and Tarkhanda (Panch Mahals District), viz: 12 acres. The percentage of cotton area to the total varied from village to village, ranging from 24% in Ghodadra to 95.6% in Timbi. Both of these places are in Halol taluka.

The cotton areas recorded may be subdivided into the following four classes :—

			Number.	Percentage.
Small (i.e. of 5 acres or less)	..	..	297	26%
Medium (i.e. of between 5 and 25 acres)	..	..	794	68.5%
Med. large (i.e. of between 25 and 50 acres)	..	..	53	4.5%
Large (i.e. of over 50 acres)	..	..	11	1%

The estimated total outturn was 78,848 maunds or 3,232,768 lbs. giving an average yield of 263 lbs. per acre (slightly more than in the adjoining Khandesh cotton area where the average yield was 231 lbs. for the 1927-28 investigations). The village figures are given in Table II.

Production. The yields were highest in the Broach district, the highest figure for a village being 419 lbs. in Varedia; and were lowest in the Panch Mahals district (Halol Taluka), where Vesania and Ghodadra had only 83 and 93 lbs. per acre respectively. In the Baroda prant the yields, except in a couple of villages, were well above the average.

The acreage, yield and average yield for the four classes into which we have divided the cotton areas are given in Table III. The general result is shown below :—

	Area. (Acres)	Yield Lbs.	Average yield. Lbs.
Small areas	928	227,493	245
Medium „	8587	2,323,021	275
Med. large areas	1765	460,660	261
Large areas	1020	221,594	217

In the Middle Gujerat area cotton is grown entirely as a dry-crop, on unirrigated lands.

The principal variety of cotton grown in the villages investigated is *Kanhvi*. This is a mixture of the Broach (or *Deshi*) and the inferior *Goghari* varieties. *Kanhvi* was grown on 7527 acres or 61% of the total area under cotton. It occupied all the area in Halol taluka (Panch Mahals District) and (except for two villages Sarar and Bhatpur) in the Baroda prant. Broach or *deshi* cotton was grown on 2217 acres (18% of the cotton area), and occupied all the area in the villages of the Broach District (except Samni). *Goghari* was grown on 1280 acres (10.5%) chiefly in Bhatpur; and the Selection 9¹ on 1276 acres (10.5%) in Sarar, (both in the Baroda State.) Both Broach and *Goghari*, and therefore also *Kanhvi*, are varieties of *G. herbaceum*.

The recorded answers show that the sources of the cultivators' seed supply were as under :—

	No. of cases	Percentage.
The ginnery	562	48.5%
The <i>sowcar</i>	351	30.5%
The cultivator	131	11.5%
The landlord	40	3.5%
The Government Farm	32	2.5%
The merchant or trader	29	2.5%
Others	10	1.0%

II. FINANCE.

Number of borrowers. The number of borrowers and of non-borrowers is given below :—

No. of cultivators who took advances 952 or 82.4%

No. of cultivators who did not take an advance 203 or 17.6%

The percentage of borrowers is a little heavier here than in North Gujerat where it was 71%. It will be seen from Table VI that in 6 out of the 23 villages investigated the percentage of borrowers to the total number of cultivators recorded is 100, and that the lowest percentage is 55 for Derol (Broach district.)

Borrowings were in every case made at or about the time of commencing cultivation operations, and no advances were taken subsequently. There were no advances taken against the first pickings or against the deposit of *kapas* unsold at the conclusion of the investigations.

Time of borrowings.

The total borrowings and the borrowings per acre for each village investigated are given in Table VI. The general result is as follows :—

Total amount borrowed	Rs. 231,900
No. of cultivators recorded	1155.
Borrowing per head of cultivators recorded ..	Rs. 201.
No. of borrowers	952.
Borrowing per head of borrowers	Rs. 244.
Total area of the holdings recorded ..	Acres 23,760.
Borrowing per acre of the total area of the holdings	Rs. 9.8.
Area under cotton	Acres 12,300.
Borrowing per acre under cotton	Rs. 19.

In the North Gujerat inquiry the average borrowing per head of borrowers was found to be Rs. 342, with which the figure of Rs. 244 for the present inquiry compares favourably.

In this inquiry an attempt was made to discover what difference (if any) existed between the amounts actually lent and those signed for by the debtors. Unfortunately the returns on this point were hopelessly confused as regards the Panch Mahals villages, and the returns for the Broach and Baroda villages also are not free from ambiguity. In 5 out of 12 villages in the latter places no difference was reported between the "amount signed for," and the "total actual advances" and in the remaining villages the difference came to very little (in no case over 7% of the amount lent). In Panch Mahals it appears that a discount of between 5 and 15 per cent (generally 6%) of the amount signed for is deducted by the lender.

Likewise the attempt to discover what proportion of the advance was utilised for actual cultivation purposes and what for other purposes like marriages, ceremonies, litigation and capital improvements, met with failure, the relevant columns having been entered up quite indiscriminately. (a) It may be stated however that the total advances include the cash value of loans taken in the form of seed—an item which in former inquiries had escaped record. This item came to Rs. 3,878 only in the present inquiry.

Borrowings of proprietors and tenants. The total and average borrowings of proprietors, tenants, and persons partly proprietors and partly tenants, are indicated below :—

- (a) As the figures stand, the total advances of Rs. 231,900 are stated to include: Rs. 135,351 for cultivation purposes, Rs. 3,878 being the value of seed supplied in kind, and Rs. 92,671 for other purposes.

	Number	Amount	Per head.
		Rs.	Rs.
Proprietors	480	143,400	299
Tenants	92	12,460	135
Persons partly both	380	76,040	200
Total	952	231,900	244

(For the village figures, vide Table VI.)

The much larger credit which the proprietors enjoy would seem to be responsible for the higher incidence of borrowing per head as compared with the tenants.

A certain amount of caution is required when making use of the figures of average borrowings. For instance, nothing can be definitely inferred from the figures given above unless borrowings *per head per acre* are fully worked out for each class, because the proprietors may have a larger acreage per head than tenants. Then again, it must be borne in mind that the "borrowings per acre under cotton" have been worked out without reference to the other crops grown by the cultivator. Cotton is not the only crop grown—it occupies only 52% of the total area—and therefore the portion of the borrowings which is spent on the cultivation of other crops should properly have been excluded in arriving at the figures of "borrowings per acre under cotton". Such a splitting up however is not practicable, and the figures may stand as they are so long as the caution given above is borne in mind.

A much better idea of the correlation of borrowings to production necessary both to understand the solvency of the borrowers and what security the lenders regard as adequate—will be obtained if we relate the figures of borrowings per acre of the *total* area of the holdings to the value of the average yield of *kapas* per acre. This of course is open to the objections that the value of the cotton yield per acre is not the same as that per acre under other crops, and secondly that cotton may require relatively larger cultivation expenses than other crops. Nevertheless a rough idea of the correlation may be obtained for the present inquiry by considering that the general average yield of *kapas* per acre is 263 lbs. which, at an all-round average rate of Rs. 7/8 per *maund* (of 41 lbs.) is worth Rs. 49 or, say, about Rs. 50, while the borrowing per acre is Rs. 9.8, say Rs. 10. Borrowing is then roughly 20 per cent of the value of the yield. This figure may be called the rough *index of borrowing*. For the other areas recently investigated by the Indian Central Cotton Committee the indices, calculated on the same basis, are :—for Sind, a little over 50, for Khandesh 25 (in 1925-26), and for the Punjab 23.

A detailed analysis of the sources of borrowings, giving both the number of persons borrowing from each source as well as the amounts borrowed from each source, is made in Table V. The result may be summed up as follows :—

Sources of borrowings.

The sources.	No. of persons borrowing from each source.	Amounts borrowed.	
		Rs.	Percentage of total.
<i>Sowcars</i>	650 (566)	150,566	65%
Co-operative Societies	193 (103)	42,692	18.4%
Traders or merchants	54 (51)	16,998	7.3%
Landlords	92 (81)	14,212	6.1%
Friends and relatives	29 (25)	5,418	2.3%
Government (Takavi)	27 (27)	1,589	0.7%
Others	3 (3)	425	0.2%
Total	— (856)	231,900	100%

The figures in brackets give the number of persons who borrowed *solely* from the respective sources. Besides the 856 cultivators given in brackets in Column 2, 96 more borrowed from more than one source, (856+96=952 being the total number of borrowers). Thus 82 borrowed from both *sowcars* and co-operative societies, 5 from co-operative societies and landlords, 4 from landlords and relatives, 3 from co-operative societies and traders, and 2 from *sowcars* and landlords. The relative proportions of the amounts borrowed from the various sources varied, of course, from village to village, as table V will show. Takavi loans of small amounts were given by the Baroda State only to some of its cultivators. Some remarks as to the other lenders will be made later on.

One of the most surprising revelations is the very low interest charged **Rates of** to the borrowers. The following is a summary of the amounts **Interest.** borrowed at each rate of interest given in Table VII :—

Rate of interest.	Amounts borrowed.	
	Rs.	Percentage of the total.
Interest free	2,361	1%
At $4\frac{1}{2}\%$ to 6% interest	4,844	2.1%
„ $7\frac{1}{2}\%$ — 8% „	27,097	11.7%
„ $9\frac{3}{4}\%$ — 10% „	118,995	51.3%
„ 10% „	500	0.2%
„ 12% „	68,107	29.4%
„ 15% — 16% „	2,726	1.2%
„ 18% — $18\frac{3}{4}\%$ „	2,580	1.1%
„ 20% „	238	0.1%
„ 24% „	1,523	0.7%
„ 25% „	2,789	1.2%
„ 75% „	50	....
„ 150% „	90	....
Total	231,900	100%

With the exception of Rs. 50 lent by a *sowcar* at 75% interest and Rs. 90 lent by a landlord at 150%, we find that the interest rates did not exceed 25%, and even this rate obtained in three or four villages only, while 24% obtained in 2 villages and 20% in one case. It will be seen that 95.7% of the loans were obtained

at the rate of 12% and less, and no less than two-thirds of the loans were obtained at 9 $\frac{3}{4}$ % (the co-operative societies' rate) and less. It will further be seen from Table VII that in the Panch Mahals villages the chief rate was 12%, over two-thirds of the loans being taken at that rate. In Broach the rates of 9 to 9 $\frac{3}{4}$ % and 12% are equally important. In Baroda 9 to 9 $\frac{3}{4}$ % is the predominating rate. This supports what has been stated before that it is comparatively more difficult to obtain finance in the Panch Mahals district than in the Baroda prant or Broach district. As regards the Rs. 2,361/- obtained free of interest, it may be mentioned that three persons (borrowing in all Rs. 95) paid no interest, but in lieu of it had to render small personal services.

Borrowing on the security of the crop or of the land. Only 7 cases (all in Broach) have been noted of the land having been mortgaged as security for the loans. It cannot be definitely stated whether this was not also the case in regard to some other borrowers, as no definite questions on this point were included in the questionnaire. But the probability is that such security—or the security of the crop—is seldom demanded by the lender who contents himself with a simple bond passed by the borrower.

Effect of borrowings on sales. It further appears that, on the whole, the cultivators of Middle Gujarat were not hampered by their borrowings in the disposal of their *kapas*. Only 162 out of 952 borrowers, that is about a sixth, are reported to have agreed, but verbally only, to sell their crop to the lender. And this figure is found to be made up of borrowers from practically three villages only (in Panch Mahals). This therefore shows that, taking the area as a whole, the borrowers were under no obligation to sell to or through their lender.

As regards the time of sale the evidence is not quite clear. It will be seen in the next section on "Sales" that early sales are rather heavy, but this is probably solely due to the season (1927-28) being late by about a month and a half, a fact which reduced the selling season to the small period of at most two months viz: mid-March to mid-May. Sales therefore had necessarily to be done quickly, and there was no time for holding up the crop. The lack of holding up cannot therefore be assigned to pressure put on the borrowers by lenders to repay loans. On the contrary the fact that the borrowers were able to enjoy the loans till such a late period as April and May, and that they had not to borrow afresh to repay the old loans, nor to effect substantial advance sales to pay off the loans, is ample evidence that the cultivators were unhampered by their borrowings as regards the time of selling.

The part played by the sowcar in financing. The *sowcar* plays the most important part in financing the cultivators. 650 out of 952 (i.e. 68%) of the borrowers resorted to him for financial assistance and in 566 cases to him alone. The amount lent by the *sowcar* was Rs. 150,566 out of Rs. 231,900, i.e. 65% of the total advances (b). The very moderate interest charged by the *sowcars* has already been referred to. The *sowcar*, further, does not appear to have obtained from his debtors

(b) This percentage may be compared with 91% for both Berar and North Gujarat, 77% for Sind, 68% for the Punjab and 53.5% for Khandesh.

any indirect benefits in cash, kind or service, nor to have been in any way a clog upon their freedom in disposing of their produce.

Next in importance to the *sowcar* are co-operative societies. To 193 out of 952 borrowers (i.e. to 20%) were loans given by co-operative societies, in 103 cases by them alone. The amount lent was Rs. 42,592 out of a total of Rs. 231,900, that is, 18.4% (c). The interest rate was $1\frac{1}{2}$ pies per rupee per mensem, that is $9\frac{3}{8}\%$. While the amount lent by co-operative societies is substantial, it will be noted from table V that the co-operative movement has not spread to any marked extent in the Middle Gujarat area. In Panch Mahals, 7 out of 11 villages had no co-operative societies, in Baroda, 6 out of 8 had none and in Broach in only 2 out of 4 villages was any amount lent by these societies.

In Panch Mahals, *sowcars* and co-operative societies were practically the only sources from which cultivators obtained loans. In Broach and Baroda substantial amounts were also lent by traders or merchants, landlords, and friends or relatives (viz: 7.3%, 6.1% and 2.3% respectively of the total advances). It may be noted that, as in Khandesh, Sind and Berar, the *dalal* did not play any direct part in financing operations.

General conclusions. From the foregoing account the following general conclusions are deducible.—

(1) The Middle Gujarat cultivators did not find much difficulty in obtaining finance, though nearly 82% of the cultivators took loans of varying amounts.

(2) Advances were required at the time of the commencement of the cultivation operations, but not subsequently.

(3) The borrowing per head (viz: Rs. 244 per head of borrowers and Rs. 201 per head of cultivators recorded) was substantial, but not excessive.

(4) The borrowing per acre of the total area was Rs. 9.8 only, and as the yield of *kapas* per acre (viz: 263 lbs.) can be valued at about Rs. 50, the index of borrowing (as explained in the report) is roughly 20 only, the lowest of all the inquiries conducted by this Committee.

(5) The amounts actually lent to the cultivators were about 6% less than those they signed for.

(6) The *sowcars* were the cultivators' chief financiers, being responsible for 65% of the advances given. The interest charges were very moderate, rarely ever exceeding 12%, and in most cases being only $9\frac{3}{8}\%$ which was the rate charged by co-operative societies.

(7) The loans made by co-operative societies (amounting to 18.4% of the total advances) were substantial, but the movement was confined to very few

(c) This percentage may be compared with 41% for Khandesh, 8.8% for the Punjab, 7% for Sind, 4% for Berar and 2.5% for North Gujarat.

villages. As long as money is obtainable at a cheap rate from ^{the} *soucars* there seems to be little scope for the spread of the co-operative credit movement.

(8) Traders or merchants, and landlords advanced together about 14% of the total advances. But the *datal*, as such, did not play any direct part.

(9) 95.7% of the loans were obtained at the interest rate of 12% and less, and as much as 66% of the loans were obtained at 9 3/8% and less. This shows that finance is readily obtainable by the cultivators of Middle Gujarat.

(10) The cultivators were not hampered by their borrowings in the disposal of their *kapas* either as regards the persons to whom or as regards the time at which they might sell.

(11) The cultivators in Baroda and Broach were relatively speaking somewhat better off in the matter of obtaining finance than their brethren in Panch Mahals.

III. SALES.

It is necessary to preface this portion of the report with brief observations on the nature of the information obtained, and its shortcomings. In the

Nature of the Information obtained.

first place, owing to the season being unusually late, the entire selling season was confined to a brief period of about a month and a half. Sales were therefore made as hurriedly as possible. But apart from this the lateness of the season appears to have upset the programme of the investigators, who did not carry out their enquiries in all the villages at a uniform period. In many cases the second period investigations were unduly delayed, so that the records show a greater preponderance of "early" over "late" sales than would be the case in a normal season. These circumstances render any generalization as to the relative importance of early and late sales, the extent of the holding on of the crop, or the degree of pressure to sell quite valueless.

Besides this, the investigators seem to have carried out the part of the work relating to the "third period" sales in a great hurry, with the result that the data obtained are imperfect and unsatisfactory, and the entries in the village sheets full of mistakes. With regard to "village" and "market" sales, a good deal of confusion seems to have existed in the minds of the investigators as to the interpretation of "markets". The inquiry aimed at finding out *inter alia* the amount of *kapas* sold locally, that is in the village itself, and the amount sold outside, that is in the recognized "markets". Important villages (with gineries) which served as markets for some of the villages under investigation should have been taken as "markets" but the investigators have taken them sometimes as "villages" and sometimes as "markets" quite indiscriminately, and the returns of village and market sales are therefore hopelessly confused. Corrections and adjustments have been made as far as possible, but the results are still on the whole unsatisfactory. In spite of these shortcomings in the returns relating to the "sales" portion of the investigation, the general results are given below.

The amount of *kapas* remaining in hand at the conclusion of the investigations was 50,553 lbs. out of a total outturn of (approximately) 3,232,768 lbs. The amount of crop sold was therefore 3,182,215 lbs. or 98.4%.

**Total amount
of crop sold.**

About the same proportion of *kapas* was sold locally as was sold in the markets, of which there are many small ones in the Middle Gujarat area. The figures are :—

Total amount sold locally	1,634,570 lbs.	51%
" " " in markets	1,547,645 "	49%

The village figures given in Table VIII show that in the Broach villages almost the entire crop was sold locally. In three out of the eight villages in Baroda State the sales were made entirely in the markets, while in the remaining five the proportion of market sales was also very high. This was also the case in the Panch Mahals villages.

The different categories of cultivators who sold in the village and in the market (vide Table IX) also disclose a similar proportion. On the whole, in the "early" period, 528 cultivators (48%) sold in the village, 544 (49%) in markets, and 33 (3%) partly in markets and partly locally. In the late period, 659 (57%) sold in the village, 474 (41%) in markets and 22 (2%) partly in both.

The cultivators generally expressed a preference for open markets where they believed they would get better rates and where the ruling prices would be better known to them.

In the villages, sales were made outright and no broker was employed. No instances were reported of the crop having been deposited with the *sowcar* or *bania* for sale. An analysis of the early sales shows that 27% was purchased by petty merchants, 14% by ginowners, 14% by *sowcars*, and 45% by *dalals*. These terms, however, are often interchangeable. The *sowcar* was in many cases the *dalal* or agent of the cotton trader and what is often returned, under '*dalal*' might well have been returned under '*sowcar*,' and *vice versa*. One thing which is clear, however, is that the money-lender or *sowcar* is not the purchaser of *kapas* on his own account to any appreciable extent.

This observation would seem to be supported by the fact that no cultivator had to sign a bond to sell his crop to or through the lender. 162 cultivators gave a verbal undertaking of this nature. These came from practically three villages only and the moneylender was the "*dalal*" of a big cotton merchant who in all probability supplied the money to the former. The figure of 162 includes about 25 landlords who financed the cultivators. Eight other cultivators undertook to sell to their landlords although the latter had not financed them.

179 out of 1,155 cultivators who sold (i.e. 15.5%) are reported not to have ascertained the rates before selling. The rest did ascertain the prevailing rates: 41.5% from the "*dalals*" (who were very likely the local *sowcars*), 19.5% from "local dealers," 15% from the gineries, 7% from the markets and 1.5% from landlords. The "gineries" and "markets" are probably the same.

Payment was, as a rule, made quite promptly. In the early sales 1,015 cultivators (92%) were paid in full, and 90 (or 8%) were not, payment having been credited to their debt accounts. For the late sales 1077 (93%) were paid in full, and 78 (7%) had the payments credited against their debts.

Observations on the sales organization in the villages. The sales organization in the villages is fairly adequate. There were no complaints about weighment, deductions and allowances or about disputes or *vandhas*. The weight system in the villages is not quite uniform, for the "*Bhars*" and "*Dhadis*" in terms of which transactions take place, vary as regards their equivalents in *maunds* and lbs. The *maund* and the *seer* are however the same, and the difference in the weights of "*Bhars*" and "*Dhadis*" does not seem to cause any particular inconvenience.

The customary levies on sales are moderate. Small charges are made for *dalali* and for discount, ranging from six annas to one rupee per "*bhar*" (24 or 25 *maunds*), in respect of each item. The discount is in consideration of the cash payment made. About 4 to 6 annas per *bhar* are taken for *dharmada*. Often a small levy of between 3 and 8 annas is made for insurance. All these charges have been referred to in the individual village sheets.* The total comes to about Rs. 2-2-0 per "*bhar*." For the Broach villages the customary deductions were reported to be "no" or "nil". As the sales there were practically all local sales, this will suggest that the deductions or levies referred to in the Baroda and Panch Mahals villages refer only to market sales. As a rule in village sales, no deductions are made, the weighment being also done by the cultivators themselves. But in some cases where a professional weighman (a) is employed, he charges 2 to 3 lbs. per "*bhar*" to the seller. Allowances in weight (for inferior quality, boll-worm stain etc.) are also not customary in village sales.

The one great defect in the village sales organisation is the lack of adequate storage facilities. There is no regular storage accommodation anywhere, and cultivators have to keep their *kapas* in their own huts, where there is great danger of fire. This is one of the reasons why cultivators are generally anxious to get rid of their crop as quickly as possible.

Taken as a whole the sales organisation in the village itself is satisfactory, and the large amount sold in the markets in Baroda and Panch Mahals is to be attributed rather to the markets (i.e. ginneries) being numerous and very close to the villages investigated than to better organisation, better facilities or better prices obtained there.

As the season was a very short one there were only slight fluctuations in the rates in the early and late periods. The normal (or most frequent) village and market rates are given below per *maund* (of 41 lbs.):—

	Village Sales.		Market Sales.	
	Early.	Late.	Early.	Late.
Broach District ..	Rs. 8/-	Rs. 7½	Rs. 7 to 8.	Rs. 6½ to 7½
Baroda Prant ..	Rs. 7½ to 8.	Rs. 7/-	Rs. 6½ to 7½	Rs. 6½ to 7½
Panch Mahals district ..	Rs. 7/-	Rs. 7/-	Rs. 6½ to 7½	Rs. 6½ to 7½

* Not Printed.

- (a) In some of the villages of the Middle Gujerat area the right of acting as the weighman is auctioned and the money realised is disbursed on various village funds and charities.

This shows that the village and market rates were nearly the same. Of course, there were considerable variations on account of quality. For instance, a cultivator of Sarar (Baroda) obtained Rs. 220/- per "*bhar*" (i.e. Rs. 9 1/6 per *maund*) in the early period in the Itola Market. As all the holdings investigated in Sarar were sown with the superior variety, Selection 91, the high rate obtained is quite understandable. On the other hand a rate as low as Rs. 120 per "*bhar*" (i.e. Rs. 5 per *maund*) was obtained in the late period in Mandala (Baroda) because of the very poor quality of the last picking of the inferior *Kanhvi* variety grown there.

As regards the time of sales it is hardly necessary to state anything more than what is mentioned in the introductory paragraph of this section. Something may however be said about advance sales. 70 cultivators (i.e. 6% of the total) made advance sales, in all

Time of sales. most all cases, of the whole of the crop. Only in two cases were definite amounts (i.e. "1 *Bhar*" and "2 *dhadis*") sold. **Advance sales.** Of these 70 cultivators, 42 were from one village, Sarar (Baroda.) The outturn of these 70 cultivators came to 4057 *maunds* or 166,337 lbs. which was the amount thus sold in advance, or 5% of the total outturn. 75% of this amount was purchased by cotton merchants, 14% by ginowners, 8% by *dalals* and only 3% by *sewcars*. The rates for advance sales were clearly very favourable, working out to between Rs. 8/8 and Rs. 9/4 per *maund*. These advance sales were not made out of any urgency for funds, but were really hedge transactions and no money was paid (except perhaps in one of the two sales of fixed amounts referred to) until delivery was given.

As the selling season was a short one the number of cultivators who sold in the early period is naturally very big. (1105 i.e. 96% of the total); so also the amount of the crop sold early (1,925,000 lbs. out of 3,182,215 lbs. sold in all, i.e. 60%). A very arbitrary line divides the early from the late period in several villages, resulting, e. g. in Karachia (Baroda), Halol and Vesania (Panch Mahals) in the following percentages of early sales to total sales, viz: 100%, 95% and 98%. These two circumstances render it impossible to make any general statement as regards early and late sales. Clearly, the heavy early sales cannot be attributed to any pressure to sell, except that due to the lateness of the season.

In view of the large number of ginning factories near the villages investigated, it is most surprising that no cultivator is reported to have ginned his *kapas* and sold lint. It is not certain whether this is due to the lateness of the season or to an omission to properly investigate this point.

Sales societies. There are no sales societies in any of the villages investigated.

The amount of *kapas* remaining unsold was 50,553 lbs. that is 1.6% of the total outturn, and the number of cultivators with some unsold *kapas*. *kapas* unsold was 69 only (6%).

No information is given as to transport facilities. Means of communication (roads) between the villages and the markets nearest **Transport and communications.** to them are reported to be, in most cases, bad.

General conclusions The general conclusions on this section are given below :—

(1) About as much cotton was disposed of in the markets as was sold locally. In the Broach district, however, there were hardly any market sales. In Baroda prant and Panch Mahals district, on the other hand, where there are numerous small market centres in close proximity to the villages under investigation, the market sales were considerable.

(2) The crop was purchased chiefly by the *dalals* or agents of big cotton merchants, but in most cases the local *sowcars* themselves were such *dalals* or agents. Money-lenders were to a slight extent purchasers of *kapas* on their own account.

(3) 14% of the cultivators gave a verbal undertaking to sell their *kapas* to or through their lenders but this total was made up from practically three villages only. It is not therefore the general rule.

(4) The weight system in the villages is not uniform, the “*Bhars*” and “*Dhadis*,” varying in their lb. equivalents. Though no particular inconvenience is felt on this account a uniform system is desirable.

(5) On the whole the sales organisation in the villages is satisfactory. There were no complaints with regard to weighment, customary levies and deductions, and payments: the prevailing rates were easily ascertainable: there were always ready purchasers to be found and the rates obtained were hardly, if at all, less than those obtained in the markets. There was however one big defect, and that was the entire lack of storage accommodation. *

(6) As the selling season was exceptionally short, the rates were practically stationary. The normal rate may be taken as Rs. 7/8 per *maund*.

(7) 6% of the cultivators made advance sales of their entire crop, and they obtained much better prices. The crop thus sold amounted to only 5% of the outturn.

(8) For reasons stated in the report, no conclusions can be drawn as regards the relative importance of early and late sales nor as regards the cultivators' ability to hold up their crop in expectation of better prices.

(9) No cultivator is reported to have ginned his *kapas* and sold lint.

(10) Only 1.6% of the outturn appears to have remained unsold at the conclusion of the investigation.

TABLE I.
AREA AND HOLDINGS.

VILLAGES.	No. of Holdings	Total area of the Holdings.	Average size of Holdings.	Area under cotton.	Average cotton area per holding.	Percentage of cotton area to total area.
	Acres.	Acres.	Acres.	Acres.	Acres.	%
BROACH DISTRICT.						
{ Derol ..	76	1,577	21	800	10.5	51
{ Tavra ..	113	1,981	17	890	7.8	45
{ Varedia ..	70	1,190	17	555	7.9	47
{ Samni ..	62	2,390	39	928	15	39
BARODA STATE.						
{ Sarar ..	92	1,925	21	1,180	12.8	61
{ Parikha ..	49	924	19	526	10.7	57
{ Mandala ..	83	1,450	17	677	8.2	47
{ Bhilapur ..	35	738	21	393	11.2	53
{ Bhatpur ..	87	2,166	25	1,160	13.3	53
{ Jafarpura ..	11	363	33	129	11.7	35
{ Rasulabad ..	67	1,858	28	986	14.7	53
{ Karachia ..	33	973	29	627	19	64
PANCH MAHALS DISTRICT.						
{ Halol ..	34	587	17	286	8.4	49
{ Muvala ..	18	483	27	385	21.4	80
{ Timbi ..	28	342	12	327	11.7	95.6
{ Itwadi ..	71	1,060	15	660	9.3	62
{ Tarkhanda ..	57	682	12	436	7.6	64
{ Goraj ..	16	244	15	173	10.8	71
{ Vesania ..	40	741	18	330	8.25	44
{ Ghodadra ..	8	155	19	37	4.6	24
{ Vaswell ..	43	803	19	275	6.4	34
{ Dankheda ..	32	562	18	264	8.3	47
{ Ambali ..	30	566	19	276	9.2	49
Total..	1,155	23,760	20.5	12,300	10.6	52

TABLE II.

Yield and Average Yield.

VILLAGES.		Area under cotton.	Total Yield (a)		Yield per acre.
		Acres.	Maunds.	lbs.	lbs.
BROACH DISTRICT	{ Derol ..	800	5,585	228,985	286
	{ Tavra ..	890	6,384	261,744	294
	{ Varedia ..	555	5,666	232,306	419
	{ Samni ..	928	7,738	317,258	342
BARODA STATE.	{ Sarar ..	1,180	7,642	313,322	266
	{ Parikha ..	526	4,923	201,843	384
	{ Mandala ..	677	4,849	198,809	294
	{ Bhilapur ..	393	3,078	126,198	321
	{ Bhatpur ..	1,160	10,660	437,060	377
	{ Jafarpura ..	129	1,131	46,371	359
	{ Rasulabad ..	986	4,289	175,849	178
	{ Karachia ..	627	2,920	119,720	191
PANCH MAHALS DISTRICT	{ Halol ..	286	1,488	61,008	213
	{ Muvala ..	385	2,388	97,908	254
	{ Timbi ..	327	1,380	56,580	173
	{ Itwadi ..	660	2,764	113,324	172
	{ Tarkhanda ..	436	1,440	59,040	135
	{ Goraj ..	173	715	29,315	169
	{ Vesania ..	330	667	27,347	83
	{ Ghodadra ..	37	84	3,444	93
	{ Vaswell ..	275	1,079	44,239	161
	{ Dankheda ..	264	1,034	42,394	161
	{ Ambali ..	276	944	38,704	140
Total ..		12,300	78,848	3,232,768	263

(a) The weights are usually reckoned in terms of "Bhar" and 'Dhadi' and the *maund* equivalents of these vary from village to village. The *maunds* have been converted into lbs. at the uniform rate of 41 lbs. to a *maund*.

TABLE III.

Acreage, Yield and Average Yield for the four classes of Cotton Areas.

Villages.	Small (1 to 5 acres).			Medium (5 to 25 acres).			Medium Large (25 to 50 acres)			Large (Over 50 acres.)		
	Area acres.	Yield. lbs.	Yield per acre lbs.	Area acres.	Yield. lbs.	Yield per acre lbs.	Area acres.	Yield lbs.	Yield per acre lbs.	Area acres.	Yield lbs.	Yield per acre lbs.
BROACH DIST.												
Derol	77	15,606	203	605	161,437	267	118	51,942	440	..	..	..
Tavra	111	33,170	299	704	207,050	294	75	21,524	287	..	..	..
Varedia	72	28,751	399	453	190,230	420	30	13,325	444	..	..	..
Samni	41	17,680	431	682	241,400	354	127	44,331	349	75	13,847	185
BARODA STATE.												
Sarar	46	16,830	366	881	230,215	261	193	51,517	267	60	14,760	246
Parikha	15	4,100	273	511	197,743	387	..	..	..	..	..	..
Mandala	67	18,696	279	581	178,391	307	29	1,722	59	..	..	..
Bhilapur	28	9,471	338	211	71,668	340	154	45,059	293	..	..	..
Bhatpur	28	15,088	539	820	325,622	397	240	74,825	312	72	21,525	299
Jafarpura	9	2,460	273	57	12,177	214	..	..	..	63	31,734	504
Rasulabad	47	10,660	227	421	67,035	159	173	34,194	198	345	63,960	185
Karachia	21	4,018	191	220	45,838	208	96	20,664	215	290	49,200	170
PANCH MAHALS DIST.												
Halol	12	1,558	130	274	59,450	217	..	..	..	..	..	..
Muvala .. ..	..	..	..	172	47,724	277	155	35,424	229	58	14,760	254
Timbi	10	2,993	299	283	43,255	153	34	10,332	304	..	..	..
Itwadi	73	10,865	149	414	74,415	180	173	28,044	162	..	..	..
Tarkhanda	54	6,232	115	353	45,428	129	29	7,380	254	..	..	..
Goraj	13	1,681	129	160	27,634	173	..	..	..	..	..	..
Vesania	41	4,428	108	249	20,951	84	40	1,968	49	..	..	..
Ghodadra	15	1,640	109	22	1,804	82	..	..	..	..	..	..
Vaswell	79	13,161	167	167	27,470	164	29	3,608	124	..	..	..
Dankheda	37	4,715	127	170	25,871	152	..	..	..	57	11,808	207
Ambali	32	3,690	115	174	20,213	116	70	14,801	211	..	..	..
Total ..	928	227,493	245	8,587	2,323,021	275	1,765	460,660	261	1,020	221,594	217

TABLE IV.
RENT SYSTEMS.

Villages.		No. of tenants and persons partly proprietors and partly tenants.			Cash Rents per acre.		Share System.	Mixed system.
		Cash system.	Share system.	Mixed system.	Normal Rs.	Range of rents. Rs.	Share which the tenant pays.	Cash and share rents.
BROACH DIST.	Derol ..	15	25	13	26	12—38	$\frac{1}{2}$. In a few cases $\frac{1}{2} + \frac{1}{2}$ assessment.	$\frac{1}{2}$ on some acres and Rs. 24—26 per acre on the rest.
	Tavra ..	63	5	14	20	10—44	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 11—24.
	Varedia ..	17	16	4	22	22—52	$\frac{1}{2}$.	(No particulars).
	Samni ..	16	12	10	24	10—28	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 14—28.
BARODA STATE.	Sarar ..	25	20	8	20, 22 $\frac{1}{2}$, 30	20—32	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 20—37 $\frac{1}{2}$.
	Parikha ..	8	5	..	22 $\frac{1}{2}$	15—30	$\frac{1}{2}$.	..
	Mandala ..	8	52	3	(varying)	10—30	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 18—22 $\frac{1}{2}$.
	Bhilapur ..	7	7	2	(")	8—32	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 16 $\frac{1}{2}$.
	Bhatpur ..	..	9	..	..	..	$\frac{1}{2}$. In one case $1\frac{1}{3}$.	..
	Jafarpura ..	..	6	..	..	..	$\frac{1}{2}$.	..
	Rasulabad ..	..	45	3	..	..	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 7 $\frac{1}{2}$, 15 and 20.
	Karachia ..	11	7	..	4 $\frac{1}{2}$	4 $\frac{1}{2}$ —24	$\frac{1}{2}$.	..
	Halol ..	20	3	2	18	14—27	No particulars)	(No particulars)
	Muvala ..	..	..	..	..	..	—	..
	Timbi ..	2	5	..	..	9	$\frac{1}{2}$.	..
	Itwadi ..	..	26	..	..	..	(No particulars)	..
PANCH MAHALS DIST.	Tarkhanda ..	4	7	..	..	No particulars.	(")	..
	Goraj ..	..	5	..	..	..	( " )	..
	Vesania ..	..	2	..	..	..	( " )	..
	Ghodadra ..	..	3	..	..	..	( " )	..
	Vaswell ..	4	11	1	..	No particulars.	(")	(No particulars).
	Dankheda ..	1	14	1	..	3	$\frac{1}{2}$.	$\frac{1}{2}$ and Rs. 7.
	Ambali ..	1	10	..	..	No particulars.	(No particulars)	..
Total ..		202	295	61	..	..	$\frac{1}{2}$	..
Percentage		36	53	11	..	..

TABLE V.
SOURCES OF ADVANCES.

Villages.	No. of borrowers.	Total amount borrowed Rs.	No. of cases in which advances were made by						Amounts borrowed from					
			Sowcar.	Co-op. Society.	Land-lord.	Friends and relatives.	Trader or merchant.	Others.	Sowcar. Rs.	Co-op. Society. Rs.	Land-lord. Rs.	Friends and relatives. Rs.	Trader or merchant. Rs.	Others. Rs.
BROACH DIST.	Derol ..	42	8,818	28	..	10	4	..	6,870	..	1,248	700	..	..
	Tavra ..	75	12,495	62+8	2+8	2	1	..	11,560	815	80	4	..	..
	Varedia ..	57	15,485	50	..	3	2	..	14,710	..	225	306	..	250
	Samni ..	43	12,413	3+9	28+10	1+1	..	2	2,910	9,378	125	..	..	..
BARODA STATE.	Sarar ..	87	34,001	25+2	32+2	..	2	22	8,971	17,550	..	270	6,865	345
	Parikha ..	47	12,788	38	..	7	2	..	11,986	..	453	349	..	..
	Mandala ..	62	14,809	31+2	..	22+6	3+4	..	9,150	..	4,470	1,189	..	..
	Bhilapur ..	25	18,288	14	..	5	2	3	12,256	..	5,232	400	350	Takavi 50
	Bhatpur ..	83	29,610	54	..	3	4	21	20,819	..	228	1,100	7,288	175
	Jafarpura ..	11	4,849	9	..	2	..	..	4,700	..	149	..	..	..
	Rasulabad ..	58	10,340	13+9	2+13	25+4	4	1	6,319	1,230	1,971	770	50	..
	Karachia ..	33	6,863	9	..	1	1	22	5,338	..	31	300	..	1,194 (Takavi.)
PANOR MAHARS DIST.	Halol ..	26	5,211	26	..	..	..	..	5,211	..	..	..	..	..
	Muvala ..	18	3,225	18	..	..	..	..	3,225	..	..	..	..	..
	Timbi ..	28	5,323	28	..	..	..	..	5,323	..	..	..	..	..
	Itwadi ..	49	2,044	47	..	..	..	2	1,914	..	..	..	130	..
	Tarkhanda ..	52	5,216	52	..	..	..	..	5,216	..	..	..	..	..
	Goraj ..	10	343	10	..	..	..	..	343	..	..	..	..	..
	Vesania ..	40	4,877	16+23	1+23	..	..	..	4,056	821	..	..	..	..
	Ghodadra ..	7	279	7	..	..	..	..	279	..	..	..	..	..
	Vaswell ..	41	2,678	25+8	8+8	..	..	..	1,933	745	..	..	..	..
	Dankheda ..	28	5,775	+6	22+6	..	..	..	1,502	4,273	..	..	..	..
Total ..	Ambali ..	30	16,170	+17	8+20	..	2+3	..	5,975	7,880	..	2,315	..	..
		952	231,900	566+84 = 650	103+90 = 193	81+11 = 92	25+4 = 29	51+3 = 54	150,566	42,692	14,212	5,418	16,998	1,589 (Takavi) 425 Others.
Percentage ..		..	100	..	..	..	..	..	65	18.4	6.1	2.3	7.3	0.7 0.2

N. B.—The figures mentioned after the plus sign denote the number of cultivators who borrowed from the source in question; but not exclusively from that source. Thus, in Samni, nine had borrowed partly from the sowcar and partly from the Co-operative Society, while one had borrowed partly from a landlord and partly from the Co-operative Society.

TABLE VI.

Borrowings per head and per acre (Including Borrowings of Proprietors and Tenants).

Villages.	Total number of cultivators recorded.	Total number of Borrowers	Percentage of Borrowers to total.	Total amount borrowed.	Borrowing per head.			Proprietors.			Tenants.			Persons partly proprietors and partly tenants.			Total area of the holdings.	Borrowing per acre of the total area of holdings.	Area under cotton.	Borrowing per acre under cotton.
					of total Cultivators.	of borrowers	No. who borrowed.	Amount borrowed.	Borrowing per head.	No. who borrowed.	Amount borrowed.	Borrowing per head.	No. who borrowed.	Amount borrowed.	Borrowing per head.					
BROACH DIST.	Derol ..	76	42	55	Rs. 8,818	Rs. 116	210	8	Rs. 2,500	Rs. 312	16	Rs. 2,183	Rs. 136	18	Rs. 4,135	230	1,577	5.6	800	11.0
	Tavra ..	113	75	66	12,495	111	167	15	3,105	207	11	925	84	49	8,465	173	1,981	6.3	890	14.0
	Varedia ..	70	57	81	15,485	221	272	24	6,610	275	4	925	231	29	7,950	274	1,190	13.0	555	28.0
	Samni ..	62	43	69	12,413	200	289	16	5,376	336	6	820	136	21	6,217	296	2,390	5.2	928	13.4
BARODA STATE.	Sarar ..	92	87	95	34,001	369	391	37	21,170	572	4	116	29	46	12,715	276	1,925	17.6	1,186	28.8
	Parikha ..	49	47	96	12,788	261	272	34	10,574	311	4	301	75	9	1,913	212	924	13.8	526	24.3
	Mandala ..	83	62	75	14,809	178	239	10	2,382	238	8	1,205	150	44	11,222	255	1,450	10.2	677	22.0
	Bhilapur ..	35	25	71	18,288	522	731	11	16,138	1467	2	322	161	12	1,828	152	738	25.0	393	46.5
	Bhatpur ..	87	83	95	29,610	340	357	74	28,581	386	2	61	30	7	968	138	2,166	13.6	1,166	25.5
	Jafarpura ..	11	11	100	4,849	441	441	5	4,125	825	..	..	..	6	724	121	363	13.3	129	37.6
	Rasulabad ..	67	58	86	10,340	154	178	14	5,385	385	14	961	69	30	3,994	133	1,858	5.5	986	10.5
	Karachia ..	33	33	100	6,863	208	208	5	3,113	623	8	3,118	390	10	632	63	973	7.6	627	11.0
PANCH MAHALS DIST.	Halol ..	34	26	76	5,211	153	200	3	435	145	4	411	103	19	4,365	230	587	8.9	286	18.2
	Muvla ..	18	18	100	3,225	179	179	18	3,225	179	..	..	..	..	..	483	6.7	385	8.4	
	Timbi ..	28	28	100	5,323	190	190	21	3,662	174	3	770	257	4	891	223	342	15.5	327	16.3
	Itwadi ..	71	49	69	2,044	29	42	27	1,337	49	4	133	33	18	574	32	1,060	1.9	660	3.1
	Tarkhanda ..	57	52	91	5,216	91	100	42	4,116	98	..	..	..	10	1,100	110	682	7.6	436	12.0
	Goraj ..	16	10	62	343	21	34	6	233	39	..	..	..	4	110	27	244	1.4	173	2.0
	Vesania ..	40	40	100	4,877	122	122	38	4,705	123	..	..	..	2	172	86	741	6.6	330	14.8
	Ghodadra ..	8	7	87	279	35	40	4	214	53	..	..	..	3	65	22	155	1.8	37	7.5
	Vaswell ..	43	41	95	2,678	62	65	26	2,030	78	..	..	..	15	648	43	803	3.3	275	9.7
	Dankheda ..	32	28	87	5,775	180	206	13	3,326	256	1	35	35	14	2,414	172	562	10.2	264	22.0
	Ambali ..	30	30	100	16,170	539	539	19	11,058	582	1	174	174	10	4,938	494	566	29.0	276	58.0
Total ..		1155	952	83	2,31,900	201	244	480	1,43,400	299	92	12,460	135	380	76,040	200	23,760	9.8	12,300	19.0

TABLE VII.
Amounts borrowed at each rate of interest.

Villages.	Free of interest.	Amounts borrowed at the rates of											
		4½-6%	7½-8%	9-9½%	10%	12%	15-16%	18-18½%	20%	24%	25%	75%	150%
BROACH DIST.	Derol ..	Rs. 307	Rs. ..	Rs. ..	Rs. 1,200	Rs. ..	Rs. 5,260	Rs. 290	Rs. 156	Rs. ..	Rs. 1,605	Rs. ..	Rs. ..
	Tavra ..	40	400	..	5,365	..	5,440	1,250	..	..	..	..	..
	Varedia ..	140	..	..	1,100	..	12,650	..	600	..	995	..	..
	Samni ..	195	..	..	11,833	..	325	..	..	..	60	..	..
PANCH MAHALS DIST. BARODA STATE	Sarar ..	135	3,175	20,100	9,905	..	686	..	..	..	..	..	..
	Parikha ..	..	..	288	12,320	..	180	..	..	..	..	..	..
	Mandala ..	..	..	2,745	11,944	..	..	..	120	..	..	..	..
	Bhilapur ..	210	575	..	15,866	..	1,612	..	25	..	..	..	..
	Bhatpur ..	..	..	1,825	26,838	..	..	922	25	..	..	..	..
	Jafarpura ..	..	..	..	3,970	..	630	199	..	..	..	..	..
	Rasulabad ..	210	60	835	5,205	..	3,430	50	410	..	..	50	90
	Karachia ..	1,104	..	..	1,350	500	3,809	..	..	..	100	..	..
PANCH MAHALS DIST. BARODA STATE	Halol ..	6	18	688	2,850	..	1,649	..	..	..	..	..	..
	Muvala ..	..	..	..	3,225	..	..	..	..	..	..	..	..
	Timbi ..	..	616	616	..	..	1,435	..	923	238	1,495	..	..
	Itwadi ..	..	..	..	696	..	1,348	..	..	..	..	..	..
	Tarkhanda ..	10	..	..	..	..	5,102	15	32	..	28	29	..
	Goraj ..	4	..	..	..	..	136	..	203	..	..	..	..
	Vesania ..	..	..	..	..	..	4,877	..	..	..	..	..	..
	Ghodadra ..	..	..	..	..	..	279	..	..	..	..	..	..
	Vaswell ..	..	..	..	..	..	2,592	..	86	..	..	..	..
	Dankheda ..	..	..	..	4,328	..	1,447	..	..	..	..	..	..
	Ambali ..	..	..	..	1,000	..	15,170	..	..	..	..	..	..
Total		2,361	4,844	27,097	1,18,995	500	68,107	2,726	2,580	238	1,523	2,789	50 90
Percentage.		1	2.1	11.7	51.3	0.2	29.4	1.2	1.1	0.1	0.7	1.2	.. ..

TABLE VIII.
Amount sold Locally and in the Market and that Remaining Unsold.
(FIGURES ARE IN LBS.)

Villages.	Total Outturn.	Amount sold in the early period.			Amount sold in the late period.			Amount remaining unsold.
		In village.	In market.	Total.	In village.	In market.	Total.	
BROACH DIST.	Derol	228,985	153,750	153,750	75,235	..	75,235	..
	Tavra	261,744	122,795	124,230	137,514	..	137,514	..
	Varedia	232,306	110,700	110,700	121,606	..	121,606	..
	Samni	317,258	231,158	231,158	85,731	..	85,731	369
BARODA STATE.	Sarar	313,322	20,172	174,291	52,521	86,510	129,031	..
	Perikha	201,843	6,396	46,576	70,110	76,137	146,247	2,624
	Mandala	198,809	19,024	154,857	10,619	13,571	24,190	738
	Bhilapur	126,198	1,230	19,475	24,600	67,322	91,922	13,751
	Bhatpur	437,060	93,029	81,959	174,988	19,720	262,072	..
	Jafarpura	46,371	..	34,235	..	12,136	12,136	..
	Rasulabad	175,849	..	115,661	..	60,188	60,188	..
	Karachia	119,720	..	86,469	..	..	..	33,251
PANCH MAHALS, DIST.	Halol	61,008	58,179	58,179	2,829	..	2,829	..
	Muvala	97,908	12,672	57,192	5,040	23,004	28,044	..
	Timbi	56,580	..	50,512	..	6,068	6,068	..
	Itwadi	113,324	492	95,735	164	16,933	17,097	..
	Tarkhanda	59,040	3,567	49,528	2,542	3,403	5,945	..
	Goraj	29,315	26,978	..	2,337	..	2,337	..
	Vesania	27,347	25,087	1,440	784	36	820	..
	Ghodadra	3,444	1,968	492	2,460	984	984	..
	Vaswell	44,239	3,649	28,946	615	11,029	11,644	..
	Dankheda	42,394	3,120	23,539	1,677	14,058	15,735	..
	Ambali	38,704	2,624	26,240	820	9,090	9,840	..
Total		3,232,768	896,590	1,028,410	737,980	519,235	1,257,215	50,553
Percentage		100	(46)	54	(59)	41	100)	..
		100	..	..	..	..	38.9	1.6

Total sold in village :— 1,634,570 (51%) Total sold in market :— 1,547,645 (49%).
Total crop sold :— 3,182,215 (100%)—98.4% of total outturn.

TABLE IX.

Number of cultivators who sold locally and in the market in the early and late periods.

Villages.		Number who sold in the early period.										Number who sold in the late period.																			
		In the village.					In the market.					Total (a)					In the village.					In the market.					Total (b)				
		S.	M.	ML.	L.	Tot.	S.	M.	ML.	L.	Tot.	S.	M.	ML.	L.	Total.	S.	M.	ML.	L.	Tot.	S.	M.	ML.	L.	Tot.	S.	M.	ML.	L.	Total.
BROACH DIST.	Derol	32	37	2	..	71	..	..	..	..	32	37	2	..	71	35	39	2	..	76	..	..	..	..	..	35	39	2	..	76	
	Tavra	53	48	4	..	105	..	1	..	..	53	49	4	..	106	57	52	4	..	113	..	..	..	..	..	57	52	4	..	113	
	Varedia	31	28	1	..	60	..	..	..	..	31	28	1	..	60	39	30	1	..	70	..	..	..	..	..	39	30	1	..	70	
	Samui	16	27	15	2	54	..	..	..	..	16	27	15	2	54	14	31	15	2	62	..	..	..	..	..	14	31	15	2	62	
BARODA STATE.	Sarar	4	7	2	..	13	42	34	2	1	79	46	41	4	1	92	46	36	2	1	79	..	11	2	..	13	46	41	4	1	92
	Parikba	3	6	1	..	10	13	19	..	..	32	16	25	1	..	42	5	11	1	..	17	14	18	..	..	32	19	29	1	..	49
	Mandala	16	5	..	..	21	14	19	..	..	33	36	47	..	(a)	83	22	28	..	..	50	14	19	..	..	33	36	47	..	83	
	Bhilapur	1	2	..	..	3	7	9	4	..	26	8	11	4	..	23	9	6	..	..	15	7	9	4	..	26	16	15	4	..	35
	Bhatpur	20	30	2	..	52	6	24	5	..	35	26	54	7	..	87	19	15	..	..	34	6	22	3	..	31	26	54	7	..	(b) 87
	Jafarpura	..	..	..	..	..	7	3	..	1	11	7	3	..	1	11	..	..	..	..	7	3	..	1	1	11	7	3	..	1	11
	Rasulabad	..	..	..	..	..	39	21	3	4	67	39	21	3	4	67	..	..	..	..	39	21	3	4	..	67	39	21	3	4	67
	Karachia	..	..	..	..	..	15	16	..	2	33	15	16	..	2	33	..	..	..	..	15	16	..	2	..	33	15	16	..	2	33
PANCH MAHALS DIST.	Halol	18	15	1	..	34	..	..	..	..	18	15	1	..	(a)	34	18	15	1	..	34	..	..	..	..	18	15	1	..	34	
	Muvala	..	2	..	..	2	3	9	1	..	13	4	12	2	..	18	..	3	..	..	3	4	9	2	..	15	4	12	2	..	18
	Timbi	..	..	..	..	..	19	9	..	..	28	19	9	..	..	28	..	..	..	..	19	9	..	..	..	28	19	9	..	..	28
	Itwadi	3	..	..	..	3	51	15	2	..	68	54	15	2	..	71	3	..	..	..	3	51	15	2	..	68	54	15	2	..	71
	Tarkhanda	16	3	..	..	13	37	7	..	..	44	47	10	..	..	57	16	3	..	..	13	37	7	..	..	44	47	10	..	57	
	Goraj	10	6	..	..	16	..	..	..	..	16	6	..	..	..	16	16	6	..	..	16	..	..	..	..	16	6	..	..	16	
	Vesania	17	21	1	..	39	..	..	..	..	17	22	1	..	(a)	40	17	22	1	..	40	..	..	..	..	17	22	1	..	40	
	Ghodadra	4	2	..	..	6	..	1	..	..	1	4	3	..	..	7	4	4	..	..	8	..	..	..	..	4	4	..	..	8	
	Vaswell	7	4	..	..	11	12	18	2	..	32	19	22	2	..	43	7	4	..	..	11	12	18	2	..	32	19	22	2	..	43
	Dankheda	9	2	..	..	11	9	10	1	1	21	18	12	1	1	32	9	2	..	..	11	9	10	1	1	21	18	12	1	1	32
	Ambali	3	1	..	..	4	13	10	3	..	26	16	11	3	..	39	2	2	..	..	4	14	9	3	..	26	16	11	3	..	30
Total		251	246	29	2	528	287	225	23	9	544	545	496	53	11	(a) 1105	326	303	27	3	659	248	196	22	8	474	575	516	53	11	(b) 1155
Percentage						48					49					(a) 106					57					41					(b) 100

S=Small. M=Medium. ML=Medium Large. L=Large.

(a) The totals include those who sold partly in the village and partly in the market, viz: in Mandala 6 S. and 23 M; in Muvala 1 S, 1 M, and 1 ML, in Vesania, 1 M; and in the total 7 S., 25 M., and 1 ML=33 or 3%.

(b) The total includes 1 S., 17 M., and 4 ML, all in Bhatpur, who sold partly in the village and partly in the market. They total 22 or 2%.

TABLE X.

Crop picked in the Early Period and Amount sold in the Early Period.

Villages.		Total outturn.	Pickings in the Early Period.	Percentage of pickings to total.	Amount of pickings sold.	Percentage of picked crop sold.
		lbs.	lbs.	%.	lbs.	%.
BROACH DISTRICT.	Derol ..	228,985	206,025	92	153,750	75
	Tavra ..	261,744	162,196	62	124,230	76
	Varedia ..	232,306	182,655	79	110,700	61
	Samni ..	317,258	257,029	81	231,158	89
BARODA STATE.	Sarar ..	313,322	214,840	68	174,291	81
	Parikha ..	201,843	72,529	37	52,972	73
	Mandala ..	198,809	176,997	89	173,881	98
	Bhilapur ..	126,198	42,230	34	20,705	49
	Bhatpur ..	437,060	234,807	53	174,988	74
	Jafarpura ..	46,371	37,720	81	34,235	91
	Rasulabad ..	175,849	129,806	74	115,661	89
	Karachia ..	119,720	92,373	77	86,469	93
PANCH MAHALS DISTRICT.	Halol ..	61,008	58,179	95	58,179	100
	Muvala ..	97,908	69,864	71	69,864	100
	Timbi ..	56,580	50,512	89	50,512	100
	Itwadi ..	113,324	96,719	85	96,227	99
	Tarkhanda ..	59,040	55,227	93	53,095	96
	Goraj ..	29,315	27,224	93	26,978	99
	Vesania ..	27,347	26,527	97	26,527	100
	Ghodadra ..	3,444	2,624	77	2,460	93
	Vaswell ..	44,239	36,408	82	32,595	89
	Dankheda ..	42,394	30,559	72	26,659	87
	Ambali ..	38,704	30,750	79	28,864	93
Total ..		3,232,768	2,293,800	71	1,925,000	84

TABLE XI.

Weight Systems in the Villages.

Villages.	Weight equivalents.
BROACH DISTRICT. { Derol Tavra Varedia Samni	.. } 1 "Bhar"=20 "Dhadis"=25 maunds. .. } 1 "Dhadi"=50 seers= $1\frac{1}{2}$ maunds. .. } 1 Maund=40 seers=41 lbs. .. } ∴ 1 "Bhar"=1025 lbs.
BARODA STATE. { Sarar Parikha Mandala Bhilapur Rasulabad Jafarpura Bhatpur Karachia	.. } 1 "Bhar"=20 "Dhadis"=24 maunds. .. } 1 "Dhadi"=48 seers= $1\frac{1}{2}$ maunds. .. } 1 Maund=40 seers=41 lbs. .. } ∴ 1 "Bhar"=984 lbs. .. } .. } (As in Broach). .. } .. }
PANCH MAHARS DISTRICT. { Halol Muvala Timbi Itwadi Tarkhanda Vesania Ghodadra Vaswell Dankheda Ambali Goraj	.. } 1 "Bhar"=16 "Dhadis"=24 maunds. .. } 1 "Dhadi"=60 seers= $1\frac{1}{2}$ maunds. .. } 1 Maund=40 seers=41 lbs. .. } ∴ 1 "Bhar"=984 lbs. .. } .. } (As in Broach). .. } .. } .. } (As in Baroda, i.e., Sarar and other places.) .. }

COTTON FINANCE AND MARKETING INQUIRY.

MIDDLE GUJERAT—1927-28.

Report on the Market Investigations.

Investigations were carried out in 20 markets, five being in Broach District, nine in the Baroda State and six in Panch Mahals District. Particulars as regards the markets selected are given below :—

Names of the Markets.	No. of days on which the markets were visited.	No. of sellers questioned.
Broach District.		
Broach	1	17
Derol	1	17
Palej	1	28
Amod	1	34
Jambusar	1	38
Baroda State.		
Dabhoi	5	218
Bahadarpur	4	136
Bodeli	2	96
Samalaya	2	48
Bhatpur	2	40
Jojawa	2	42
Itola	1	40
Antoli	1	12
Desar Road	1	11
Panch Mahals District.		
Godhra	2	10
Halol	2	61
Champaner Road	2	50
Derol	2	46
Timba Road	1	15
Tulsigam	1	7
Total	<u>35</u>	<u>966</u>

As the territories of British India and the Baroda State interlace, a number of places in the latter area serve as markets for the villages situated in British Indian territory, and *vice versa*. Thus, Samalaya, Antoli, Desar and Jojawa are as much resorted to by the villagers of Panch Mahals District as by those of the Baroda State.

In the Middle Gujerat area, organised and regulated cotton markets such as are found in Berar, do not exist. The so-called "markets" are all those villages and towns which have ginning and pressing factories. It is mostly in the compound of the ginning factory that sales take place. There are at most places not even regular market places where buyers, brokers and sellers can meet. In consequence there are in the Middle Gujerat markets no market committees,

no licensed brokers and *artis*, no regulations as regards the conduct of sales and the customary levies, deductions and allowances, no posting of rates, no agency for the settlement of disputes, and no record of arrivals and sales. There are, however, certain well recognised practices in each of these markets in the matter of the customary market deductions or levies, and these will be noted below.

The conditions prevailing in the Middle Gujerat markets approximate to those in Sind more closely than the conditions in any other area investigated. Here, as in Sind, many of the buyers (who are principally gin-owners) have their *dalals* or agents either permanently posted in important villages or touring about during the season. Heavy purchases are thus made in the villages and the crop so purchased is despatched to the ginneries at the purchasers' cost.

The systems of purchase and sale prevail. In the one, petty merchants and cultivators bring samples of their *kapas* to the market, show them to the buyer (the ginners or the big cotton merchants) and strike bargains with them. *Kapas* is thereafter despatched direct to the gin where weightment takes place. This system is the one most in vogue in the markets of the Broach District. In the other system *kapas* is brought in carts to the market by petty merchants and cultivators, and sold direct there. This system obtains equally with the one first described in the markets of the Baroda State, and is the more common one in the markets of Panch Mahals District. In Baroda and Panch Mahals a good portion of the *kapas* sold in the markets is brought by the growers themselves.

There are no regular market places in many of the markets investigated and the carts are taken direct to the compound of the gin. In Broach, Jambusar, Godhra, Halol and at one or two other markets however, there are regular places where the carts assemble and bargains are struck.

The practice of employing brokers for sale transactions does not seem to be uniform throughout the Middle-Gujerat area. In the markets of the Broach District (except Jambusar) and those of Panch Mahals District (except Godhra), cultivators and petty merchants who bring *kapas* for sale do not as a rule employ brokers, but sell direct. In Jambusar and, in some cases, in Godhra sellers do employ brokers or *artis* who charge about Re. $\frac{1}{2}$ per cart containing 1 to $1\frac{1}{2}$ 'bhars' of *kapas* (25 to 31 mounds) as their "*dalali*". In the Baroda markets sellers usually employ brokers. Buyers invariably employ brokers for effecting purchases on their behalf, unless the buyers themselves are petty merchants (which is extremely rare in the markets), in which case they buy direct. As a rule the same broker does not act for both buyer and seller.

The trend of rates follows very closely that in Bombay. Bombay closing rates for Broach cotton are received twice daily by the gin-owners and other large buyers by wire or by phone. But in none of the markets are rates ever posted up. The rates received are then immediately communicated to the agents of the buyers in the villages. Of course, for any particular lot or cart the rate would depend considerably

upon the quality and the ginning percentage of the *kapas*. Besides the Bombay rates, most of the large buyers keep in close touch also with the New York and Liverpool 'futures.'

The weighment at all the markets is done on Avery's weighbridges, and there were very few complaints about the weighments. The **Weighment.** weighbridges are marked in Bengal *maunds*, tons, cwts, qrs, and lbs, but sometimes also in *bhars*, *dhadis* and lbs. At Halol there is a "*Dharmada Kanta*" where sellers may check the weights of their carts before taking them to the gins. Though no charge is made for the use of this weighbridge, a small payment is made if a weighman is employed.

The weighman is invariably the paid servant of the ginowner, and he gets between Rs. 150/- and Rs. 300/- for the whole season, according to the pressure of work at the gin.

The weight systems, '*bhars*' and '*dhadis*', vary in the villages as pointed out in Table XI. In markets weighment is sometimes done in terms of cwts. and lbs., 9 cwts. and 12 lbs. constituting a '*bhar*'. There is some difference in the '*maund*' as understood at the gins and in the villages. In the villages it equals 40 *seers*, in the market it equals 41 *seers*. Some cultivators forget this and complain about loss in weight *en route* or about malpractices in the weighment.

Disputes or *vandhas*, or *kadadas* as they are here called, are very rare in the Middle Gujerat area. For one thing, much of the *kapas* is bought in the villages by the agents of the ginowners and merchants who have ample opportunity of examining the *kapas* before closing the bargain; and for another, *kapas* in this area is usually of a uniform quality and gradations are not very numerous.

Disputes, deductions and allowances. In the beginning of the season, when competition among buyers runs high, disputes seldom arise, but towards the closing stages they do sometimes occur and for this the inferior quality of the later pickings is partly to blame. In the case of the sellers recorded in our market investigations, *kadadas* are conspicuous by their almost total absence. *Kadada*, properly speaking, means weight-deduction (as a result of the dispute), but the word has come to be applied to the dispute itself. These disputes, when they occurred were noticed to have been settled amicably but the buyer had not infrequently the upper hand in the settlement. There is no impartial agency for the settlement of disputes.

There is absolutely no uniformity in the markets of Middle Gujerat in the customary charges on sale. The charges vary so much from market to market, that it is difficult to make any general statement. **Customary charges.** In Broach, for instance, no customary charges are taken from cultivator-sellers, although petty merchants pay Re. 1/- per '*bhar*'. In Palej they amount to four annas only; in Bodeli to about Rs. 2-9-0. The most common charges are as follows:

Brokerage, 8 annas to Re. 1/- per '*bhar*'. Where no broker is employed there is, of course, no brokerage.

"Dharmada" or charity. From 2 to 5 annas per '*bhar*'. At some places, like Halol, there is also an additional charge of 4 or 5 annas for the local temple.

At Amod, Derol (Broach) and Halol a small charge of 2 or 3 annas is levied for the local school fund.

Discount.—6 annas per cent. As a '*bhar*' of cotton fetches between Rs. 150 and Rs. 200/- this works out to 9 to 12 annas. The discount is taken in consideration of ready cash payment and represents the interest at 9% for 15 days, the usual time for payment. No discount is taken in the markets of Broach and Panch Mahals Districts, although payment is made immediately.

Insurance.—4 to 8 annas per *bhar*. This charge is made in almost all the markets. Why the seller should contribute towards insuring the safety of the *kapas* he has already sold is not understandable, but there were no complaints on this score.

"Mehta Sukhadi".—4 to 8 annas per cart (i. e. $1\frac{1}{2}$ to $1\frac{1}{2}$ *bhars*). This is a payment for the *mehta*, i. e. the clerk or accountant of the buyer, who does all the work in connection with weighing, preparing memos, payment and other things. As no separate charge is made for the weighman and for labour or coolie hire this item may be said to correspond to the weighing charges and *hamali* levied in the markets of the other areas investigated, like Khandesh, Berar and Sind. This item is charged in practically all the markets. At some places where "*Mehta Sukhadi*" is only 1 or 2 annas, there is an extra charge of 2 to 4 annas for coolie hire or *hamali* (the labour employed in unloading carts and in other work). Hence '*Mehta Sukhadi*' is a sort of composite charge for incidentals.

Samples.—1 to 3 lbs. of *kapas* per '*bhar*'. In some places this charge is called '*muti*', though in others (particularly in Baroda) the latter term is applied to the 1 to 3 lbs. (or 3 to 5 annas instead) taken to meet the weighing and labour charges.

There were hardly any complaints against these customary charges at any of the markets. Some of the sellers in Baroda markets complained that they had to pay '*muti*' twice over, but this is only because the same term is used there to denote what in other markets would be two separate charges, viz: 'samples' (1 to 3 lbs.) and "weighing and *hamali*" (about 5 annas per cart). The complaint is therefore not justified.

Payments.—As in Khandesh, payments are made almost immediately in the Middle Gujerat markets.

Storage.—There is no regular storage accommodation at the markets investigated, except at Broach, Palej and Dabhoi, where there are big godowns belonging to merchants. In the other markets *kapas* is stored, if necessary, in the open compounds of the ginning factories, which are well protected by wire fencing and by watchmen, but there is risk of the *kapas* being spoiled by untimely rains. Even at Broach, Palej and Dabhoi it is cheaper to store *kapas* in the open compound of the ginneries than in godowns, and this is usually done unless rain is expected.

Advances against deposit of '*kapas*.'—Where *kapas* has been deposited in the ginning factory it is possible to obtain from 75 to 80 per cent of its value as an advance. Interest is charged at 9%, except at Bahadarpur, where it is 12%.

Arrivals and sales.—There are no records of arrivals and sales kept at any of the markets. The number of bales pressed is of course available from the returns submitted by pressing factories.

The number of carts brought to the markets for sale by petty merchants is much greater than that brought by the growers themselves, particularly in the markets of the Broach District. It needs to be pointed out however that the figures given in the summarised statement * for each market, do not give a correct idea of the relative number of carts brought by growers and traders, because the investigators have deliberately selected a larger number of cultivators' carts for investigation.

Lint Sales.—Though lint sales, both by cultivators as well as by petty merchants, are not uncommon, the present investigations were confined to *kapas* sales only. This is why a number of markets, like Miyagam, which are primarily markets for lint, have been omitted from the investigation.

Sales Society.—There are no Co-operative Sale Societies at any of the markets investigated, but it is understood that cultivators of a whole village not infrequently combine to sell their *kapas* in one lot.

General conclusions.—The general conclusions on the market inquiry are as follows :—

- (1) There are no regulated and organised markets in the Middle Gujarat area, and there does not appear to be any pressing need for their establishment because of the fairly satisfactory system of purchase and sale under which ginowners and other buyers send or have their *dalals* or agents in the villages to make purchases there.
- (2) In the markets themselves there are two systems of sale; either *kapas* is sold direct, or samples are shown, rates settled and delivery given after three or four days.
- (3) In many of the markets it is not necessary for sellers to employ brokers or *artis*.
- (4) The market rates follow very closely those in Bombay. The local rate for 2½ 'bhars' of *kapas* is about the same as that for the Bombay *Khandi* (19 maunds lint).
- (5) Weighment is done throughout on Avery's weighbridges and the weighman is the paid servant of the ginowner.
- (6) Disputes or *vandhas* are very infrequent in the Middle Gujarat area. Where they occur they are generally settled by a weight-deduction (*kadada*), though in some places the rates are lowered for the purpose.
- (7) There is no uniformity in the customary market charges. They range from 4 annas to Rs. 2-9-0 according to the number of the following items included :—

Brokerage	8 annas to Re. 1 per <i>bhar</i> .
<i>Dharmada</i>	2 to 5 annas „ „
Discount	6 annas per cent.
Insurance	4 to 8 annas per <i>bhar</i> .
<i>Mehita Sukhadi</i>	4 to 8 annas per cart.
Samples or <i>mulhis</i>	1 to 3 lbs. per <i>bhar</i> .

- (8) There are good godowns for storing *kapas* in Broach, Palej and Dabhoi, but at other places the storage accommodation provided in the open compound of the ginning factories seems to be quite adequate.
- (9) Most of the markets have railway connection (broad gauge or partly narrow gauge) with Bombay.

Indian Central Cotton Committee.



REPORT

ON

AN INVESTIGATION INTO THE FINANCE

AND

MARKETING OF CULTIVATORS' COTTON

IN

MADRAS.

(NORTHERNS AND WESTERNS TRACT.)

1927-28.

**BOMBAY,
C. V. THOMAS, STRAND ROAD.**

Price : Rupee One.

Indian Central Cotton Committee.

**Report of Special Sub-Committee appointed by the
Indian Central Cotton Committee to consider the
results of investigations into the Finance and
Marketing of Cultivators' cotton.**

REPORT ON INVESTIGATIONS CARRIED OUT IN MADRAS-NORTHERNS AND WESTERNS TRACT.

In the enquiry carried out in 1925-26 the record of daily sales was far from being complete, and the Indian Central Cotton Committee therefore decided in 1927 to finance an investigation in the same areas in order to obtain more complete details.

Nine villages were selected, four in the Westerns tract and five in the Northernns and complete replies were received from 741 cultivators. A general summary and the summaries* of the information for each village are attached.

Only two markets were investigated—Adoni in the Westerns tract and Nandyal in the Northernns tract. The former was visited on 25 days and the latter on 14 days and 376 sellers were examined. The following are the principal findings of the enquiry :—

- (1) Seventy per cent of the persons examined borrowed money for financing their cultivation operations and this was taken almost entirely at the commencement of the season.
- (2) The borrowing per head of borrowers was substantial, amounting to an average of Rs. 639/-.
- (3) The landlord is the chief financier, accounting for 56.8% of the loans given. The *swear* comes next with 27.3%; only 0.5% was obtained from Co-operative Societies.
- (4) Interest rates are reasonable, 84% of the loans having been obtained at 12½% and less, which means that money is readily available and the credit of the growers good.

* Not printed.

- (5) No restrictions on the sale of their produce are placed on the growers by the lenders and there is no pressure to sell, as many growers held up their crop till June and July in the hope of better prices.
- (6) The crop is sold mainly to the merchant or trader in the village, so that village sales accounted for 87% of the total crop. In the Northern tracts there were no market sales.
- (7) The crop is usually sold when all pickings are over, and not piecemeal as in Sind. Only 12% of the crop was sold early.
- (8) No deductions are made in the village sales though the seller has to pay a share of the weighing charges.
- (9) The weights in the villages are usually of stone and are not certified.
- (10) In Adoni market uncertified stone weights are used and the weighman is the servant of the buyer. Disputes regarding deductions are numerous at Adoni.

We are of opinion that open regulated markets similar to those proposed for the Bombay Presidency would be of considerable benefit to the growers and we would therefore recommend that in those places where markets exist efforts should be made to establish open regulated markets with the growers fully represented on the Market Committees. At Adoni there is no regular market place and one should be provided. *Dalalidars* and weighmen should be licensed, deductions and levies standardized and weights certified and tested. Co-operative Sale Societies would also be of value and efforts should be made to organise them in suitable places.

**REPORT ON INVESTIGATIONS CARRIED OUT IN
MADRAS—"WESTERNS AND NORTHERNS TRACT,"
1927-28.**

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Note.—The Special Sub-Committee decided that the village sheets, which summarize the details in each village, should not be printed, owing to their bulk, but they are available for inspection by any interested reader in the office of the Indian Central Cotton Committee.

COTTON FINANCE AND MARKETING INQUIRY
MADRAS—"WESTERNS AND NORTHERNS TRACT," 1927—28.

Report on the Village Investigations.

I. INTRODUCTORY.

In 1925-26, when the Indian Central Cotton Committee carried out its first series of investigations into the finance and marketing of cultivators' cotton in Khandesh, Berar and North Gujarat, an **Madras Enquiry, why repeated?** investigation was also made in the "Westerns and Northerns (or the Deccan) tract of Madras. This was carried out by the staff of the Agricultural Department, Madras, as part of their normal duty and without cost to the Committee.

The information collected, however, was not comprehensive enough, particularly with regard to the records of sales and disposal of the crop which were very incomplete. This was only to be expected as the period for recording this information coincided with a time of great departmental activity, and the staff did not find it possible to carry out both duties.

It was therefore decided in 1927 that a similar investigation should be made in the Northerns and Westerns tract by a special staff of paid investigators, as was to be done in four other tracts.

The Madras Agricultural Department undertook to carry out this inquiry and the Indian Central Cotton Committee supplied funds to the extent of Rs. 6,000. An Assistant **The mode of investigation.** Director of Agriculture was specially deputed to take charge of the work and the results now obtained are more satisfactory than those of the former inquiry.

It would have been desirable to have extended the inquiry to cover both the *Mungari* or the early sown, and the *Hingari*, or the late sown, crops; but as this would have meant spreading the inquiry over 10 or 11 months, it was decided to undertake a six months' inquiry to cover the *Hingari* cottons only.

Nine villages were selected, four in the "Westerns" tract, and five in the "Northerns". The places selected, together with the number of cultivators examined at each place and the number of replies which are complete, are given below :—

			No. of cultivators examined.	No. of complete replies.
Westerns tract.				
Bellary District.				
Adoni Taluka :	Maderae.		221	219
	Kanakavidu.		154	145
	Nagarahalu.		50	49
Alur ,,	Maedehalu.		70	70
Northerns tract				
Kurnool District.				
Nandyal Taluka:	Chindukur.		31	29
	Kavalur.		60	60
Koilkuntla ,,	Koilkuntla.		58	56
	Dhornipadu.		40	40
Allagada ,,	Yellur.		73	73
Total ..			757	741

In the following pages the returns from only the 741 cultivators from whom complete replies were received have been taken into account.

As usual the investigations in each village were conducted at three different periods in the growth and disposal of the crop. These periods were generally as follows :—

- 1st Period (i.e. when the crop was in the last stages of growth but before any was picked): 15th December 1927 to 31st January 1928.
- 2nd period (i.e. that commencing when the greater part of the crop had been picked and continuing until a number of early sales had been effected): 1st to 30th April 1928.
- 3rd period (i.e. that commencing after all the crop had been picked and continuing until the major part of it was sold): 1st to 30th June 1928.

The actual dates of the investigations in each village need not be detailed. They fell within the limits given above except that the 2nd period investigations in Maderae were made in the first week of March instead of in April. No investigations were made in the 3rd period in Kanakavidu, the reason given being that owing to rain in February and March the crop did not fare well in its later stages, and the ryots removed the crop earlier than usual as there were no prospects of any further pickings. Practically the whole of the crop picked was sold by the time the 2nd period investigations were entered upon there, so that a third investigation in that village would have been superfluous,

This year's *Mungari* (or early sown) crop was affected to some extent by the heavy rains and cyclone of November, and by bacterial disease in Bellary. The *Hingari* (or late sown) crop at first showed

The season. promise of normal yields, but the season did not continue to be favourable, and drought in the later stages affected it to some extent. The seasonal factor for the presidency works out to 94% of the average (a).

The 741 cultivators embraced in this inquiry may be classified into the following four classes according to the size of their holdings :—

	Number.	Percentage.
Small (i.e. those having under 15 acres).	193	26%
Medium (i.e. those having between 15 and 50 acres). ..	409	55%
Medium large (i.e. those having between 50 and 100 acres). ..	103	14%
Large (i.e. those having over 100 acres).	36	5%

Another mode of classification of cultivators would be according to tenantry :—

	Number.	Percentage.
Proprietors.	479	64.5%
Tenants.	4	0.5%
Persons partly proprietors and partly tenants. ..	258	35%

This shows that practically all the cultivators examined were owners of the whole or part of the land they cultivated.

The 262 cultivators who rented a part or the whole of the land cultivated by them, had usually done so on long leases for 5 or 10 years or even more. The rent was not infrequently paid in advance

Rent systems. for the whole period. The chief mode of payment of rent in this area appears to be in the form of cash, as will be seen from the following :—

	Number.	Percentage
On the cash system.	170	65%
On the share system.	56	21%
On the mixed system.	36	14%

The cash rents varied a good deal, ranging from Rs. 1/4 to Rs. 31/- per acre. There are no rates in particular which could be called the normal or most frequent rates, but Rs. 10/- per acre would be a fair average. The share rent was generally half the produce; there was only one case in which 1/3rd was given; but cases in which the tenant paid 3/5ths, 2/3rds and even 3/4ths of the produce to the landlord are numerous.

(a) Vide "The Supplementary Memorandum on the Cotton Crop of 1927-28" (*Indian Trade Journal*, 26th April 1928).

Table I gives particulars of the area and the number of holdings in each of the villages investigated. Taking the area as a whole, the following general figures are obtained:—

Total No. of the holdings recorded.	..	741
Total area of the holdings recorded.	..	26,804 acres.
Average size of the holdings.	..	36 "
Area under cotton.	..	9,835 "
Average cotton area per holding.	..	13 "
Percentage of the cotton area to the total area of the holdings.	..	37%

The number of cotton areas recorded may be subdivided, according to size, as follows:—

	Number.	Percentage.
Small (i.e. under 5 acres).	199	27%
Medium (i.e. between 5 & 25 acres.)	453	61%
Medium large (i.e. between 25 & 50 acres).	72	10%
Large (i.e. over 50 acres).	17	2%

The total outturn returned was 31,967 *maunds* or 839,248 lbs. giving an average of 85 lbs. only per acre. Considering that the ginning percentage of the Westerns and Northern varieties is between 25 and 27, this would give us an average outturn of about 22 lbs. of lint per acre. This figure is so very

small that it gives rise to an apprehension that the yields were not properly estimated by the cultivators, and that the yields returned by them were for some reason or other depreciated (b). The particulars for each village are given in Table II. Even the highest figure given there, viz. 160 lbs. of *kapas* (i.e. about 43 lbs. of lint) in Dhornipadu, is somewhat less than the general average estimated by the Agricultural Department shown in the footnote (b).

The average yields for each class of cotton area are given below:—

	Area. (Acres).	Yield. (lbs.)	Yield per acre. (Lbs.)
Small areas.	661	59,316	90
Medium "	5,553	469,322	85
Med. large areas.	2,418	181,012	75
Large areas.	1,203	129,598	108

(b) According to the crop forecasts published by the Agricultural Department (*vide* the "Supplementary Memorandum on the Cotton Crop of 1927-28" in the *Indian Trade Journal* of 26th April 1928), the average yield for the Westerns and Northern crop was estimated to be 58 lbs. of lint per acre and, considering the Madras Presidency alone, 46 lbs. per acre.

As for the average yield reckoned above, it may be added that even allowing for the fact that some part of the "cotton area" was really under "mixed crop" the average yield would hardly exceed 112 lbs. of *kapas* or 28 lbs. of lint.

In the Western and Northern tract cotton is grown almost entirely as a dry crop on unirrigated lands, and is therefore dependent upon the rainfall and the vagaries of the monsoon.

In the villages of the Bellary district, 5,946 acres were under the Westerns *hingari* (or late sown), and 578 acres were under the Westerns *mungari* (or early sown) variety. In the Kurnool district, 2,844 acres were under *White Northern*s, 227 acres under

Varieties of cotton grown. *Red Northern*s and 225 acres under *Selection No. 14*. A small plot of 11 acres was under *Selection No. 54* and one of 4 acres under *Cambodia*. A substantial area was under the superior variety No. 14, which the Indian Cotton Committee of 1919 described as "one of the finest indigenous cottons" seen by them (c).

The following were the sources of the cultivators' seed supply arranged according to the order of importance :—

Sources of seed supply.	No. of Cases.		Percentage.	
The cultivator himself.	265		36%	
The petty merchant or trader	232		31%	
The ginners.	107		14.5%	
The <i>sowcar</i>	89		12%	
The landlord.	29		4%	
The Government Farm.	17		2.5%	
Relatives.	2		..	

II. FINANCE.

Out of the total number of 741 cultivators, 519 or 70% borrowed, and 222 or 30% did not.

Number of borrowers.

Borrowings were made at the time of the commencement of cultivation operations, and nothing was borrowed subsequently except in two villages. In Maderae three persons took in all Rs. 126/- from local traders (in March), and in Maedehalu 36 persons took loans (in or about April 1928) aggregating Rs. 4,038, mostly from ginowners. The subsequent borrowings thus came to Rs. 4,164/- which is only 1% of the borrowings first made. The amount is negligible and is therefore omitted from the reckoning in the subsequent pages. It may be added here that the late borrowings were made on the condition that the cultivator would sell his *kapas* to the lender, and, where the lender was a ginowner, that he would gin his *kapas* at the lender's gin. Only in very few cases was money advanced at interest. The subsequent borrowings were required to pay Government assessment.

The total borrowings made in each village, together with the other particulars about borrowings per head and per acre, are presented in Table IV.

Amount of borrowings.

(c) *Vide Report p. 93,*

The general result may be summed up as follows :—

(a)	Total amount borrowed.	Rs. 3,31,686/-
(b)	Number of cultivators recorded.	741
(c)	Borrowing per head of cultivators recorded.	448/-
(d)	Number of borrowers.	519
(e)	Borrowing per head of borrowers.	Rs. 639/-
(f)	Total area of holdings recorded.	26,804 Acres.
(g)	Borrowing per acre of the total area of the holdings	12.4
(h)	Area under cotton.	9,835 Acres.
(i)	Borrowing per acre under cotton.	Rs. 33.7

These figures reveal that borrowing is very heavy in the Westerns and Northern tracts. It is almost twice or thrice as heavy as in Khandesh and Middle Gujarat. The heavy borrowing is no doubt partly due to the fact that all the cultivators examined (except 4) were proprietors of the whole or part of the land they cultivated, and therefore naturally commanded wider credit.

One of the results, which at first sight was rather surprising, was that out of Rs. 331,686/- borrowed, only Rs. 4,090 or 1% were returned as having been taken for "cultivation purposes." **Utilization of the loans.** The value of the loans taken in the form of seed was given in the case of two villages only, and came to the meagre figure of Rs. 202/-. The rest, viz. Rs. 327,394/- were all borrowed for "other purposes." Fortunately, however, in most cases it was stated what those "other purposes" were; and it was accordingly found that some of the entries made under this column should properly have gone into the column for "cultivation purposes." This will be seen from the following figures :—

"Other purposes"					Amount.	Percentage.
					Rs.	%
Domestic	..	..	..	..	1,31,595	40.2
Marriage.	..	..	..	..	59,820	18.2
Purchase of land.	..	..	..	..	68,040	20.8
" " house.	..	..	..	..	2,352	0.7
" " animals & carts.	..	..	..	..	19,600	6.0
" " fodder.	..	..	..	..	540	0.2
Construction of house.	..	..	..	..	7,682	2.4
Payment of rent & premium for lease	..	..	..	..	2,230	.7
" " assessment	..	..	..	..	35	..
" " arrears of debt.	..	..	..	..	1,800	.5
" " for field labour.	..	..	..	..	2,400	.7
Loss in trade.	..	..	..	..	16,700	5.1
Litigation.	..	..	..	..	14,600	4.5
Total					3,27,394	100

Another interesting point in connection with borrowings is that there is absolutely no difference between the amounts actually taken and those signed for. If this is correct the Madras lenders are men of a different stamp from their confrères elsewhere. But this point has not been satisfactorily investigated in any of the tracts where inquiry has recently been made, and the probability is that it has not been properly investigated in Madras either.

From the figures given above in connection with the utilization of loans, it will be seen that very little borrowing is stated to have been made to pay old debts. Only Rs. 1,800/- i.e., 0.5% of the total, were said to have been put to that purpose, the remaining portion of the loans constituting fresh debt. We cannot say whether this is a normal feature of the domestic economy of the cultivators in this tract. But considering that the season 1926-27 was worse than normal, and that it followed upon 5 or 6 consecutive seasons equally bad, there is reason to believe that the figure of the arrears of debt left over to be paid out of the loans taken in 1927-28 is not quite correct, and that some part of the amounts stated to have been taken for some of the other items was really the debt of previous years accumulated and carried forward.

The borrowings of proprietors, tenants, and persons partly tenants are given in detail in Table IV. The General result is :—

					Number.	Amount.	Per Head.
Borrowing of proprietors and tenants.							
						Rs.	Rs.
Proprietors	..	..	..	..	350	190,808	545
Tenants	..	..	..	..	4	580	145
Persons partly proprietors and partly tenants	..	..	..	..	165	140,298	850
Total borrowers	..	..	..	..	519	331,686	639

In utilising the above figures of borrowings a certain amount of caution is necessary, particularly with regard to the figures of borrowing per acre under cotton. It is sufficient to mention that the correlation of the value of the outturn to the borrowing per acre under cotton would be fundamentally wrong, as cotton occupies only between 30 and 50 per cent of the total cropped area in the Westerns and Northern tracts.

One rough way of ascertaining this relation between production and borrowing would be to find out the percentage of the "borrowing per acre of the total area of the holdings" to "the value of the outturn per acre". A rough *index of borrowing* may be constructed on this basis. Of course this is open to some objections which have been stated in the report on the Middle Gujerat inquiry; but all the same it will

be useful to frame a rough idea so as both to test the solvency of the borrowers and to get an idea of what security the lenders here consider adequate. Thus in the Westerns and Northern tracts the average yield obtained was 46 lbs. of lint, equivalent to about 184 lbs. of *kapas* per acre (d); the normal rate was Rs. 3/12 per maund of about 26 lbs.; this will give an outturn worth about Rs. 26.2 per acre. The borrowing per acre of the total area of the holdings was Rs. 12.4. The rough index of borrowing will therefore be 47. This is indeed a high figure and is second only to the index for Sind which was a little over 50 (e). This clearly testifies to the magnitude of the borrowing in the Westerns and Northern tracts.

A detailed analysis of the sources of borrowings, giving both the number of persons borrowing from each source as well as the amounts borrowed from each source, is presented in Table III, to which attention is invited. The result may be summed up as follows:—

The sources.	No. of Persons borrowing from each source.	Amounts borrowed. Rs.	Percentage of total.
Landlords	330 (320)	188,275	56.8
<i>Sowcars</i>	131 (122)	90,416	27.3
Ginowners	36 (31)	33,050	10.0
Traders and merchants	17 (14)	12,525	3.8
Friends and relatives	8 (8)	3,170	0.9
Government (Takavi)	10 (6)	2,500	0.7
Co-operative Societies	4 (1)	1,750	0.5
	(502)	331,686	100

The figures shown in brackets give the number of persons who borrowed exclusively from the source in question, while the other set of figures in the same column shows the number of cultivators who resorted to each of the sources either for the whole or for a part of their total borrowings. Besides the total of 502 cultivators (shown in brackets), 17 more

(d) This is the Agricultural Department's forecast for the "Northern and Westerns" crop of the Madras Presidency for 1927-28. We have not taken the figure of 85 lbs. of *kapas* obtained in the present inquiry, because that figure seems to be manifestly an underestimation. See page 8 and footnote (b) above.

(e) The indices, calculated on the same basis, for the other areas investigated by the Indian Central Cotton Committee are;—for Middle Gujarat 20, Khandesh 25, the Punjab 25, to which list may be added 50 for Sind.

borrowed from more than one source (f); (502 plus 17=519 being the total number of borrowers).

Contrary to the findings in all other areas investigated by the Indian Central Cotton Committee, the *sowcar* was not the principal financier of the cultivators in the Westerns and Northern tracts. In

The landlord. In the latter area the first place was taken by the landlord; and what is particularly noticeable is that he was the chief source in almost all the villages investigated. More than half (58.8%) of the loans was advanced by him; and 63% of the borrowers had recourse to him for practically the whole of their borrowings. As we have seen in the introductory portion of this report there are a good many medium-large and large cultivators in this area; and they are as often as not traders in produce and money lenders as well as land-holders and employers of field labour.

Next in importance to the landlord in the financing operations is the *sowcar*. He was responsible for only 27.3% of the total advances, and 25% of the borrowers took their loans from him. In three

The sowcar. out of the nine villages the amounts lent by the *sowcar* were negligible. The comparatively small part played by the *sowcar* in this area is in singular contrast to the important part he plays in Berar, North Gujarat, Sind, the Punjab, Middle Gujarat and even Kharodesh, in which areas the amounts advanced by him were 91, 91, 77, 68, 65 and 53.5 per cent of the total advances, respectively.

The ginowner lent 10% of the total advances, but his operations were confined to one village only. Petty merchants, cotton traders, and friends and relatives gave small loans in the Westerns, but none

Other lenders. In the Northern tracts. Co-operative Societies, it is clear from Table III, may be said to be practically non-existent in the area under investigation. Only Rs. 1,750/- (or 0.5% of the total) were taken in all; Rs. 1,250/- in one village and Rs. 500/- in another. From the point of view of the Co-operative credit movement Bellary and Kurnool are two of the most backward districts in the Madras Presidency (g).

Rates of Interest. The amounts borrowed at each rate of interest are given in Table V. The general result is as given below :—

(f) Thus 6 took from landlords and *sowcars*, 1 from Co-operative Society and landlord, 2 from *sowcars* and Co-operative Society, 1 from landlord and merchant, 1 from ginowner and trader, 2 from landlords and ginowners, 2 from ginowners and Government (Takavi), 1 from *sowcar* and Government, and 1 from trader and Government.

(g) Cf. The Annual Report of the working of the Co-operative Societies Act II of 1912, for the year 1926-27 (Madras).

	Rates of Interest.				Amounts borrowed.	
					Rs.	Percentage of the total
Free of interest	647	0.2
At 6%	200	..
.. 7-8%	4,600	1.4
.. 9-9½%	74,560	22.5
.. 10½-11½%	4,800	1.4
.. 12-12½%	1,92,294	58.0
.. 13½-13½%	800	0.2
.. 15%	17,000	5.1
.. 16½%	970	0.3
.. 18%	26,295	8.1
.. 21%	800	0.2
.. 24%	7,590	2.3
.. 30%	730	0.2
.. 36%	400	0.1
Total Rs.					3,31,686	100

This shows that 80% of the loans were obtained at between 9 and 12½% which may be said to be fairly reasonable compared with what is charged in Sind and the Punjab. It may be added here that credit was cheaper in the Northern tracts than in the Western tracts; the maximum rate charged in the former tract was only 12%, and the rates above 12% obtained only in the Western tracts. Owing, it seems, to the rapid extension of groundnut cultivation which is profitable, credit seems to have become cheaper now than what it was some 25 years back. Money is generally obtainable today at between ½ and 1½ per cent per mensem, while in 1904 or thereabouts 1½ to 2½ per cent was usually charged (h).

Excepting the acknowledgment of the loans in writing, no other security, *e.g.*, mortgage of the crops or of the land, seems to have been insisted upon by the lenders. But this point is not very definite, as no specific questions touching it were asked in the questionnaire.

Security for the loans.

As to the effect of borrowing on sales it may be said that the cultivators were in general not hampered by their borrowings in the disposal of their *kapas*.

Only 29 out of 519 borrowers, *i.e.* only 4%, gave a verbal undertaking to sell their crop to the lender. Out of these 29, two were from Maderae and 27 from Maedehalu.

In the latter village some ginowners made heavy advances and in every case they obtained an undertaking that the crop should be sold to them. Excepting the case of this village, the cultivators were not under any obligation to sell to their lender. As regards the time of sale, it will be seen from the next section that cultivators could and did hold the crop up to June; and that the early sales, which were substantial, were made just in the ordinary course of business, and there is no evidence that they were

Effect of borrowing on sales.

(h) Cf. The Gazetteer of the Bellary District, vol. I (1904), p. 96.

in any way due to the pressure of the lenders to sell. This, coupled with the further fact that no cultivator was obliged to effect advance sales to get the wherewithal to pay off previous loans, goes to show that cultivators were not hampered by their borrowings as regards the time of sale.

General Conclusions.

The main conclusions on this section of the report are:—

(1) The cultivators of the Westerns and Northern tracts did not find any difficulty in obtaining finance; 70% of the number examined took loans of varying amounts.

(2) Borrowings were all made at the time of the commencement of cultivation operations, the amount taken subsequently being almost negligible.

(3) The borrowing was heavy and substantial, working out to Rs. 639 per head of borrowers and Rs. 519 per head of cultivators recorded.

(4) Nearly 30% of the loans may be said to have been put to unremunerative uses.

(5) The borrowing per acre of the total area of the holdings was Rs. 12.4. Taking the average yield at 184 lbs. of *kapas* per acre, and the normal rate at Rs. 3-12-0 per *maund* of 26 lbs., the value of the yield per acre would be about Rs. 26.2. Therefore the rough index of borrowing (as explained in the report) would be 47, which is a high figure.

(6) The landlord was the cultivator's chief financier, being responsible for 56.8% of the loans given. Next came the *sowcar*, who lent 27.3% of the loans. The Co-operative Credit movement is extremely backward in the area investigated, only 0.5% of the loans having been obtained from Co-operative Societies.

(7) Interest rates ranged from 6 to 36%, but 84% of the loans was obtained at 12½% and less, which shows that money is readily available in this area; 9 and 12% were the chief rates. As long as money is so cheap, there is little scope for the spread of the Co-operative Credit movement here.

(8) Cultivators were not hampered by their borrowings in the disposal of their *kapas*, either as regards the persons to whom or as regards the time at which they might sell. Practically only one lender, a ginowner, required an undertaking that the crop should be sold to him.

III. SALES.

At the conclusion of the investigation 99,605 lbs. out of a total outturn of 839,248 lbs. remained unsold. The amount sold was therefore 739,643 lbs. or 88% of the total outturn. In the amount sold have been included about 8,000 lbs. being *kapas* returned for seed borrowed. The usual rate for this transaction is ½ *maund* of *kapas* for 1 *maund* of seed borrowed.

The importance of village sales in this area will be gauged from the Place of sales, following:—

Amount sold locally	..	642,091 or 87%
„ „ in markets	..	97,552 or 13%

The figures for each village will be found in Table VI. It will be noticed that in the Northern tract (Kurnool district) the sales were all made in the villages.

The number of small, medium, medium large and large cultivators who sold in the village and in the market, will be found in Table VII. On the whole, in the early period 189 cultivators (97%) sold in the village and only 6 (3%) sold in the markets, while in the late period the corresponding numbers were 569 and 19, the percentages being exactly the same.

In the villages, sales were all made outright, and no brokers or *dalals* were employed. In no case was the crop deposited with *dalal*, petty merchant or *sowcar* for sale on the cultivator's account. As regards the purchasers it is learnt that nearly the whole of the crop sold in the early period was purchased by petty merchants and traders. The relevant figures are:—

	Amount lbs.	Percentage.
Purchased by petty merchants and traders ..	82,556	94.2
Purchased by ginowners	2,294	2.6
„ „ <i>sowcars</i>	2,214	2.5
„ „ landlords	640	0.7

Corresponding information for the sales in the late period is not available, but it appears that the money-lender is not the purchaser of his debtor's *kapas* to any appreciable extent. This is supported by the observation made in the finance section that there was practically only one village where the lenders, ginowners, required an undertaking from the cultivators that their crop should be sold to them.

As regards the methods of ascertaining the rates, out of 588 cultivators who sold in the late period, 11 (or 2%) said that they had not ascertained the prevailing rates before selling. 461 or 78% ascertained the rates from local dealers; 17 or 3%, in the market; and 99 or 17%, from sources not stated in the returns. Very likely, they too had ascertained the rates from the local dealers.

From the large amounts sold in the village it must be concluded that the sale organization of *kapas* in the village must be fairly satisfactory. There were no disputes in the villages, and no deductions or charges except for weighment. Rates were very satisfactory, and payments were also very prompt.

The weighman is generally selected by the seller, although he is paid by both parties. His charges usually are: 12 seers (or a quarter *maund*) per each *Kantlam* (63 *maunds*) weighed, to be paid by the seller; and about five annas per *Kantlam* to be paid by the buyer. The weight system (for cotton) is uniform in the Westerns and Northern tracts. The weights commonly used are :—

A *Maund* = 4 *Dhadiams* = 48 *seers*.

A *Naga* = 12 *maunds* of lint = 48 *maunds* of *kapas*.

A *Kantlam* = 63 *maunds* of *kapas* (generally).

At one or two places it is equal to 60 *maunds* of *kapas*.

A *Kantlam* is usually a cartload. The lb. equivalent of the *maund* is slightly different in the Westerns and in the Northern tracts. In the former a *maund* is equal to 26 lbs., and in the latter it equals 26½ lbs. The "*Kantlam*" then comes to 1680 lbs. in the Northern tract where the term is chiefly used. The weights used are unsatisfactory; they are made of stone and there is no authority to check and certify them. Each merchant has his own set of weights and scales and it is said that no two weights agree. This appears to be the only defect in the village sales organization; and it is a serious defect as it gives opportunities for deceitful practices in the weighing.

In village sales it is not customary to allow any deductions for dirt, leaf or other things. No charges are made for charity, *hamali* or labour, and other items. Sometimes cartage of about Rs. 2 to Rs. 5 per *Kantlam* (63 *maunds*) is charged; but this item is taken into account in fixing the price, and does not constitute an independent deduction from the amount to be paid. The weighman's charges are paid by each party independently, and do not constitute a "deduction" proper though they have the same effect.

Payments were always very prompt. In respect of the sales in the early period all the sellers received payment in full; while for those in the late period only 35 (or 6%) did not receive full payment; in 27 of these cases the payment being credited to their debt account.

There is no accommodation for storage in the villages. Cultivators store *kapas* in their own huts.

Cotton is sometimes sold with seed and sometimes without seed: Not infrequently cultivators hand-gin the *kapas*, retain the seed and sell the lint only. Sometimes this result is achieved by making a condition with the local merchant to whom *kapas* is sold that he will, after selling the lint in the market, return the seed to the cultivator. The rates per *maund* of *kapas* sold with seed are given below:—

Village sales.		Highest.	Lowest.	Normal.
Westerns tract	(Early period)	.. Rs. 4/-	Rs. 3/-	Rs. 3/12
	(Late ")	.. Rs. 4/-	Rs. 2/13	Rs. 3/12
Northern tract	(Early ")	.. Rs. 4/-	Rs. 3/8	Rs. 3/11
	(Late ")	.. Rs. 4/2	Rs. 2/14	Rs. 3/3
Market sales :—				
Westerns tract:	(Early period)	.. Rs. 4/4	Rs. 3/6	Rs. 3/14
	(Late ")	.. Rs. 3/14	Rs. 2/12	Rs. 3/13
Northern tract:—There were no market sales.				

The above figures show that in the Westerns tract the rates remained steady throughout, while in the Northern tracts there was a slight decline as the season progressed. The village rates were naturally a few annas lower than the market rates, due to the allowance made for cost of cartage. The highest

rates were obtained for Selection 14 and Cambodias. On the whole, the village rates corresponded very closely with those in the market. Sometimes even higher rates were obtained in the village than those prevailing in the market because of the anxiety of village traders to fulfil their forward contracts with the big purchasers in the market.

In the present investigation no cultivator sold the whole or a part of his crop in advance. As a rule the cultivators in this tract do not sell the

Time of sales. *kapas* at each picking, because the amounts are very small and would not fetch an adequate price. So they store the *kapas* in their huts and sell the whole after the last picking, unless money is required earlier to pay off Government assessment. This will explain why the figures of early sales given below are so very small compared with the late sales:—

				Amount sold,	Number who sold,	
				Percentage		Percentage
				of total,		of total
				lbs.	No.	cultivators
						viz., 741.
Early period	..	..	..	87,704	195	26%
Late	..	..	..	651,939	588	80%
Total				739,643	..	..

The figures for each village, with further particulars about the sellers will be found in Tables VI & VII.

These figures clearly show that holding the crop up to a period as late as June was quite feasible, and was in fact done by most of the cultivators. A further 99,605 lbs. (12% of the total outturn) remained unsold at the end of the inquiry; and in most cases this crop was stated to have been held on in the hope of getting better prices in July.

Further evidence of 'holding on' will be found in the figures given in Table VIII, which may be summarised as below:—

Total outturn	..	..	..	839,248 lbs.
Amount picked in the early period	..	..	568,830	..
Percentage of these pickings to the total	..	68%		
Amount of the picking sold in the early period	..	87,704	..	
Percentage of picked crop sold	..	15%		

These figures show that although 68% of the crop has been picked in the early period only 15% of this (*i.e.* only 10% of the whole outturn) was sold by the end of the early period, the remainder being held up. There is therefore ample evidence that there is no pressure to sell the crop early. One reason for this is that most of the cultivators are able to realize their groundnut crop in December and January and this enables them to hold their *kapas* for considerable periods in the expectation of better prices.

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			Amount sold.		Number who sold.	
			Percentage of total.		Percentage of total cultivators,	
			lbs.		No.	viz., 741.
Early period	87,704	12%	195	26%
Late	651,939	88%	588	80%
Total			739,643	100%

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In two out of the nine villages investigated some of the cultivators ginned the whole or a part of their *kapas* and sold the lint. The **Lint sales.** particulars of these sales are given below :—

Villages.	No. who sold lint.	Amount of the <i>kapas</i> , ginned. lbs.	Lint sold. lbs.	Price per <i>maund</i> of Lint. Rs.
Maderae ..	29	38,792	9,698	11/11
Maedehalu ..	10	47,632	11,908	12/8
Total	39	86,424	21,606	..

Thus in all, 13% of the total crop sold in the late period was sold as lint. Further, a portion of the unsold *kapas* had also been ginned, and was awaiting disposal when the inquiry terminated. The paucity of lint sales is due to the fact that a large number of cultivators have each a very small amount of *kapas*, not sufficient to have it ginned and pressed into a bale. Moreover, ginowners at the markets are in general not inclined to have direct dealings with individual cultivators. They prefer to have the stocks of *kapas* come through a local trader with whom they have regular dealings and consequently discourage cultivators from bringing their *kapas* to the gins on their own account.

There are no co-operative sales societies in any of the villages investigated. **Sales Societies.**

At the conclusion of the investigation, i.e. about the end of June 1928, 99605 lbs. out of a total outturn of 839,248 lbs. remained unsold. This

Unsold kapas. means that 12% of the outturn was unsold. The figures for each village, together with the number of cultivators with unsold *kapas* are given in Table VI. In all 40 out of 741 cultivators (or 5.4%) had some amounts unsold. As already stated the major portion of this was being held up, ginned or unginned, in the expectation of higher prices. The rest had been hand-ginned for domestic spinning. The rates offered for the unsold *kapas* varied considerably, from Rs. 2/15 per *maund* in Maderae to Rs. 3/12 in Nagarahalu.

From the foregoing facts and figures the following general conclusions

General conclusions. are deducible :—

(1) 88% of the crop was sold, and 12% remained unsold. Of the amount remaining unsold the greater part had been held up in the expectation of higher prices.

(2) The crop is sold mostly to the petty merchant or trader in the village itself. Of the amount sold, 87% was sold in the village, and only 13% in the market. In the Northern tract there were no market sales.

(3) The usual method of sale in the village is to sell the crop outright to the petty merchant. There are no deductions made; but the seller has to pay his own share of the weighing charges to the weighman. Payments are very prompt,

(4) The weights are usually of stone, and there is no authority to check or certify them. This is a grave defect, and gives opportunities for deceitful practices in weighing.

(5) There is no storage accommodation, cultivators storing the *kapas* in their own huts.

(6) About Rs. 3/12 per *maund* of *kapas* may be taken as the normal rate in the villages. The market rates are a few annas higher, to make allowance for transport charges.

(7) As a rule cultivators do not sell at each picking, but sell the whole lot after the last picking, unless money is required earlier to pay off Government assessment. Only 12% of the crop was sold in the early period, while 88% was sold late.

(8) Cultivators could and did hold their crop until late dates in June and July in the expectation of higher prices. There is clearly no pressure to sell.

(9) About 13% of the total crop sold was sold as lint. In general, however, the amount with each cultivator is too small to be conveniently ginned. Moreover, ginowners do not encourage cultivators to have direct dealings with them.

TABLE I.

Area and Holdings.

VILLAGES		No. of holdings.	Total area of the holdings.	Average size of holdings.	Area under cotton.	Average cotton area per holding.	Percentage of cotton area to total area.
			Acres.	Acres.	Acres.	Acres.	%
"Westerns" (Bellary District).	Maderae ..	219	6,259	29	2,915	13	46
	Kanakavidu ..	145	3,853	27	1,764	12	46
	Nagarahalu ..	49	1,359	28	637	13	47
	Maedehalu ..	70	2,550	36	1,208	17	47
"Northerns" (Kurnool District).	Chindukur ..	29	1,168	40	244	8	21
	Kavalur ..	60	2,101	35	728	12	35
	Koilkuntla ..	56	2,795	50	598	11	21
	Dhorinpadu ..	40	2,425	61	586	15	24
	Yellur ..	73	4,294	59	1,155	16	27
Total		741	26,804	36	9,835	13	37

TABLE II.

Yield and Average Yield.

VILLAGES.		Area under cotton.	Total yield(a)		Yield per acre.
		Acres.	<i>Maunds</i>	lbs.	lbs.
"Westerns" (Bellary District).	Maderae ..	2,915	8,186	212,836	73
	Kanakavidu ..	1,764	2,614	67,964	38
	Nagarahalu ..	637	2,665	69,290	109
	Maedehalu ..	1,208	6,341	164,866	136
"Northerns" (Kurnool District).	Chindukur ..	244	424	11,306	46
	Kavalur ..	728	2,718	72,480	99
	Koilkuntla ..	598	1,816	48,426	81
	Dhornipadu ..	586	3,521	93,894	160
	Yellur ..	1,155	3,682	98,186	85
Total ..		9,835	31,967	839,248	85

(a) In the "Westerns" tract the *maunds* have been converted into lbs. at the rate of 26 lbs. per *maund*; in the "Northerns" at 26 $\frac{2}{3}$ lbs. per *maund*.

TABLE III.
Sources of Advances.

VILLAGES.	No. of borrowers.	Total amount borrowed. Rs.	No. of cases in which advances were made by							Amounts borrowed from.						
			Sowcar.	Co-operative society.	Landlord.	Petty merchants & traders.	Friends & relatives.	Government Takavi.	Ginowner.	Sowcar.	Co-operative Society.	Landlord.	Petty merchants & traders.	Friends & relatives.	Government Takavi.	Ginowner.
										Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
NORTHERNS WESTERNS (Kurnool Dist.). (Bellary Dist.)																
Maderae ..	172	70,242	66+2	..	88+3	12+1	3	..	..	36,276	..	24,221	8,425	1,320	..	..
Kanakavidu ..	128	71,922	29+1	..	94+1	2+0	2	..	..	25,800	..	43,522	2,300	300	..	..
Nagarahalu ..	38	18,430	4+1	1+1	28+1	0+1	2	0+2	..	32,900	1,250	10,590	1,600	1,300	400	..
Maedehalu ..	65	52,580	1	..	23+2	0+1	1	4+2	31+5	600	..	17,180	200	250	1,300	33,050
Chindukur ..		8,400	3	..	14	..	..	..	..	900	..	7,500	..	..	..	..
Kavalur ..		52,500	4	..	29	..	..	..	..	8,400	..	44,100	..	..	..	..
Koilkuntla ..		20,900	6+2	0+2	9	..	..	2	..	8,900	500	10,700	..	..	800	..
Dhorrnipadu ..		17,350	8	..	9	..	..	..	..	4,750	..	12,600	..	..	..	..
Yellur ..		19,362	1+3	..	26+3	..	..	..	..	1,500	..	17,862	..	..	..	..
Total	519	331,686	122+9 =131	1+3 =4	320+10 =330	14+3 =17	8	6+4 =10	31+5 =36	90,416	1,750	188,275	12,525	3,170	2,500	33,050
Percentage		100	..	..	..	..	..	..	..	27.3	.5	56.8	3.8	.9	.7	10

N. B—The figures mentioned after the plus sign denote the number of cultivators who borrowed from the source in question, but not exclusively from that source. Thus, in Maderae, two had borrowed partly from the *sowcar* and partly from the landlord, while one had borrowed partly from the landlord and partly from petty merchant.

TABLE IV.

Borrowings per head and per acre (including borrowings of proprietors and tenants).

VILLAGES.		Total number of cultivators recorded.		Total number of borrowers.		Percentage of borrowers to total.		Total amount borrowed.		Borrowing per head.		Proprietors.		Tenants.		Persons partly proprietors & partly tenants.			Total area of the holdings.		Borrowing per acre of the total area of the holdings.		Area under cotton.		Borrowing per acre under cotton.						
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Acres.		Rs.		Acres.		Rs.							
		of total cultivators.		of borrowers.		No. who borrowed.		Amount borrowed.		Borrowing per head.		No. who borrowed.		Amount borrowed.		Borrowing per head.		No. who borrowed.		Amount borrowed.		Borrowing per head.		Total area of the holdings.		Borrowing per acre of the total area of the holdings.		Area under cotton.		Borrowing per acre under cotton.	
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Acres.		Rs.		Acres.		Rs.	
WESTERNS (Bellary Dist.)	Maderae	219	172	78	70,242	321	408	139	54,891	395	..	..	..	33	15,351	465	6,259	11.2	2,915	24								
	Kanakavidu	145	128	88	71,922	496	562	109	58,205	534	1	80	80	18	13,637	758	3,853	18.7	1,764	41											
	Nagarahalu	49	38	77	18,430	376	485	20	11,380	569	3	500	167	15	6,550	437	1,359	13.6	637	29											
	Maedehalu	70	65	93	52,580	751	809	37	23,820	644	..	..	..	28	28,760	1,027	2,550	20.6	1,208	43								
NORTHERNS (Kurnool Dist.)	Chindukur	29	17	59	8,400	290	494	4	3,000	750	..	..	..	13	5,400	415	1,168	7.2	244	34								
	Kavalur	60	33	55	52,500	875	1,590	11	13,200	1,200	..	..	..	22	39,300	1,786	2,101	25	728	74								
	Koilkuntla	56	19	34	20,900	373	1,100	8	9,200	1,150	..	..	..	11	11,700	1,064	2,795	7.5	598	35								
	Dhornipadu	40	17	42	17,350	434	1,021	4	7,100	1,775	..	..	..	13	10,250	788	2,425	7.1	586	30								
	Yellur	73	30	41	19,362	265	645	18	10,012	556	..	..	..	12	9,350	779	4,294	4.5	1,155	17								
Total		741	519	70	331,686	448	639	350	190,808	545	4	580	145	165	140,298	850	26,804	12.4	9,835	33.7											

Table V
Amounts borrowed at each rate of interest.

VILLAGES,	Free of interest.	Amounts borrowed at the rates of													
		6%	7-8%	9-9½%	10½-11¼%	12-12½%	13½-13¾%	15%	16½%	18%	21%	24%	30%	36%	
"WESTERNS" (BELLARY DISTRICT).	Maderae ..	147	..	1,900	3,000	2,200	51,030	300	8,240	170	3,205	..	..	50	..
	Kanakavidu ..	..	..	..	4,700	1,000	55,772	500	5,660	..	3,860	..	..	430	..
	Nagarahalu ..	..	..	400	2,550	1,600	3,540	..	1,050	..	3,600	200	5,490	..	..
	Maedehalu ..	..	..	1,300	1,800	..	27,850	..	2,050	800	15,430	600	2,100	250	400
"NORTHERNS" (KURNOOL DISTRICT).	Chindukur ..	..	..	..	1,800	..	6,600	..	..	..	..	..	..	..	..
	Kavalur ..	..	..	..	41,200	..	11,300	..	..	..	..	..	..	..	..
	Koilkuntla ..	..	..	800	11,600	..	8,500	..	..	..	..	..	..	..	..
	Dhornipadu ..	500	..	..	..	..	16,850	..	..	..	..	..	..	..	..
	Yellur ..	..	200	200	7,910	..	10,852	..	..	..	200	..	..	..	..
Total ..	647	200	4,60	74,560	4,800	192,294	800	17,000	970	26,295	800	7,590	730	400	
Percentage ..	.2	..	1.4	22.5	1.4	58	.2	5.1	.3	8.1	.2	2.3	.2	.1	

TABLE VI

Amount sold locally and in the market and that remaining unsold.

(Figures are in lbs).

VILLAGES.		Total outturn	Amount sold in the early period.			Amount sold in the late period.			Total amount sold.			Crop remain- ing unsold.		No. of cultivators with unsold <i>kepas</i> .
			In Village.	In market.	Total.	In Village.	In Market.	Total.	In Village.	In Market.	Total.	Amount.	Percentage of total outturn.	
"WESTERNS" (BELARI DISTRICT).	Maderae ..	212,836	2,652	..	2,652	159,900	17,368	177,268	162,552	17,368	179,920	32,916	% 15	19
	Kanakavidu ..	67,964	62,400	3,640	66,040	1,924	..	1,924	64,324	3,640	67,964	..	..	..
	Nagarahalu ..	69,290	2,912	5,720	8,632	31,356	12,168	43,524	34,268	17,888	52,156	17,134	25	6
	Maedehalu ..	164,866	1,872	..	1,872	97,500	58,656	156,156	99,372	58,656	158,028	6,838	4	1
"NORTHERNS" (KURNOOL DISTRICT).	Chindukur ..	11,306	..	..	..	6,480	..	6,480	6,480	..	6,480	4,826	43	10
	Kavalur ..	72,480	2,854	..	2,854	60,146	..	69,146	72,000	..	72,000	480	7	5
	Koilkuntla ..	48,426	5,654	..	5,654	37,039	..	37,039	42,693	..	42,693	5,733	12	19
	Dhornipadu ..	93,894	..	..	..	63,042	..	63,042	63,042	..	63,042	30,852	33	4
	Yellur ..	98,186	..	..	..	97,360	..	97,360	97,360	..	97,360	826	8	10
Total ..		839,248	78,344	9,360	87,704	568,747	88,192	651,939	642,091	97,552	739,643	99,605	12	40
Percentage ..		..	(80	11	100)	(87	13	100)	(87	13	100)			5.4% of total cultivators.

Percentage of total outturn sold 88%.

Percentage of total outturn unsold 12%.

TABLE VII.

Number of cultivators who sold locally and in the market in the early and late periods.

VILLAGES.	Number who sold in the early period.												Number who sold in the late period																		
	In the Village.				In the Market.				Total.				In the Village.				In the Market.				Total.										
	S.	M.	ML.	L.	Total.	S.	M.	ML.	L.	Total.	S.	M.	ML.	L.	Total.	S.	M.	ML.	L.	Total.	S.	M.	ML.	L.	Total.	S.	M.	ML.	L.	Total.	
"Westerns" (Bellary Dist.).	Maderae ..	8	8	1	..	17	..	..	..	..	8	8	1	..	17	71	102	18	5	196	1	5	3	..	9	72	107	21	5	205
	Kanakavidu..	52	78	8	4	142	..	2	..	..	2	52	80	8	4	144	21	11	2	1	35	..	..	..	..	21	11	2	1	35
	Nagarahalu..	11	6	1	..	18	1	2	..	1	4	12	8	1	1	22	16	17	4	..	37	1	..	2	..	3	17	17	6	..	40
	Maadehalu ..	2	3	5	2	3	5	20	38	4	..	62	..	2	1	4	7	20	40	5	4	69
"Northerns" (Kurnool District).	Chindukur ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	15	2	..	22	..	..	..	..	..	5	15	2	..	22
	Kavahir ..	..	3	..	..	3	..	..	..	..	..	3	..	..	3	11	35	10	2	58	..	..	..	..	..	11	35	10	2	58
	Koilkuntla ..	..	1	3	..	4	..	..	..	..	..	1	3	..	4	3	32	13	3	51	..	..	..	..	..	3	32	13	3	51
	Dhornipadu...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	27	7	2	36	..	..	..	..	..	..	27	7	2	36
	Yellur ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	7	38	19	8	72	..	..	..	..	..	7	38	19	8	72
Total ..		73	99	13	4	189	1	4	..	1	6	74	103	13	5	195	154	315	79	21	569	2	7	6	4	19	156	322	85	25	588
Percentage ..						97					3					100					97					3				100	

S= Small. M=Medium. ML=Medium large. L =Large. N.

N. B.—There were no cultivators who sold partly in the village and partly in the market.

TABLE VIII.

Crop picked in the Early Period and Amount sold
in the Early Period.

VILLAGES.		Total outturn.	Pickings in the early period.	Percentage of pickings to total.	Amount of pickings sold.	Percentage of picked crop sold.
		Lbs.	Lbs.	%	Lbs.	%
"WESTERNS" (Bellary District)	Maderae ..	212,836	60,814	28	2,652	4
	Kanakavidu ..	67,964	67,964	100	66,040	97
	Nagarahalu ..	69,290	50,908	73	8,632	17
	Maedehalu ..	164,866	130,156	79	1,872	1.4
"NORTHERNS" (Kurnool District).	Chindukur ..	11,306	6,507	57	..	..
	Kavalur ..	72,480	62,080	86	2,854	5
	Koilkuntla ..	48,426	42,400	87	5,654	13
	Dhornipadu ..	93,894	69,067	73	..	..
	Yellur ..	98,186	78,934	80	..	..
Total ..		839,248	568,830	68	87,704	15

COTTON FINANCE AND MARKETING INQUIRY.

MADRAS—"WESTERNS AND NORTHERNS TRACT."

1927-28.

Report on the Market Investigations.

I.—GENERAL.

In the Westerns and Northern tracts of Madras there are no regulated cotton markets such as are to be found in Berar. The important district **The markets** and taluka headquarter towns, which have ginning and **selected.** pressing factories, serve as the cotton markets. For the purposes of the present investigations only two markets—and those the most important ones—were investigated, viz., Adoni (Bellary district—Westerns tract) and Nandyal (Kurnool district—Northern tracts). Each market however was examined for a considerable length of time, and in the busiest part of the season, when the arrivals of cotton were the highest, ranging from 100 to 300 carts per day. The following are some particulars about the investigations:—

Markets.	Period of investigation.	No. of days the market was visited.	No. of sellers examined.
Adoni (W)	16-4-28 to 14-5-28.	25	202
Nandyal (N)	23-5-28 to 5-6-28.	14	174
Total ..		39	376

Adoni is the most important cotton market in the whole of the Westerns and Northern tracts. This municipal town is the headquarters of the Adoni taluka, and is situated on the main broad-gauge line of the M. & S. M. Rly. connecting Bombay with Madras. *Kapas* and lint from the villages of the Adoni and the neighbouring talukas, as also from some of the villages in the Kurnool district and even in the Hyderabad State, come here for sale. The Westerns and Northern tracts is a "protected area" under the Cotton Transport Act III of 1923 (as amended by Act XXXIV of 1925) (a); but the import of cotton from outlying tracts without a special license is prohibited by rail and sea only and not by road. Hence it is that a good number of carts from the Nizam's Dominions find their way by road to Adoni, particularly as there is an excellent metalled road between Adoni and Raichur.

Nandyal is the chief market in the Kurnool District. It is also a taluka headquarter town with a municipality. It is situated on the M. & S. M. Rly. metre gauge line which runs East to West from Masulipatam

(a) See Notification of the Government of Madras, No. 344, dated 18th November 1925, issued in exercise of the powers conferred upon Local Governments by Section 3 of the Cotton Transport Act of 1923.

and Bezwada to Gadag and Hubli. It is connected with both Bombay and Madras via Guntakal. It is more particularly a lint market, but it gets its supplies from the Kurnool District only, and not from any outlying areas.

As there are no regulated and organised cotton markets in the tract investigated, there are no market committees, no rules and bye-laws, no licensed brokers or "*dalalidars*" as they are here called, no system of control over the conduct of sales and the charging of the market levies, deductions and allowances, no posting up of rates, no independent agency for settling disputes and no records of daily arrivals and sales in the market. The only information that was gathered was as regards the prevalent methods of transacting business in the market, and the recognised practices in the matter of deductions or levies.

The market organisations at Adoni and Nandyal are not exactly alike. In Nandyal sales are almost exclusively on the forward contract system which is referred to later, while in Adoni, besides this system there is also the system of spot purchases which is equally important. At Nandyal there is no regular market place where buyers and sellers may meet to strike bargains, but at Adoni there is such a place. Again there are no *arhatyas* or brokers or *dalalidars* in the Nandyal market, sellers coming into direct contact with the buyers. But that class of middlemen does exist in Adoni and performs a useful role.

The buyers at both the markets may be divided into two sets: (i) agents of the big cotton firms like Messrs. Ralli Bros., Volkart Bros., the Bombay Cotton Co., Patel Bros., and several others. They are the purchasers of lint and rarely of *kapas*, and their purchases are mostly on the forward contract system. (ii) Secondly there are the town merchants, who are the purchasers of both *kapas* and lint, and both on the contract system and directly in the market. Likewise sellers are of two sorts: (a) Petty merchants from the villages and (b) cultivators; but the latter seldom come to the market. In between, at Adoni, come the *dalalidars* or brokers. There is a large number of them at the Adoni market (because direct sales are of much importance here) and consequently there is keen competition among them to secure customers. A few *dalalidars* are men of substance. They have their shops in the town where they do trading and money lending on a small scale. They usually supply goods on credit to village traders and lend them money on easy terms (generally 12%), but always on the condition that the latter sell their produce—whether *kapas*, groundnut or grain—through or to them (the *dalalidars*).

There are two systems of purchase and sale in the markets. One is the forward contract system, usually adopted by the big cotton firms. Their forward contracts are usually made with the town merchants who in their turn often make sub-contracts with the village traders. It is rarely that the big firms have their own agents in the villages to make purchases locally there; and in this respect the system differs somewhat from the one in Sind or Middle Gujarat. The other system is that of buying ready *kapas* or lint

in the market. The principal buyers of this ready *kapas* or lint are the town merchants. Sometimes ginowners and agents of the big firms also make direct purchases in the market. The exact *modus operandi* in the latter system as it obtains at Adoni may be briefly described:—

Carts begin to arrive from the early morning up to 10 or 11 a.m. and are parked at various places in the town where there may be shade and facility for drinking water. It is a serious defect in the market organisation at Adoni (and also at Nandyal) that there is no central place for the parking of carts, which consequently stand along the roadsides all over the town, thereby not only causing congestion to other vehicular traffic, but also rendering it difficult for buyers to find out how much cotton has arrived in the market on that particular day. The purchasers and the *dalalidars* keep moving about the town examining samples. At about noon they meet at a common place, and the buyers give out their rates. The highest rate given out becomes the ruling rate for the day; but as the person who has announced that rate is not bound to purchase all the cotton that has arrived, the rates invariably fall after a few carts have been sold. The rate is of course for the best quality. Through the instrumentality of *dalalidars* transactions are then settled between individual sellers and buyers according to the buyers' requirements. Carts are now taken to the compound of the purchasers and unloaded there. In the afternoon, at about 3 or 4 p.m. the parties meet again, and the contents of each cart and "*borah*" i.e. the bag or carrier which contains the cotton (b) are examined to see if the bulk is according to the sample and that it is of a uniform quality. If the buyer is satisfied with the quality and evenness, the lot is "passed". If not, disputes commence and the buyer claims either deductions in weight or reduction of the rates fixed. The *dalalidar* acts as the mediator and decides mostly in favour of the buyer, though he no doubt pretends to put up a fight for the seller. If the seller is not agreeable to the deductions or reductions he can, of course, go away, but he rarely does so because it would obviously be inconvenient and risky to wait overnight in the town with the loaded cart. On the dispute being settled, weighment takes place. Here also the seller has to contend against various cuts which the weighman and the buyer's recording clerk or *mehta* imposes. When the weighment is over, a memo is prepared, and payment is made to the *dalalidar*, who after deducting his charges hands over the balance to the seller. This is done at such a late hour in the evening that the seller does not venture to leave for home at night with money in his hands. Consequently two days are taken in effecting the sale of a cartload in the market.

No brokers are employed at Nandyal. At Adoni the employment of *dalalidars* or brokers is not obligatory upon the sellers. The latter may sell direct, and would save commission and some other charges by doing so. But there is an apprehension in the mind of the seller that without a *dalalidar* to champion him, he would be mulcted to a considerable extent in deductions and reduction, and that it would, on the whole, be unprofitable to do without a *dalalidar*.

- (b) The weight of the "*borah*" would vary considerably according to the contents, but it would average a hundred lbs. or about 200 seers. The "*borah*" is sometimes called the "*dokarah*".

There is also another reason for engaging a *dalalidar*. The buyers usually make payment at such a late hour that there is no time left to make purchases in the town. *Dalalidars* on the other hand give small advances called "bazaar advances" to the seller when the carts arrive and their services are engaged so that the seller is able to purchase all his requirements in the long interval that elapses after weighment, is over and before the payment is made. Moreover, big buyers never encourage selling without a *dalalidar*, if for no other reason than that the *dalalidar* brings with him several sellers, so that considerable clerical work is saved. It is also more convenient to the buyer to make one single payment to the *dalalidar* for the total amount purchased through him, than to make many small payments to individual sellers who are mostly ignorant and require a lot of time—and words—to understand the calculation. It thus comes about that though a *dalalidar*, need not be engaged, the seller (particularly in Adoni) usually employs one.

At neither of the markets do buyers employ *dalalidars*. There are some big firms who have no branches or regular agents at these markets and they make purchases through a class of commission agents, but these are quite distinct from the local *dalalidars* or brokers.

No rates are posted or announced in the market. But in Adoni, as already stated, the highest rate offered by any buyer becomes the ruling rate for the day. The buyers of course keep themselves

Rates. in touch with the Bombay rates, but the sellers as a class are not concerned with those rates. Nor do Bombay daily rates regulate the local rates in the market, which depend entirely upon the competition among buyers which again is dependent upon each individual buyer's contractual or other requirements or speculation.

Weighment is done on beam scales mostly. Each "borah" or bag is suspended from one end, and the weights are hung down in a gunny bag

Weighment. from the other. At Adoni the weights used are *maunds*, *dhadiams*, and *seers*, the highest being 10 *maunds* and the lowest 3 *seers*. These are stone weights and are not certified; hence there is an opportunity for practising deception. At Nandyal the weights used are iron weights of 56 lbs., 28 lbs., 14 lbs., and so on downwards. At this market, weighment is satisfactory, and there are no complaints.

The table of weights is the same at both the places :—

1 Maund	=	4 dhadiams.
1 Dhadiam	=	12 seers.
1 Naga	=	12 maunds.
1 Kantlam	=	63 maunds.

But at Adoni a "maund" is equal to 26 lbs., while at Nandyal it is equal to 26 $\frac{2}{3}$ lbs.

The weighmen are the paid servants of the buyer; and they get between Rs. 25 and Rs. 75 per month at Adoni, and between Rs. 15 and Rs. 30 per month at Nandyal, where work is less heavy.

One of the most fertile sources of disputes in the markets is the evil practice of mixing *kapas* of different qualities, or adulteration, which is often indulged in by village tradesmen. Often these tradesmen have purchased *kapas* in the villages at higher prices than would leave them a decent margin of profit; and they then either resort to adulteration or add impurities to increase weight. When these things are discovered the buyer naturally wants deductions in weight or reduction of the rate. Generally, to compensate for impurities deductions in weight are demanded; and to compensate for unevenness or inferior quality reduction of the rate fixed is insisted upon.

**Disputes
deductions and
allowances.**

The above-mentioned are extra deductions which are claimed when there is a dispute. But in both the markets there are certain customary deductions which must be given whether there is a dispute or not. These are of three or four kinds and are noted below :—

At Adoni.

Katakati is the customary allowance of 6 *seers* per “*borah*” of *kapas* and 3 *seers* per *borah* of lint, weighed and sold. This might be a charge for the services of the recording clerk or *mehta*, and would then be analogous to the *mehta sukhadi* taken in Middle Gujerat. *Katakati* is first deducted, and the net weight only is put down in the recording book.

Pechu is a deduction of $\frac{3}{4}$ ths of a *seer* per *maund* of the gross weight to allow for dust and other impurities.

Samples: Some buyers and *dalalidars* take also a few *seers* from each *borah* for samples. A portion of this goes to the purchaser, and the rest to the *dalalidar*; and is generally utilised by each for payment as a bonus to his servants.

At Nandyal.

No deductions are made when *kapas* is sold. In the case of lint, the following two deductions are usually made :—

Katakati: 2 lbs. when the “*borah*” exceeds 100 lbs; otherwise 1 lb.

Wastage in pressing: $6\frac{1}{2}$ lbs. per every 400 lbs. are deducted for this item. It is not quite clear why the seller should give this allowance; but there is apparently no complaint on this score.

In connection with disputes, it may be stated that there is no impartial or independent agency for the settlement of disputes. The *dalalidar*, where there is one, acts as a mediator, as already stated. Where there is no *dalalidar* the parties are left to settle between themselves as best they can, and it is not to be wondered at that the buyer has generally the best of the argument.

At Nandyal it is not customary to levy any charges on sale. In rare cases, when the market rates have fallen considerably below the forward con-

**Customary
charges.**

fract rates the buyer, i.e., town merchant, gets, we are told, a commission of about Re. 1 per bale (400 lbs.) from the village trader.

At Adoni there are several kinds of charges levied, both on lint and on *kapas* sales. These are:—

(1) *Weighing charges*.—The buyer deducts from 1 to 1½ annas per “*borah*”.

(2) *Dalali*: or commission. The *dalalidar* takes his commission per cart or per “*borah*”, but not on the actual weight, or the actual money the seller gets. This is unfortunate, as it makes him indifferent to the interests of the seller. It does not matter to him whether the seller has to give deductions of a few *seers* more or less, or receives a few rupees more or less; his commission is the same. He usually takes Re. 1 per cart-load of *kapas*, and Rs. 2 per cart of lint. If the cart is not fully loaded, 6 annas are charged per “*borah*” of *kapas*, and 12 annas per *borah* of lint.

(3) *Dharma or charity*: Some buyers deduct ¼ anna per *borah* of *kapas* and ⅓ths of an anna per *borah* of lint, for *dharma*. Other buyers do not. But all *dalalidars* levy this charge.

(4) *Stamp*.—1 anna on the whole bill. The buyer always takes a stamped receipt for the money paid, whether to the *dalalidar* or the seller direct. The *dalalidar* in his turn should give stamped receipts to the individual sellers, but he generally does not do so, and takes the anna for his clerical work though the charge is still called “stamps”.

(5) *Vattam*.—This is a commission taken by the party paying, if the seller wants coin instead of notes. This varies from 2 to 8 annas per Rs. 100. This, of course, is not a special charge in the case of cotton sales; but it is the general practice in the market everywhere to take a commission for encashing currency notes particularly those of large denominations.

(6) *Battara* or “*borah*”-hire: Some *dalalidars* supply “*borahs*” or bags to the village traders to bring the *kapas* or lint in, and charge for their hire at the rate of 4 to 6 annas per “*borah*”.

(7) *Insurance*.—A couple of *dalalidars*, who have godown accommodation, charge 2 annas per “*borah*” as insurance charge, if the *borah* is stored there.

In all cases of spot purchase, payments are made very promptly as a rule. If there is a *dalalidar*, the buyer makes the payment to him; and if there is no *dalalidar* he pays to the seller direct.

Payments are generally made at a very late hour, sometimes even at 9 p.m. and this is a great inconvenience to the seller. In cases where *kapas* or lint is delivered in part fulfilment of a contract the full payment is not made till the last instalment has been delivered.

At Nandyal there is sufficient storage accommodation in the compounds of the ginning factories, and *kapas* or lint may be stored there on sellers' account. At Adoni, besides the ginning factories, there are one or two *dalalidars* who have godowns where *kapas* or lint may be stored. But Adoni is mostly a market for ready crop, and the stuff brought here is sold the same day.

**Storage and
advances
against deposit**

Where lint or *kapas* has not actually been sold he may give to the seller an advance up to 60% of the approximate value of the goods stored in his compound. This is an advance for a very short period only and no interest is charged.

No records are kept of arrivals or sales at either of the markets, and consequently it is not possible to state the exact number of traders and of growers who resorted to the markets. **Arrivals and sales.** As a rule, however, the number of growers visiting the markets is comparatively small, and this is more so in Nandyal.

Both Adoni and Nandyal are more important as lint markets than **Lint sales.** as markets for *kapas*.

There are no co-operative sales societies at either of the two **Sales Societies.** markets.

The railway communications to and from Adoni and Nandyal have been referred to in the introductory paragraph. There are also excellent **Transport and communications.** metalled roads leading to each of the markets from the surrounding country. Adoni has three : one from Raichur, one from Sirugappa, and the third from Bellary via Alur. At or near Nandyal, six metalled roads meet, one from Kurnool, one from Banganapalle, one from Cuddapah, and three others from less known places. The means of communication leading to the markets are therefore quite ample.

The general conclusions on the market inquiry are as follows :—

- (1) There are no regulated and organized markets in the Westerns and Northern tracts of Madras and the important centres which may be called "markets" are very few.
- (2) The Westerns and Northern tracts is a "protected area" under the Cotton Transport Act III of 1923, but as import is prohibited only by rail and sea, a certain number of *kapas* and lint carts do come in by road from outlying tracts and from the Nizam's Dominions.
- (3) Sales in the two important markets Adoni and Nandyal (and particularly in the latter) are chiefly on the forward contract system.
- (4) At Adoni where considerable sales of ready *kapas* or lint take place there is no regular market place where carts may be parked. They stand all over the town and consequently cause much congestion on the roads and much inconvenience to the parties in having to move about hither and thither.
- (5) At Nandyal sellers sell direct. At Adoni they mostly employ *dalalidars* or brokers who play an important part in the sales transaction. The employment of *dalalidars* is not obligatory but it is found to be unprofitable not to engage one.

- (6) Weighment at Adoni seems to be seriously defective. Stone weights, uncertified by any authority, are used; the weighman is the paid servant of the buyer; and there is considerable dissatisfaction amongst the sellers in the weighing itself.
- (7) Rates are not posted or announced. The highest rate offered by any buyer becomes the ruling rate for the day. Daily Rates depend entirely upon the local demand which depends upon each individual buyer's contractual or other requirements or speculation.
- (8) Disputes frequently arise at Adoni, owing to adulteration or impurities and either weight-deduction or rate-reduction is claimed.
- (9) In each market it is customary to give certain deductions in weight. They are:—
- At Adoni*.—*Katakaty* : 6 seers per "borah" of *kapas* ; and 3 seers of lint.
- Pechu* : $\frac{3}{4}$ seer per maund (to allow for impurities).
Samples : a few seers are sometimes taken.
- At Nandyal* : *Katakaty* : 2 lbs. per *borah* (1 lb. if *borah* is less than 100 lbs.)
Wastage in pressing : $6\frac{1}{4}$ lbs. per 400 lbs.
- (10) At Nandyal there are no customary market charges or levies in cash. At Adoni there are a few:—
Weighing charges : 1 to $1\frac{1}{2}$ anna per "borah."
Dalali : Re. 1 per cart load of *kapas*; Rs. 2 of lint.
Dharma or charity : $\frac{1}{2}$ to $\frac{3}{4}$ anna per *borah*.
Stamp : 1 anna.
Vattam : (for encashing currency notes) : 2 to 8 annas per Rs. 100.
Battara or *borah* hire : 4 to 6 annas per *borah*.
Insurance : 2 annas per *borah*.
- (11) The *dalalidar* takes his commission on the cartload of *borah* ; and not on the cash the seller receives. Consequently he is often indifferent to the interests of the seller in the matter of deductions.
- (12) Storage accommodation is adequate.
- (13) The markets are on important railway lines and there is a sufficient number of good metalled roads leading to each market.
- (14) On the whole it appears that the establishment at Adoni of a regulated and organized cotton market—with provision for a suitable market place for the licensing of *dalalidars*, for regulating the charging of levies and deductions, for independent weighing, for an impartial agency to settle disputes, and for general control all over—would be a great benefit to the sellers.

II.—INVESTIGATIONS MADE IN EACH MARKET.

The results of the investigations made in the two markets Adoni and Nandyal are shown in the summarized statements given below. All the results are shown in Statement No. I, except the rates, which for convenience of presentation have been shown separately in Statement No. II.

As regards statement No. I, two points require to be cleared. The first is the large number of sellers in Nandyal whose accounts were not settled the same day. This is because those sellers were making deliveries by instalments of the amount they had contracted to supply. In such cases full payment for the instalment is generally not made the same day it is delivered but running accounts are kept, and payment made at the end. The other point is with regard to the customary weight deductions. In Adoni all the 202 sellers had to give the deductions, and both for *Katakaty* and for *Pechu* (which are explained in the report). In Nandyal the 23 sellers shown in Statement I gave both *Katakaty* and the "allowance for wastage in pressing."

As regards Statement No. II, the rate for *White Northerns* of Rs. 250 per *Khandi* of 500 lbs. of lint is comparatively slightly higher than the other rate of Rs. 202 shown just above which would be equivalent to Rs. 240 for 500 lbs. of lint. This is because in the former case the ginning and pressing charges were borne by the seller himself.

GENERAL STATEMENT No. I.

Summary of the results of the investigations.

Names of the markets.	Adoni.	Nandyal.
Period during which the markets were investigated.	16th April to 14th May 1928.	23rd May to 5th June 1928
Number of days each market was visited	25	14
Number of sellers examined	<div> <div>Growers</div> <div>Traders</div> <div>Total</div> </div>	<div> <div>136</div> <div>38</div> <div>174</div> </div>
Approximate total quantity sold	465,634 lbs.	1,239 337 lbs.
	(in terms of <i>Kapas</i>).	
Quantity sold as <i>Kapas</i>	.. 234,338 lbs.	296,933 lbs.
Quantity sold as Lint	.. 231,296 lbs.	942,404 lbs.
	.. =57,824 lbs.	=235,601 lbs.
	of lint.	of lint.
Number of sellers whose accounts were not settled the same day	.. 2	87
Number of sellers who submitted to deductions in weight as a result of disputes	.. 45	Nil.
Number of sellers who submitted to the customary market deductions in weight	202	23
Number of sellers who gave samples	.. 111	Nil.
Number of sellers who paid the customary market charges or levies in cash.		(No cash levies in Nandyal)
Weighing charges	193	
<i>Dalali</i>	.. 129	
<i>Dharma</i>	.. 125	
Stamp	.. 201	
<i>Vattam</i>	.. 40	
<i>Borah-hire</i>	.. 17	
Insurance	.. 24	

GENERAL STATEMENT No. II.

Rates.

The normal rates obtaining in the markets during the period they were visited are:—

At Adoni.

Per “Naga” of 12 mds. of *Kapas*.

Cambodia	Rs. 50½	=Rs. 4.2 per maund.
Selected varieties (from Government farm seed)	Rs. 45	=Rs. 3.75 „
<i>Mungari</i>	Rs. 46	=Rs. 3.83 „
<i>Hingari</i>	Rs. 43-44	=Rs. 3.66.

At Nandyal.

Per “Kantlam” of 63 maunds of *Kapas*.

Cambodia	Rs. 270	=Rs. 4.3 per maund.
Selection No. 14	Rs. 270-272	=Rs. 4.3 „
Red Northerns.	Rs. 228-240	=Rs. 3.7 „
White Northerns	{ Rs. 250-255 =Rs. 4 „ Rs. 202 (if seed is to be returned to seller).	

Rate per *Khandi* of 500 lbs. of lint.

White Northerns	Rs. 250.
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Indian Central Cotton Committee.



REPORT
ON
AN INVESTIGATION INTO THE FINANCE
AND
MARKETING OF CULTIVATORS' COTTON
IN THE
PUNJAB.
1927-28.

BOMBAY:
C. V. THOMAS, STRAND ROAD.

Price: Rs. 1-4-0

INDIAN CENTRAL COTTON COMMITTEE.

REPORT OF THE SPECIAL SUB COMMITTEE APPOINTED BY THE INDIAN CENTRAL COTTON COMMITTEE TO CONSIDER THE RESULTS OF INVESTIGATIONS INTO THE FINANCE & MARKETING OF CULTIVATORS' COTTON.

The investigation into the finance and marketing of the cultivators' cotton crop in the Punjab was carried out under the 'aegis' of the Standing Board of Economic Enquiry (Rural Section) Punjab which financed the work in one of the four centres selected. The enquiry was conducted under the direct supervision of D. P. Johnston, Esq., I.A.S., Professor of Agriculture, Lyallpur, and the results were summarized and written up by him.

• Thirtythree villages were studied, eight in each of the districts selected with nine in Rohtak, and 1820 cultivators were interrogated.

The following are the principal findings :—

- (1) 51.3% of the 1820 cultivators recorded borrowed money which was taken before or at the beginning of cultivation operations.
- (2) The amount borrowed per head of borrowers was Rs. 628/—.
- (3) As in the other investigations, credit to proprietors is more easily obtained and the amount of debt is much higher amongst them than amongst tenants, being Rs. 818/— per head of proprietor debtors and Rs. 412/— per head of tenant debtors.
- (4) 68% of the sums borrowed were taken from *Sowcars*, 8.8% were advanced by Co-operative Societies, 16.9% by *Zamindars*, 3% by relatives and 3% by *artis*.
- (5) 67% of the loans were taken at 20% interest or less, 27% at between 20% and 30% and 6% at over 30% interest.
- (6) 72% of the crop was sold in the villages, the chief purchaser being the village *bania* who bought 83.4%. The rest was bought by gin-owners through commission agents.
- (7) Village sales are preferred to sales in the market because (i) the inconvenience of taking the produce to market ; (ii) the lack of accurate information about rates; (iii) the suspicion aroused owing to the secret settling of rates ; (iv) the *artis* act chiefly in the interests of the buyers; and (v) *vandhas*—disputes resulting in deductions are agreed to by the *arti* without the consent of the seller,

- (8) There are no regulated and organized markets in the Punjab. *Kapas* is either sold in the ordinary markets or in the ginneries.
- (9) Sales are effected through *artis* who enter into a bargain with the buyers under cover. Contract sales are common in the Multan District.
- (10) 26% of the carts brought to market on the days investigations were made belonged to growers and 74% were brought by village *banias* or traders.
- (11) In Chak Jhumra market in the Lyallpur District 50% of the *Kapas* was brought by growers. Here the *artis* work in the sellers' interests and no deductions are permitted after the rate has been fixed.
- (12) *Vandhas* or disputes are common in the other markets and deductions up to 12 annas a *maund* are often imposed.
- (13) Weighment is usually done on beam scales and with pucca weights so that no complaints were received regarding false weights.
- (14) Market charges fluctuate between annas -/13/- in Sonapat to Rs. 3/8/- per cent. in Lyallpur where a ginning 'pool' worked successfully in the interests of the buyers.

Having given careful consideration to the findings in the report, we are of opinion that the following recommendations should be forwarded to the Government of the Punjab :—

- (1) More Co-operative Credit Societies should be formed to provide cheaper money for the growers.
- (2) Efforts should be made to organize Co-operative Sale Societies.
- (3) The establishment of open regulated markets based on those in Berar with the modifications incorporated in the Bombay Cotton Markets Act is desirable.
- (4) The Government of the Punjab should institute an enquiry into the effect of ginning and pressing 'pools' on ginning and pressing rates and measures should be devised to check this tendency if it is found that the grower is obtaining less for his produce in consequence.

COTTON FINANCE ENQUIRY.

THE PUNJAB.

1927-28.

SUMMARY* OF THE VILLAGE INVESTIGATIONS.

I. FINANCE.

(1) There was very little difficulty in obtaining finance in the Punjab cotton areas, particularly in those which are under perennial irrigation.

(2) Out of 1820 cultivators recorded, 934 or 51.3% took advances, the highest percentage being for the Multan district (76.5%) and the lowest for the Rohtak district (32.8%) where there is little facility for borrowing.

(3) Advances were taken at or before the commencement of cultivation operations, and no further advances were needed at harvest time or afterwards, the land assessment and irrigation charges which fell due about the middle of December being paid out of the sale proceeds of the early pickings.

(4) Nearly one-fifth of the loans are reported to have been taken for marriage expenses.

(5) The total amount borrowed was Rs. 586,858 giving an average figure of Rs. 322 per head of the total number of cultivators recorded, and Rs. 628 per head of borrowers. The average is highest for the Multan district (*viz.* Rs. 591 and Rs. 773 respectively) and lowest for the Lyallpur district (*viz.* Rs. 185 and Rs. 438 respectively.)

(6) The borrowing per acre of the cultivated area is only Rs. 14 (or Rs. 27 for the area of the borrowers only). The index of borrowing *i.e.* the percentage of the amount borrowed per acre to the average value of the output per acre : 346 lbs. at Rs. 13 per *maund* (80 lbs.) is therefore roughly 25.

(7) 61% of the tenants borrowed and 42% of the proprietors. The incidence of debt per head is much greater in the case of proprietors than in the case of tenants, being Rs. 393 for all proprietors (Rs. 818 for proprietor-debtors), and Rs. 234 for all tenants (Rs. 412 for tenant-debtors).

(8) 59.2% of the borrowers took advances from the *sowcar* only, 8.5% from Co-operative Societies, 13% from *zamindars*, 2% from relatives, and only 1.7% from the *arti*, while 15.7% borrowed from more than one source. The amounts were advanced as follows : by the *sowcar* 68.1%, by Co-operative Societies 8.8% (chiefly to proprietors), by *zamindars* 16.9%,

* Prepared by Mr. K. J. Khambata, M.A., LL.B. Temporary Economist, Indian Central Cotton Committee.

by relatives 3%, by the *arti* 3% (mostly in Lyallpur), and by others 0.5%. It is clear then that the *sowcar* is by far and away the principal financier of the cultivators, and that Co-operative Societies have a wide field for work.

(9) There were many complaints about the rates of interest though compared to Sind they were very low and compared with other places they were moderate. 67% of the loans were obtained at 20% interest or less; 27% at between 20 and 30% interest, and only 6% (chiefly in Multan) at over 30%. On 7.7% of the loans no interest was charged.

II. SALES.

(1) 90% of the outturn was sold, and 10% remained unsold at the close of the investigation (about 31st. January 1928).

(2) Of the 10% remaining unsold, 4.5% was stated to be for local consumption and 5.5% was being held up in the expectation of higher prices. On this last point the district percentages vary considerably, being 10% in Lyallpur, 4% in Multan and Lahore and nil in Rohtak.

(3) It has not been possible to calculate for the whole inquiry the percentage of crop sold in the second period to that picked in the same period, as the limits of the second period vary widely in the four districts. 75% of the outturn was sold in the third period (commencing from 1st. January 1928—in Rohtak from 1st December 1927) and 10% was unsold, thus leaving about 15% as having been sold early. Late sales are therefore about five times as heavy as early sales in the Punjab cotton area.

(4) The first pickings began early in October (except in Multan where they began early in November), and the early period therefore covered nearly two to three months. As only about 15% of the outturn was sold in the early period, this would indicate that the extent of holding up the crop until a later date was very considerable in the Punjab.

(5) 72% of the crop was sold in the villages. Lyallpur shows the highest percentage of market sales (31.4%).

(6) The chief purchaser was the village *bania* who took 83.4% of the crop sold. Ginowners purchased the remainder through commission agents.

(7) Only in a few cases were the prevailing rates ascertained by the sellers before sale, and this was done chiefly through the medium of the village shopkeeper or the *sowcar*.

(8) There is no storage accommodation of any kind in the villages, the crop being kept by the cultivator in his own home or fields.

¶

(9) The preference for local sales over sales in the market was said to be due to the following :

- (a) the inconvenience of taking the produce to the market ;
- (b) no accurate information about rates in the market ;
- (c) prices being settled under cover in the markets ;
- (d) the *artis* acting chiefly in the buyer's interests ; and
- (e) *vandhas* or disputes resulting in deduction which are agreed to by the *arti*, often without seller's consent.

(10) There does not appear to be any lack of communications or transport facilities from the villages to the neighbouring markets.

— — — — —

COTTON FINANCE INQUIRY.

THE PUNJAB.

1927-28.

SUMMARY* OF THE MARKET INVESTIGATIONS.

(1) There are no regulated and organised cotton markets in the Punjab, the *kapas* being sold in the ordinary markets and then brought to the ginneries for weighment, or taken directly to the ginneries for sale.

(2) There is no system of control in the market. At some places there is a *Panchayat* of the people interested in the cotton trade, the rules laid down by which are generally obeyed.

(3) The general system of sale is that the seller employs an *arti* to negotiate sales for him and the *arti* enters into a bargain with the buyer under cover, so that the seller remains completely ignorant of what has taken place till weighment commences. In the Multan markets auction sales of *kapas* (especially of the big *Zamindars*) also take place at intervals of a few days. In the same district, besides the system of the direct sales, there also exists a system of contract sales with the price either fixed or not fixed. In the latter case the seller has the option of fixing the prices on any day within the contract period, the price so fixed being that which the buyer is quoting generally in the market on that day.

(4) There are no records of arrivals or sales kept at any of the markets.

(5) On the days investigations were made, 792 carts (26%) were brought to the market by cultivators and 2245 carts (74%) were brought by village *bantias* or petty traders; 23% of the amount marketed was brought by cultivators and 77% by village *bantias*.

(6) In Chak Jhumra market in the Lyallpur District 50% of the *kapas* was brought by growers. This is because the sellers get much better treatment from the *artis* than elsewhere. There is a league of *artis* working in the sellers' interests. The *kapas* is unloaded in front of the *artis*' shop and every opportunity given to the buyers to inspect it, and no deductions are afterwards permitted. The extra cost of unloading and reloading is borne by the sellers; but even then it pays them much better than taking the *kapas* direct to the ginneries where heavy deductions are forced upon them. This clearly suggests one way of avoiding the disputes so frequent everywhere.

(7) *Vandhas* or disputes occur very frequently, resulting in a reduction of the rates by 2 to 12 annas per *mound*. Buyers were said to agree

* Prepared by Mr. K. J. Khambata, M.A., LL.B. Temporary Economist, Indian Central Cotton Committee.

to high rates at first, and then, when the crop was half weighed out and mixed up with the buyers' other purchases, to raise disputes. There is no impartial agency for the settlement of disputes.

(8) The rates varied very little this year. The average rates for *desi* cotton (which occupied 75% of the area under cotton) were Rs. 12-10-0 per *maund* of 40 *seers* in November, Rs. 11-14-0 in December and Rs. 12-13-0 in January. The rates for American cotton were Rs. 14-14-0 Rs. 14-12 and Rs. 15-11-0 respectively. There was a decline in December (particularly for *desi*) and a recovery again in January. These market rates were a rupee or so higher than those paid in the villages.

(9) There are no regular storage facilities in the markets, except in the Multan district where shop-keepers and commission agents store in their godowns cotton on seller's account.

(10) Direct sales are as far as possible preferred to obtaining advances on deposit of the *kapas*.

(11) Weighment is done at the ginning factories on beam balances and with pucca weights. The weighmen are employed by *artis*, and *kapas* is weighed out in lots of half a *maund* (i.e. 20 *seers*—40 lbs.) There was some complaint (in one of the Multan markets) about weights being made heavier by the attachment of iron rings.

(12) The ordinary market charges come to between 13 annas (in Sonapat, Rohtak District) and Rs. 3-8-0 (in Lyallpur), the average being Rs. 2-5-0. These include:—

Adat. Re. $\frac{1}{2}$ to Re. 1/- per cent of the sale proceeds.
Weighing and labour charges—5 to 15 annas per cent. of sale proceeds.

Dharmao & Gowshala $\frac{1}{4}$ to $1\frac{3}{4}$ annas per cent of sale proceeds.

Karta (allowance in weight to cover loss due to dampness, admixture of leaf, dust &c.) $\frac{1}{4}$ to $\frac{1}{2}$ *seer* per *maund*, or 9 annas to Rs. 1-5-0 per Rs. 100/-.

Samples—1 to 3 *seers* per cart.

Changar (Labour employed to unload carts for weighment) 1 *seer* per cart.

"*Muthis*" (or a "handful") occasionally given to the servants e.g. sweeper, waterman etc.

The seller in some cases also pays to the buyer's *dalal dalal* and *shagirdi* (allowance to *dalal's* apprentices) at the rate of one to four annas per Rs. 100—

(13) All charges are paid by the *arti* and deducted from the sale proceeds.

(14) Co-operative commission shops charge a fixed rate of *adat* in each *mandi*, and this as a rule is less than the *arti*'s.

(15) In many markets the *artis* are paid by both sides. Their interests are thus divided, and they usually lean in favour of the buyers. Such a practice cannot but militate against the interests of the sellers.

(16) Payments are made very promptly by the *artis* though they themselves do not always receive prompt payment from the buyers.

(17) "Purchasing pools" of ginners, who are the chief buyers, did not function satisfactorily this year except at Lyallpur. There are in most markets more ginning factories than are required, and efforts to form pools are being made everywhere. These pools are detrimental to the sellers' interests, as will be seen from the fact that in Lyallpur the rates were lower and the deductions higher than anywhere else.

(18) Communications to the markets are fairly satisfactory. All the Markets except Chunian (Lahore District) are situated on a railway line, and there are good pucca and kutcha roads leading into the interior.

Report on an Investigation into the Finance and Marketing of Cultivators' Cotton in the Punjab.

1927-28.

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**"Report on An Investigation into the Finance and Marketing of
Cultivators' Cotton in the Punjab."—1927-28.**

INTRODUCTION.

This is a report of an inquiry initiated by the Indian Central Cotton Committee for the purpose of obtaining certain specific information with regard to the finance and marketing of cultivators' cotton in the Punjab.

Similar inquiries conducted in the previous year in Bombay and the Central Provinces having produced information of great value to the Committee, they expressed a wish to have a similar inquiry conducted in the Punjab. The Director of Agriculture favoured the proposal and agreed to conduct the inquiry on the same lines as those followed in the previous year in Khandesh and Berar. To enable him to do so the Committee placed a sum of Rs. 5,000/- at his disposal.

After careful consideration of all the factors involved, it was decided that the inquiry should be conducted in the Districts of Lyallpur, Multan and Lahore all important cotton growing tracts where a variety of conditions prevail.

About the time the Indian Central Cotton Committee suggested that this inquiry should be conducted in the Punjab the Board of Economic Inquiry, Punjab, (Rural Section), had been considering a somewhat similar inquiry with regard to wheat, cotton and other crops. On learning of the Cotton Committee's proposal the Board discussed the subject and decided that they would like similar information collected for one of the South Eastern Districts of the Province, as they felt that conditions there were not on a par with those prevailing in any of the other three districts selected for the inquiry. The Board accordingly resolved that a sum of Rs. 1,700/- should be put at the disposal of the Director of Agriculture if he could arrange to add a fourth district in the South East of the Province. With the approval of Government, the investigations were extended to include an inquiry in Rohtak District.

The object of the inquiry was to ascertain how each cotton grower is financed at various stages during the production of the crop, to find out exactly what happens as far as these financial transactions

Object of Inquiry. are concerned from the time his cotton is ready for picking until he receives final payment for it, and to ascertain to what extent he is hampered by lack of finance in disposing of his crop to the best advantage.

The Director of Agriculture undertook to arrange for all the staff needed for both inquiries and deputed Mr. D. P. Johnston, I.A.S., Professor of Agriculture, Lyallpur, to act as officer in personal charge of the work.

Eight agricultural assistants were selected as investigators. Four of these were men with some years' service to their credit in the Agricultural Department and who had a good local knowledge of the districts in which they were being deputed to work. The other four were Agricultural Graduates fresh from College. These latter were placed to work, one under each of the senior men at the four selected centres. There were thus two investigators in each district.

During the marketing period eight other assistants of the *Mugaddam* type were specially recruited to assist in the work. One of these men was posted with each Assistant to enable him to keep trace of all carts of cotton coming for sale to the markets. These latter were men who had completed the six months Vernacular Training Course in Agriculture at the Punjab Agricultural College, Lyallpur.

The four senior agricultural assistants were placed on leave and given an allowance of Rs. 100/- per month in addition to their leave pay. The juniors who had just been recruited to the Department were placed on Foreign Service and paid at the rate of Rs. 100/- per month. The *Mugaddams* were paid at the rate of Rs. 25/- p. m. while employed, i. e. during the marketing period only.

All investigators were paid travelling allowance according to Government Rules except that they were not given any halting allowance for periods spent in villages or markets. The *mugaddams* were similarly treated receiving travelling allowance according to their grade.

For purposes of convenience the work of inquiry was separated into two sections; viz.
Method of conducting Inquiry.

Part I.	Village Inquiry.
Part II.	Marketing Inquiry.

To elicit the necessary information two separate questionnaires previously drawn up by the Indian Central Cotton Committee, one for each section noted above, were modified to suit local conditions, and were used by the investigators.

A copy of each of these questionnaires is attached, vide Appendices A and B. A perusal of these questionnaires will make clearer the nature and extent of the inquiry than is possible in this short note.

The inquiry in all districts commenced on the 15th August 1927 and continued until the middle of February—a period of six months. During that time four visits were paid to each village under investigation. These visits coincided roughly with the following dates:—1st period, 15th August to 15th September; 2nd period, 30th September to 25th October; 3rd period, 1st December to 20th December; 4th period, 7th January to 31st January. In the intervals between visits to villages the marketing inquiry part of the work was carried on. A list of the markets selected is given in Part II of the report.

It was not possible with the limited funds available to conduct an inquiry of an extensive nature. An endeavour was therefore made to select in each district villages which were, **Districts and Villages** as far as possible, representative of local conditions. **selected for Inquiry.** A glance at Appendix C will show that the villages selected represent various creeds and types of cultivators.

The distances of the selected villages from markets varied from 2 to 16 miles. Some were located on unmetalled and others on metalled roads, so as to include all means of communications and methods of transport.

Eight villages were selected in each district, except in Rohtak, where nine were taken, as the area under cotton there was less than in the other districts.

As the inquiry naturally falls into two sections, viz. (1) Finance, and **Sub-divisions of Inquiry** (2) Marketing, the report deals with each section separately.

All that concerns the production of the crop until it is ready for marketing is dealt with in Part I.; while all that concerns marketing, the systems practised, deductions made, etc, are dealt with in Part II.

All answers to questions were recorded by investigators at the time of inquiry in questionnaire books specially provided for the purpose. On the completion of the work in each district, the **Summarising the information obtained** investigators tabulated the village data in special forms designated "Cultivators Sheets," while the information collected in the markets was similarly tabulated in forms called "Marketing Sheets." The data on these sheets were then summarised, and the main conclusions are now set forth.

PART I.

As previously stated particular care was taken to select villages as representative of the various districts as possible.
Particulars of villages selected for inquiry. Full information with regard to the cultivators and conditions in each of the 33 villages selected is contained in Appendix C.

In Lyallpur and Multan Districts all the holdings dealt with were irrigated from perennial canals, while in Lahore and Rohtak there was both canal and well irrigation and also a little *barani* (rain-fed) cultivation.

The cultivators included most classes and creeds, some enjoying a reputation for good and others for indifferent husbandry. Those in the Colony Districts were drawn from most of the older districts of the province.

As the Multan inquiry was conducted in the only perennially irrigated *tahsil* of that district the conditions are not altogether representative of the remainder of the district. Similarly in Rohtak the inquiry was mostly confined to irrigated lands. In Lyallpur and Lahore the results may be assumed to be fairly representative.

Sketch maps giving the location of selected villages with respect to markets, roads, canals, etc. are attached.*

The number of cultivators dealt with in each of the various villages is given below—Statement I. The total for all districts is 1820.

STATEMENT I.

LYALLPUR.		MULTAN.	
Name of Village.	Number of Cultivators.	Name of Village.	Number of cultivators.
197 R. B.	68	17- 8. R.	49
263 R. B.	100	78-15. L.	30
213 R. B.	58	93-10. R.	54
110 J. B.	73	113-10. R.	29
2 J. B.	37	115- 5. L.	70
43 G. B.	46	105-15. L.	58
282 G. B.	70	7- 9. Hanuman Garh	60
67 G. B.	93	Jiwandsingh Wala	29
Total.	545		379

* Not Printed.

STATEMENT 1.—*Contd.*

LAHORE.		ROHTAK.	
Name of Village.	Number of Cultivators.	Name of Village.	Number of Cultivators.
Chak 6 Alipore.	87	Thana Khurd.	32.
Baban Khai.	16.	Selana.	111.
Bukkanke.	44.	Garhi Ujale Khan.	4.
Chak 4 Abadi Janubi	64.	Bhalaut.	123.
Sham Kot Kuhna.	38.	Pahrawar.	54.
Joya.	29.	Pai	30.
Chak 58 Fauji Grantees.	33.	Rana Kheri.	46.
Ghanyeke.	61.	Bhainswan Khurd.	55.
		Lahli.	69.
Total	372.		524.

STATUS OF CULTIVATORS.

Statement 2 shows the number of proprietors and tenants dealt with in each district.

STATEMENT 2.

Name of District.	Proprietors.		Both Proprietors. and Tenants.		Tenants.	
	Num-ber.	Percent-age.	Number.	Percentage.	Num-ber.	Percent-age.
Lyallpur	271	49.7	79	14.4	195	35.8
Multan.	128	33.7	37	9.7	214	56.5
Lahore	154	41.4	90	24.2	128	34.4
Rohtak.	323	61.6	138	26.3	63	12.0
Total	876		344		600	
Percentage of the total	48.1		18.9		32.9	

In Rohtak the majority of cultivators included in the survey own the land they cultivate and only 12 per cent. work as tenants. In Multan the reverse is the case where 56 per cent. of the cultivators are tenants.

Statement 3 gives further details of the tenants recorded in each district and of the conditions under which they hold their land.

Nature of Tenancy

STATEMENT 3.

District.	Proprietors who are also tenants.			Tenants.		
	On Share System, only.	On Money Rent, only.	On both Money Rent & Share System.	On Share System, only.	On Money Rent, only.	On both Money Rent & Share System.
Lyallpur	21	55	2	151	41	3
Multan	32	1	6	191	18	5
Lahore	37	49	3	89	33	6
Rohtak	69	17	52	5	49	9
Total	159	122	63	436	141	23
Percentage of total	46.2	35.4	18.3	72.6	23.5	3.8

Taking the two groups, proprietors who are also tenants, and tenants only, together, the former accounts for 36.4 per cent. and the latter for 63.6 per cent. of the total cultivators. The figures also show that the share system is more common than money rent in the case of pure tenants except in the Rohtak District.

The following figures expressed in percentages show the extent to which tenants are holding their lands on *batai* :—

Lyallpur	79 per cent.
Multan	94 " "
Lahore	73 " "
Rohtak	9 " "

The total area of the holdings surveyed is 42,325 acres. Three of the **Size of Holdings** districts are represented by roughly 11,000 acres each ; **and Total area** while in the case of Lahore the area is just over 7,500 **surveyed.** acres.

Statement 4 shows the number of the different sized holdings surveyed in each district, the average area of cotton grown, and the percentage of the cultivated area planted with cotton.

In all districts the majority of holdings vary in size between 10 and 40 acres. The percentages falling within these limits being as follows :—

Lyallpur	83 per cent.
Multan	75 " "
Lahore	82 " "
Rohtak	74 " "

In the Rohtak villages investigated there were no holdings over 40 acres while the number between 5 and 10 acres was larger than in any of the villages investigated in other districts.

STATEMENT 4.

Statement showing the area of cotton grown on different sized holdings and the percentage of the total cultivated area in each district under cotton.

District	Size of holding.	No. of holdings. examined.	Total area of all holdings examined.	Average area under cotton on different holdings.	Total area under cotton.	Percentage of area under cotton to total area of holdings.
Lyallpur ..	1 to 5 acres	6	11,833	1.2	2,523	21.3
	5 to 10 acres	42		1.4		
	10 to 20 "	211		3.1		
	20 to 40 "	242		5.6		
	40 to 60 "	38		10.3		
	60 to 100 " and above	6		15.9		
Multan ..	1 to 5 acres	2	11,487	1.7	2,732	23.7
	5 to 10 "	10		2.6		
	10 to 20 "	111		4.5		
	20 to 40 "	175		8.2		
	40 to 60 "	38		8.7		
	60 to 100 " and above	34		10.7		
Lahore ..	1 to 5 acres	6	7,587	1.3	1,521	20.04
	5 to 10 "	25		1.99		
	10 to 20 "	163		2.7		
	20 to 40 "	122		4.6		
	40 to 60 "	25		11.7		
	60 to 100 "	5		20.6		
Rohtak ..	1 to 5 acres	30	11,418	.76	960	8.4
	5 to 10 "	105		1.1		
	10 to 20 "	208		1.6		
	20 to 40 "	181		2.6		
	40 to 60 "	..		....
	60 to 100 "	..		....

Multan has the largest number over 40 acres, viz. 22 per cent. as compared with 8 per cent. for Lyallpur and 9 per cent for Lahore.

The percentages of the total area under cotton to the total cultivated area in the different districts are as follows :—

Lyallpur	21.3 per cent.
Multan	23.7 "
Lahore	20.04 "
Rohtak	8.4 "

Statement 5 shows the areas of the different varieties of cotton grown in 1927 in the villages of each district investigated and also the means of irrigating the crop.

This shows that *desi* varieties only are grown in Rohtak while in Lahore these also make up about 90 per cent. of the total crop. In Multan two-thirds of the crop is American and one third *desi*, while in Lyallpur the reverse is the case.

On the average *desi* formed about 70 per cent. and American about 30 per cent. of the crop in all villages surveyed. About 98 per cent. of the whole crop was irrigated from Government canals.

STATEMENT 5.

Serial No.	Name of District.	American Cotton.		Desi Cotton.		Means of irrigation.		
		Area (Acres)	Percent-age.	Area (Acres.)	Percent age.	Canals (Acres)	Wells. (Acres)	Barani or unirrigated. (Acres.)
1	Lyallpur ..	931	39.6	1,592	63.05	2,523 Canal irrigated.	..	..
2	Multan ..	1,843	67.4	889	32.5	2,732 Canal irrigated.	..	..
3	Lahore ..	162	10.6	1,358	89.3	1,374	146	..
4	Rohtak ..	..	..	960	100.0	940	..	20
	Total ..	2,936	28.7 (Average)	4,799	71.2 (Average)	7,569	146	20

Statement 6 shows the area under the different varieties of cotton and the average yield of *kapas* in lbs. per acre obtained in the villages under investigation. Yields as given in the Season and Crop Report for the same year are also inserted for purposes of comparison.

STATEMENT 6.

District.	Area of cotton in acres.		Total estimated yield of <i>kapas</i> in lbs. (investigators' records).	Average yield of <i>kapas</i> .	Yields for the Districts as reported in Season & Crop Report.
	Desi.	American.			
Lyallpur ..	1,592	931	9,58,313	(In lbs. 379.8	per acre.) 369
Multan ..	889	1,843	6,13,562	224.5	246
Lahore ..	1,358	162	7,23,323	475.8	389.5
Rohtak ..	960	—	3,82,684	397.6	451.0
Total ..	4,799	2,936	2,677,882	346	363.9

These figures show that the average yield per acre, as deduced from the districts investigated is about 346 lbs. Lahore has the highest with 476 lbs. and Multan the lowest with 224 lbs., The crop in the Multan District was a partial failure this season and hence the very low yield.

The reliability of the investigators' figures is open to question as they had to depend for their information on the word of the cultivator ; this generally is not very reliable owing to his ignorance and inherent suspicion concerning all Government inquiries into the yields of crops. The average, however, approximates very closely to that reported by the Director of Land Records.

Statement 7 shows the sources of the seed supply in the different districts. From this it will be seen that cultivators in Lahore, Rohtak and Lyallpur mostly keep their own seed. This is to be expected where *desi* cotton is grown, as a certain amount of the *kapas* is always retained for domestic use and the seed ginned from it, is preserved for next season's sowings. American cotton, on the other hand, is seldom or never retained for such purposes as the people say that it is unsuitable for hand spinning. American seed is therefore always purchased from outside sources.

STATEMENT 7.

Source of seed supply.	Lyallpur District.		Multan District.		Lahore District.		Rohtak District.		Total.	
	No. of cultivators.	Per-cent-age.	No. of cultivators.	Per-cent-age.	No. of cultivators.	Per-cent-age.	No. of cultivators.	Per-cent-age.	No. of cultivators.	Average for four districts.
Cultivators own hand ginned seed ..	307	56.3	82	21.6	323	86.8	302	57.6	1,014	55.5
<i>Sahukar's</i> seed ..	122	22.4	199	52.5	23	6.2	90	16.7	434	24.4
Government Farm seed ..	82	15.0	39	10.2	16	4.3	132	25.2	269	13.7
Partly <i>sahukar's</i> and partly cultivator's own seed ..	21	3.8	21	5.5	2	0.5	..	..	44	2.4
Partly Government seed and partly cultivators' own seed ..	13	2.4	38	10.0	8	2.1	..	..	59	3.9
Total	545		379		372		524		1,820	

Purchases from the *sahukar* are very high in Multan and very low in Lahore. One explanation of this is that the source of supply depends to a large extent upon the variety of cotton grown and the status of the cultivator.

The average source of seed supply for all districts is as follows :—

Cultivator's own	55.5 per cent.
<i>Sahukar's</i> seed	24.4 „
Government Farm seed	13.7 „
Other sources.	6.3 „

Much of the seed included under the head "Cultivators Own" originally came from Government Farms and the produce thereof is resown every season.

Many *sahukars* are also known to purchase Government seed for resale amongst cultivators.

Statement 8* shows the quantities of *kapas* picked in different periods and the amount sold in each period, expressed as a percentage of the whole crop.

**Quantities of
kapas picked
in different
periods.**

* Vide page 17. *

In Lyallpur District about 10 per cent. of the crop was held up until the end of January in the hope of obtaining better prices. In Multan and Lahore only 4 per cent. was held up for a similar purpose and in Rohtak none.

Statement 9 shows the quantities of *kapas* sold by growers in villages **Place of disposal** and in markets in the various Districts.
of crop.

STATEMENT 9.

	Sold in villages.		Sold in markets.	
	Quantity in <i>maunds</i> .	Percentage of total.	Quantity in <i>maunds</i> .	Percentage of total.
Lyallpur	6,474	68.6	2,963	31.4
Multan	6,083	88.9	757	11.1
Lahore	4,293	78.9	1,147	21.1
Rohtak	3,678	97.3	99	2.6
Total	20,528	80.5	4,966	19.5

From these figures it is obvious that the great bulk of the crop is sold by the growers in villages. This is borne out also by Statement 10 which follows and shows that over 80 per cent of the crop is sold to the village *bania*.

Statement 10 shows the **medium of disposal**, or the persons to whom the *kapas* was sold in each district.

Statement 10.

District.	Sold through commission Agents to Ginners.	Per- centage.	Sold to village <i>Banias</i> .	Per- centage.	Sold direct to Ginners.	Per- centage.
	<i>Mds.</i>		<i>Mds.</i>		<i>Mds.</i>	
Lyallpur ..	2,963	31.4	6,474	68.6	—	
Multan ..	757	11.0	6,038	88.9	—	
Lahore ..	1,147	21.1	4,293	78.9	—	
Rohtak ..	61	1.6	3,678	97.3	37	1
Average ..		16.3		83.4		1

These figures bear out that over 80 per cent. of the crop is sold to the village *bania* and only 16.3 per cent. through commission agents in *mandis*.

The reasons generally given for this practice are :—

1. That cultivators thereby avoid the difficulties and inconvenience of taking their produce to markets.
2. They find it difficult to obtain accurate information regarding market rates for *kapas* on the day of sale.
3. The method of settling the price secretly by holding hands underneath a sheet is objectionable.
4. *Artias* usually act in the interest of the buyer rather than that of the seller.
5. When delivery is being effected objections are made by the purchaser about the quality of the produce in order to effect a reduction in the rate ; such deductions are made without the consent of the seller so that he does not know how he stands or what he is going to get for his produce.
6. The quantities for picking are too small.
7. Lack of storage.

In the majority of cases rates were seldom ascertained before *kapas* was sold, and if they were it was usually through the medium of the village shopkeepers or *sahukars*. In rare cases a few of the more enlightened cultivators **Method of ascertaining market rates.** when they visited markets ascertained the rates from commission agents and others who were in touch with market conditions.

It is reported that by whatever agency rates are ascertained they are usually unreliable, and what is somewhat surprising is that all investigators state that village rates invariably remain the same throughout the season regardless of market fluctuations. This may be true for a season like the present, when rates varied only about Re. 1/- in the case of *desi* and Rs. 2/- per *maund* in the case of American cotton, but it could hardly be expected to hold in seasons when fluctuations were wide.

There seems no doubt, however, that growers are very much in the dark as regards fluctuations in the rates and that such information only fil-

It may be noted here that large cultivators commonly sell direct to ginners or through commission agents at specially arranged rates of commission, but no such transactions came within the scope of the inquiry. A large cultivator may sell through commission agents at charges ranging from Rs. 1 to Rs. 1-4 per cent as compared with an average of Rs. 2-4-10 paid by ordinary cultivators.

ters through to them very slowly. Moreover, when over 80 per cent. of the produce is disposed of in the villages, it is difficult to see how they could be enlightened on the subject in time to benefit by such information. In the circumstances it would appear that the system of posting Bombay rates daily in markets serves no useful purpose so far as the *zamindar* is concerned. It has been suggested that wherever Co-operative Societies exist they might be used as a medium for conveying such information to cultivators.

Although Bombay rates converted into terms of local rates have been posted in many of the markets of the province in previous years, the practice was discontinued this season as it was considered that it was serving no useful purpose. One reason for this is that the mixing in recent years of Punjab-American with *desi* cottons has rendered calculations of the value of Punjab-American too complicated except for experts engaged in the trade.

Statement 11† gives the rates prevailing in the different markets from November to January.
Rates obtained in different markets. Average rates during these months were as follows :—

				<i>American*</i>	<i>Desi.</i>
November	..	..	..	14-14-6.	12-10-0.
December.	..	..	..	14-12-6.	11-14-6.
January.	..	..	..	15-11-9.	12-13-0.

The variations during the season were very small, the tendency being downwards in December and upwards again in January.

In the last column of the same statement the average rates paid during the season in villages nearest the different *mandis* are given. It will be noticed that those paid in the markets are on the average Re. -/10/8** higher for American and Re. -/3/3** for *Desi*.

Statement 12† gives the seasonal average rates obtained for American and *Desi* cotton in both markets and villages.

Note.—Regarding rates Mr. Roberts writes that "though the cultivator may deliver daily or every few days to the *Arhtia* or village *Bania*, the price is fixed on a definite date two or three times during the season. Usually the first price fixing takes place about the 20th November the second about the middle of December and the third in January. Generally the same dates are fixed upon by all *Banias* working in villages. Where factory owners are buying from villages, rates vary from day to day in direct proportion to the market rate at the central market where the buyer is situated"

†Vide page 18.

*These rates were arrived at by taking the average daily rates for those days on which price were recorded in each market (See statement 11).

**See last two columns of statement 11. The rates given are the average of those paid by the *Bania* for the whole season

†Vide pages 19 & 20.

No special storage has been provided for *kapas* in any of the markets listed except those in the Multan District. Most of the shops in the markets of Mian Channu, Khanewal and Jahania have got **Storage facilities** large godowns at their rear where large quantities of **and holding out** *kapas* can be stored. Many of these are owned by **for better prices.** commission agents who store *kapas* on sellers' account. There is no public or municipal storage in any of the markets recorded.

When *kapas* is brought to a market by cultivators it is sold within a couple of days or taken back to the village—a rare occurrence.

Only a small percentage of the crop was held over in the hope of realising higher prices—see statement 8. In Lyallpur 10 per cent. was held over for this purpose; in Multan and Lahore 4 per cent. and in Rohtak none. Should money be urgently required by cultivators, they sell *kapas* rather than resort to borrowing.

Wherever markets at present exist for the sale of *kapas* they are open in the sense that there is no compulsion on the seller to take his produce to such; he is free to take it direct to a ginning factory **Open markets.** if he so wishes. In some of the well established markets a market tax is levied on all produce entering, but this is never more than a few annas per cart, or pice in the case of bags.

Most of the cultivators were not sufficiently familiar with marketing conditions to express an opinion on the subject of markets, but all were agreed on the need of having some system whereby market rates could be decided openly and when once fixed not subject to flagrant reductions as they are at present. They further think that if representative market committees could be formed for controlling affairs their interests would receive more consideration than they do at present. They are sceptical about any great improvement in conditions being brought about as long as combinations of buyers exist as they do at present in a good many markets.

Much information with regard to the extent of cultivators' borrow-
Indebtedness. ings is contained in Statements 13, 14, 15 and 16 appended.

Statement 13* classifies cultivators and shows the number and percent-
age of each class who are in debt and free from debt, and also the sources
from which they have borrowed. Analysing these we find that the percent-
age of cultivators who have borrowed in the various districts is as follows:—

Lyallpur	..	..	..	42.4	per cent.
Multan	..	..	..	76.5	„
Lahore	..	..	..	64.7	„
Rohtak	..	..	..	32.8	„
Average	..	..	..	51.3	„

Just over half the cultivators in the villages investigated are in debt. The
actual amount of money borrowed from the different sources by the different
classes of cultivators is given in Statement 14.*

Statement 15* shows the purposes for which loans were incurred. These
Purpose for vary considerably from district to district. Only in
which advances two cases did cultivators take advances exclusively for
were taken the purchase of seed.

Incidence of The average incidence of debt per head in the different
debt per head. districts is given below :—

District.	Debt per head for all proprietors.	Debt per head for pro- prietors in debt.	Total debt per head for all tenants.	Debt per head for tenants in debt.
	Rs.	Rs.	Rs.	Rs.
Lyallpur	228/-	561/-	124/-	288/-
Multan	728/-	1,276/-	458/-	534/-
Lahore	408/-	668/-	241/-	347/-
Rohtak	211/-	768/-	114/-	480/-

In the Multan District (Khanewal *Tahsil*) both proprietors and tenants
would appear to be much more heavily in debt than those elsewhere. It
is reported that the partial failure of the cotton crop during the past two sea-
sons in that locality is responsible for a considerable increase in village in-
debtedness.

Statement 16* (A) shows the incidence of debt per acre for all holdings.
and for borrowers' holdings separately.

Statement 17* shows the amounts of money borrowed by the different
Extent of classes of cultivators in each district and the rates of
indebtedness. interest paid.

* Statement	13	on page	21.
"	14	" "	22.
"	15	" "	23.
"	16	" "	24 & 25.
"	17	" "	26.

No special storage has been provided for *kapas* in any of the markets listed except those in the Multan District. Most of the shops in the markets of Mian Channu, Khanewal and Jahania have got **Storage facilities** large godowns at their rear where large quantities of **and holding out** *kapas* can be stored. Many of these are owned by **for better prices.** commission agents who store *kapas* on sellers' account. There is no public or municipal storage in any of the markets recorded.

When *kapas* is brought to a market by cultivators it is sold within a couple of days or taken back to the village—a rare occurrence.

Only a small percentage of the crop was held over in the hope of realising higher prices—see statement 8. In Lyallpur 10 per cent. was held over for this purpose; in Multan and Lahore 4 per cent. and in Rohtak none. Should money be urgently required by cultivators, they sell *kapas* rather than resort to borrowing.

Wherever markets at present exist for the sale of *kapas* they are open in the sense that there is no compulsion on the seller to take his produce to such; he is free to take it direct to a ginning factory **Open markets.** if he so wishes. In some of the well established markets a market tax is levied on all produce entering, but this is never more than a few annas per cart, or pice in the case of bags.

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Much information with regard to the extent of cultivators' borrowings is contained in Statements 13, 14, 15 and 16 appended.

Statement 13* classifies cultivators and shows the number and percentage of each class who are in debt and free from debt, and also the sources from which they have borrowed. Analysing these we find that the percentage of cultivators who have borrowed in the various districts is as follows:—

Lyallpur	..	..	..	42.4	per cent.
Multan	..	..	..	76.5	„
Lahore	..	..	..	64.7	„
Rohtak	..	..	..	32.8	„
Average	..	..	..	51.3	„

Just over half the cultivators in the villages investigated are in debt. The actual amount of money borrowed from the different sources by the different classes of cultivators is given in Statement 14.*

Statement 15* shows the purposes for which loans were incurred. These vary considerably from district to district. Only in which advances were taken two cases did cultivators take advances exclusively for the purchase of seed.

Incidence of debt per head. The average incidence of debt per head in the different districts is given below :—

District.	Debt per head for all proprietors.	Debt per head for proprietors in debt.	Total debt per head for all tenants.	Debt per head for tenants in debt.
	Rs.	Rs.	Rs.	Rs.
Lyallpur	228/-	561/-	124/-	288/-
Multan	728/-	1,276/-	458/-	534/-
Lahore	408/-	668/-	241/-	347/-
Rohtak	211/-	768/-	114/-	480/-

In the Multan District (*Khanewal Tahsil*) both proprietors and tenants would appear to be much more heavily in debt than those elsewhere. It is reported that the partial failure of the cotton crop during the past two seasons in that locality is responsible for a considerable increase in village indebtedness.

Statement 16* (A) shows the incidence of debt per acre for all holdings and for borrowers' holdings separately.

Statement 17* shows the amounts of money borrowed by the different classes of cultivators in each district and the rates of interest paid.

* Statement 13 on page 21.
 " 14 " " 22.
 " 15 " " 23.
 " 16 " " 24 & 25.
 " 17 " " 26.

An analysis of the figures shows that the amounts of borrowings by the different classes are distributed as follows :—

	Percentage of total amount borrowed taken by.		
	Proprietors	Tenants	Cultivators who are both tenants and proprietors.
	Per cent.	Per cent.	Per cent.
Lyallpur	61.2	23.9	14.9
Multan	40.4	45.0	14.5
Lahore	46.5	22.9	30.5
Rohtak	54.1	5.7	40.1

In the 33 villages investigated there are 600 tenants alone (32.9 per cent of the total number of cultivators) of whom 61 per cent are in debt. In the same villages there are 876 proprietors alone of whom 42 per cent are in debt.

Statement 13 gives the sources of advances and the number of cultivators borrowing from the different sources. The actual amounts of money borrowed are given in Statement 16. The principal source of loans is the *Sahukars*. He had advanced 68.1 per cent. of the total amount borrowed. Proprietors or landlords come next with 16.9 per cent., but it falls to be noted that agriculturist money lenders have been included amongst these. Co-operative Societies come third with 8.8 per cent.

In the Lyallpur District 35 proprietors have borrowed from Co-operative Societies and only 34 proprietors from *Sahukars*. Borrowings from Co-operative Societies are chiefly made by proprietors.

Statement 17 shows the total amount borrowed in each district classified according to the rates of interest demanded. As might be expected, when almost 70 per cent. of the loans incurred have been taken from *Sahukars*, the general level of interest charges is high, and the almost universal complaint of the cultivators about the high rate of interest seems to be justified.

The percentages of borrowings at the different rates of interest are given below :—

Without interest	..	..	7.7 per cent.
Below 12 per cent.	..	..	11.7 "
From 12 to 16	..	..	14.4 "
From 16 to 20	..	..	34.1 "
From 20 to 30	..	..	26.9 "
Above 30 per cent.	..	..	6.1 "

The great bulk of the advances taken were given on the rates of interest varying from 16 per cent to 30 per cent.

STATEMENT 8.

Showing quantities of *kapas* picked and sold in different periods.

Name of District.	Second period.	Amount of <i>Kapas</i> picked in second period.	Percentage of <i>kapas</i> picked in this period to total output from the whole crop.	Percentage of total crop sold during this period.	Third period.	Total amount of <i>kapas</i> picked from the whole crop.	Percentage of crop sold during this period.	Balance remaining unsold with cultivators at close of inquiry.		
								For local consumption.	Holding in expectation of higher rates.	Total.
		<i>Maunds.</i>				<i>Maunds.</i>		<i>Maunds.</i>	<i>Maunds.</i>	<i>Maunds.</i>
Lyalpur ..	30-9-1927 to 25-10-1927	1,785	15.3	4.7	15-1-1928 to 3-2-1928	11,647	71.5	404	1,224	1,628
Multan ..	16-11-1927 to 15-12-1927	2,968	39.7	23.2	5-1-1928 to 31-1-1928	7,458	63.0	275	247	622
Lahore ..	15-10-1927 to 15-11-1927	3,272	35.0	8.3	8-1-1928 to 22-1-1928	9,341	85.7	169	382	551
Rohtak.. ..	1-10-1927 to 31-10-1927	1,684	35.9	.3	1-12-1927 to 31-12-1927	4,651	78.7	790	nil.	970

It is unfortunate that the periods of picking in the different districts do not coincide. Hence the percentages of *kapas* picked and sold during each period are not comparable.

STATEMENT 11

Average rates paid for *kapas* during different months in various *mandis* and neighbouring villages.

District.	Market.	November.		December.		January.		February.		Average rates of sale in nearest villages throughout the season.	
		Ameri-can.	Desi.	Ameri-can.	Desi.	Ameri-can.	Desi.	Ameri-can.	Desi.		
										Ameri-can.	Desi.
Lyallpur ..		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Lyallpur ..	14 15 0	12 8 0	Market n	ot visited	15 12 3	12 2 0	Market n	ot visited	14 10 0	12 3 0
	Jaranwala ..	14 2 0	13 10 9	do.		16 7 6	13 3 0	—d o.—		14 0 0	11 8 6
	Chak Jhumra	14 8 0	12 15 6	..	12 3 6	15 9 6	13 4 0	—d o.—		14 5 0	12 8 0
	Toba Tek Singh ..	..	14 1 3	..	13 1 3	Sales were not conducted on days of Investigator's visit.		—d o.—		..	..
Multan	Khanewal ..	14 5 0	12 12 6	14 8 0	13 5 0	15 0 0	13 8 0	—d o.—		14 4 6	12 3 0
	Mian Channu ..	14 6 3	12 11 3	14 7 3	12 11 0	Market n	ot visited	—d o.—		14 5 9	12 14 6
	Jahania	14 5 3	12 11 0	15 4 0	12 14 9	do.		—d o.—		14 0 0	11 0 0
Lahore ..	Pattoki ..	15 11 0	12 0 3	..	12 4 0	15 12 0	..	—d o.—		13 0 0	12 0 0
	Chunian ..	14 1 9	11 11 3	..	10 14 3	Market n	ot visited	—d o.—		..	..
	Kot Radha Kishan ..	..	11 9 9	14 5 0	12 3 6	do.		—d o.—		14 8 0	11 11 0
Rohtak ..	Rohtak ..	..	11 3 0	..	10 8 0	do.		—d o.—		..	11 2 0
	Sonepat ..	..	11 5 0	Market n	ot visited	do.		—d o.—		..	..
	Average of all ..	14 14 6	12 10 0	14 12 6	11 14 6	15 11 9	12 13 0	—	—	14 2 3	11 14 6

Note:—The rates given in the statement are not strictly comparable as they were not taken on the same dates in each *mandi*.

Investigators visited the markets in rotation doing a certain number of days in each. The rates given are the average of those recorded. The periods spent in a market at one time varied from 5 to 10 days.

STATEMENT 12A

Rates obtained in different markets—Market Rates

District.	Market.	No. of days during which rates were recorded in each market	American.			Dest.		
			Lowest rate recorded.	Highest rate recorded.	Extent of variation.	Lowest rate recorded.	Highest rate recorded.	Extent of variation.
		Days.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lyallpur..	Lyallpur ..	10	14 1 3	16 12 6	2 11 3	11 11 6	13 14 0	2 2 6
	Chak Jhumra ..	7	13 15 6	16 11 0	2 11 6	12 7 0	13 8 0	1 1 0
	Jaranwala ..	11	14 0 0	16 8 0	2 8 0	12 8 0	13 6 0	0 14 0
	Toba Tek Singh ..	8	14 10 0	15 10 0	1 0 0	11 8 0	12 12 0	1 4 0
Multan ..	Khanewal ..	20	12 5 0	15 6 0	1 1 0	11 6 0	13 14 0	2 8 0
	Mian Channu ..	9	14 0 0	14 14 6	0 14 6	11 9 0	13 10 6	2 1 6
	Jahania ..	11	13 5 0	15 10 0	2 5 0	11 12 0	13 10 0	1 14 0
Lahore ..	Pattoki ..	16	14 4 0	16 8 0	2 4 0	11 0 0	14 0 3	3 0 3
	Chunian ..	9	13 13 3	14 6 0	0 8 9	9 0 0	13 0 0	4 0 0
	Kot Radha Kishan ..	9	14 0 0	14 11 0	0 11 0	11 2 0	12 13 0	1 11 0
Rohtak ..	Rohtak ..	30	..	..	..	10 0 0	12 6 0	2 6 0
	Sonepat ..	10	..	..	..	11 0 0	11 10 0	0 10 0

STATEMENT 12. B

Rates obtained in different markets—Village Rates.

District.	Market.	American.			Desi.		
		Lowest rate recorded.	Highest Rate recorded.	Extent of variation.	Lowest Rate recorded.	Highest Rate recorded.	Extent of variation.
		Rs	Rs	Rs	Rs.	Rs.	Rs.
Lyallpur	Lyallpur	14 4 0	15 0 0	0 12 0	11 8 3	12 14 0	1 5 9
	Chak Jhumra	14 0 0	14 10 0	0 10 0	12 8 0	12 8 0	....
	Jaranwala	13 8 0	14 8 0	1 0 0	10 9 0	12 8 0	1 15 0
	Toba Tek Singh .. ..	....	....	....	..	....	....
Multan	Khanewal	14 0 0	14 9 0	0 9 0	12 0 0	12 6 0	0 6 0
	Mian Channu	14 0 0	14 11 6	0 11 6	12 8 0	13 5 0	0 13 0
	Jahania	14 0 0	14 0 0	....	10 0 0	12 0 0	2 0 0
Lahore	Pattoki	12 0 0	14 0 0	2 0 0	11 0 0	13 0 0	2 0 0
	Chunian .. ..	....	....	....	....	....	....
	Kot Radha Kishan	14 0 0	15 0 0	1 0 0	10 14 0	12 14 0	2 0 0
Rohtak	Rohtak .. ..	....	....	....	10 10 8	11 9 4	0 14 8
	Sonepat .. ..	....	....	....	....	....	....

STATEMENT No. 13

Statement showing state of Indebtedness among Cultivators, and Source of Borrowing

District	Type of cultivator.	No. of cultivators in debt.	Percent-age of total.	Nos. of cultivators free from debt.	Percent-age of total.	Source of Advances.						
						Sahukar	Co-operative Society.	Artia	Relatives.	Proprietors & landlords.	Others	Nos. taking from more than one of these sources.
Lyallpur	Proprietors	110	40.5	161	59.4	34	35	5	1	20	3	12
	Tenants ..	84	43.1	111	56.9	35	6	8	4	25	..	6
	Proprietors who are also Tenants ..	37	46.8	42	53.2	10	6	2	1	12	1	5
	Total	231	42.4	314	57.6	79	47	15	6	57	4	23
Multan	Proprietors	73	57.1	55	42.97	37	1	2	8	2	..	23
	Tenants ..	183	85.5	31	14.5	120	..	..	3	12	..	48
	Proprietors who are also tenants	34	91.8	3	8.1	26	..	..	..	..	..	8
	Total	290	76.5	89	23.5	183	1	2	11	14	..	79
Lahore	Proprietors	94	61.1	60	38.9	54	9	..	1	8	..	22
	Tenants ..	89	69.5	39	30.5	48	4	..	2	19	3	13
	Proprietors who are also tenants	58	64.4	32	35.6	29	15	..	1	6	..	7
	Total	241	64.7	131	35.3	131	28	..	4	33	3	42
Rohtak	Proprietors	89	27.5	234	72.5	80	1	..	..	6	..	2
	Tenants	15	23.8	48	76.2	15	..	..	..	..	..	..
	Proprietors who are also tenants	68	49.3	70	50.7	61	2	..	..	5	..	..
	Total	172	32.8	352	67.2	156	3	..	..	11	..	2
Grand Total		934	51.3 (Average)	886	48.7 (Average)	549	79	17	21	115	7	146
Average percentage of advances from different sources						58.7	5.8	1.8	2.2	12.3	.7	15.6

STATEMENT 14

Showing sources and amount of advances taken.

District.	Type of cultivators.	Sahukar.	Co-operative Society.	Artia.	Landlords or Proprietors.	Relatives.	Others.
Lyallpur	Proprietors	21,588	18,609	8,800	9,355	2,330	1,110
	Tenants	9,896	1,503	3,310	8,815	715	....
	Proprietors who are also tenants.	3,106	2,860	700	7,085	950	430
	Total	34,590	22,972	12,810	25,255	3,995	1,540
Multan	Proprietors	70,179	1,267	1,600	9,500	10,550	....
	Tenants	70,065	....	....	25,385	2,450	200
	Proprietors who are also tenants.	28,467	625	....	3,490	400	....
	Total	1,68,711	1,892	1,600	38,475	13,400	200
Lahore	Proprietors	44,824	8,594	....	9,054	400	....
	Tenants	19,269	2,001	....	9,635	....	....
	Proprietors who are also tenants.	23,511	15,574	....	2,126	120	....
	Total	87,604	26,169	....	20,815	520	....
Rohtak	Proprietors	56,979	600	....	9,450	..	1,352
	Tenants	7,204	....	....	....	....	....
	Proprietors who are also tenants.	44,736	700	....	5,289	....	....
	Total	1,08,919	1,300	....	14,739	....	1,352
Grand Total	.. ..	3,99,824	52,333	14,410	99,284	17,915	3,092
Percentage of total..	.. ..	68.1	8.8	2.4	16.9	3.0	.5

STATEMENT 15 A.
Purposes for which advances were taken.

District.	For Litigation purposes.		For Marriage expenses.		For purchases of bullocks, horses, buffaloes, paying Govt. dues or paying old debts and miscellaneous.		For purchases of bullocks fodder and miscellaneous expenses.		Govt. dues and family expenses.	
	No. of instances	Amount in rupees.	No. of instances	Amount in rupees.	No. of instances	Amount in Rupees.	No. of instances	Amount in Rupees.	No. of instances	Amount in rupees.
Rohtak .. ..	..	..	50	55,745	..	..	20	9,500	..	..
Lahore	5	6,188	48	39,003	..	..	70	23,128	..	..
Multan	4	6,000	12	8,066	110	1,17,651	34	12,971	59	30,987
Lyallpur	1	300	17	10,250	60	29,704	44	9,045	24	4,601
Total	10	12,488	127	1,13,064	170	1,47,355	168	54,644	83	35,588

STATEMENT 15 B.
Purposes for which advances were taken.

District.	For Govt. dues only.		For paying land rent or construction of well.		Tree plantation, reclamation of Bara land or building of houses.		For purchases of land.		For seed purposes		For general purposes.	
	No. of instances.	Amount in rupees.	No. of instances.	Amount in rupees.	No. of instances.	Amount in rupees.	No. of instances	Amount in rupees.	No. of instances.	Amount in rupees.	No. of instances.	Amount in rupees.
Rohtak .. ..	..	..	..	..	..	..	..	..	..	..	102	61,065
Lahore	37	11,540	..	..	..	..	8	20,626	2	185	71	34,438
Multan	21	4,720	21	20,606	13	13,677	..	..	..	651	16	3,949
Lyallpur	13	1,836	32	14,435	..	..	9	23,043	..	50	31	9,897
Total	71	18,096	53	35,041	13	13,677	17	43,669	2	886	220	114,349

STATEMENT. 16 A

Amount of Debt incurred.

District.	Type of cultivators.	D E B T S.							
		Amount of debt incurred.	Average debt per borrower.		Average debt per head for all cultivators.		Average debt per cultivated acre for borrowers' holdings.		Average debt per cultivated acre for all cultivators' holdings
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lyallpur	Proprietors ..	61,792	562		228		26.1		10.9
	Tenants ..	24,239	288		125		12.7		5.8
	Proprietors who are also tenants.	15,131	409		156		14.0	0	6.7
	Total ..	1,01,162	Average	438		186		18.9	8.6
Multan	Proprietors ..	93,196	1,277		728		38.0		17.5
	Tenants ..	98,100	534		458		20.5		17.8
	Proprietors who are also tenants	32,982	970		891		31.9		25.5
	Total ..	2,24,278	Average	773		592		26.7	18.3
Lahore ..	Proprietors ..	62,872	669		408		39.8		24.8
	Tenants ..	30,905	347		241		13.9		9.8
	Proprietors who are also tenants.	41,331	712		459		33.4		21.4
	Total ..	1,35,108	Average	561		363		26.8	17.1
Rohtak ..	Proprietors ..	68,381	768		212		42.0		7.9
	Tenants ..	7,204	480		113		47.3		8.8
	Proprietors who are also tenants.	50,735	746		367		56.1		24.7
	Total ..	1,26,320	Average	734		241		47.2	11.1

STATEMENT 16 B

Rates of Interest

District.	Type of cultivators.	Rate of interest.					
		Nil.	Below 12 per cent.	12 per cent. to 16 per cent.	16 per cent. to 20 per cent.	20 per cent. to 30 per cent.	Above 30 per cent.
Lyallpur	Proprietors	6,590	5,360	21,239	17,530	11,073	....
	Tenants.. ..	3,475	3,300	3,783	6,330	7,351	....
	Proprietors who are also tenants.	950	4,101	2,200	5,270	2,610	....
	Total.. ..	11,015	12,761	27,222	29,130	21,034	....
Multan	Proprietors	5,100	15,497	11,021	27,100	26,064	5,900
	Tenants.. ..	12,737	1,600	10,710	38,240	70	37,597
	Proprietors who are also tenants	125	425	5,452	3,300	22,440	900
	Total	17,962	17,522	27,183	68,640	48,574	44,397
Lahore	Proprietors	10,514	4,325	4,710	..	43,223	....
	Tenants.. ..	4,170	770	1,665	500	23,800	....
	Proprietors who are also tenants	1,305	14,240	3,420	....	22,366	....
	Total	15,989	19,335	9,795	500	89,489	....
Rohtak	Proprietors .. ..	....	8,252	6,350	53,779	....	....
	Tenants.. ..	....	3,500	....	3,704	....	....
	Proprietors who are also tenants	....	3,265	7,910	39,100	....	450
	Total .. ..	....	15,017	14,260	96,583	....	450

STATEMENT 17

Advances taken by proprietors, tenants and both with rates of interest.

District.	Total amount of advances taken by proprietors.		Total advances taken by tenants.		Advances taken by cultivators who are both tenants and proprietors.	
	Amount.	Rate of interest.	Amount.	Rate of interest.	Amount.	Rate of interest.
Lyallpur	6,590	Nil	3,475	Nil	950	Nil.
	5,360	Below 12 per cent	3,300	Below 12 per cent	4,101	Below 12 per cent.
	21,239	12% to 16 "	3,783	12% to 16 "	2,200	12% to 16 "
	17,530	16 % to 20 "	6,330	16 % to 20 "	5,270	16% to 20 "
	11,073	20% to 30 "	7,350	20% to 30 "	2,610	20% to 30 "
Total ..	61,792		24,238		15,131	
Percentage of total ..	61.2		23.9		14.9	
Multan	5,100	Nil	12,737	Nil.	125	Nil.
	15,497	Below 12 per cent.	1,600	Below 12 per cent.	425	Below 12 per cent.
	11,021	12% to 16 "	10,710	12% to 16 "	5,452	12% to 16 "
	27,100	16% to 20 "	38,240	16% to 20 "	3,300	16% to 20 "
	26,064	20 % to 30 "	70	20% to 30 "	22,440	20 to 30 "
	5,900	above 30 per cent	37,597	Above 30 "	900	Above 30 per cent.
Total ..	90,682		1,00,954		32,642	
Percentage of total ..	40.4		45.02		14.5	
Lahore	10,514	Nil	4,170	Nil.	1,305	Nil.
	4,325	Below 12 per cent	770	Below 12 per cent	14,240	Below 12 per cent.
	4,710	12 to 16 "	1,665	12 to 16 "	3,420	12 to 16 "
	43,323	20 to 30 "	500	16 to 20 "	22,366	20 to 30 "
	..		23,800	20 to 30 "	..	
Total ..	62,872		30,905		41,331	
Percentage of total ..	46.5		22.9		30.5	
Rohtak	8,252	Below 12 per cent	3,500	Below 12 per cent	3,265	Below 12 per cent.
	6,350	12 to 16 "	3,704	16 to 20 "	7,910	12 to 16 "
	53,779	16 to 20 "	..		39,100	16 to 20 "
					450	Above 30 "
Total ..	68,381		7,204		50,725	
Percentage of total ..	54.1		5.7		40.1	
Average	50.55		24.3		25.25	

STATEMENT 18

Showing amount of advances in each district with rates of interest.

LYALLPUR.			MULTAN.		
Amount borrowed.	Rate of interest.	Percentage of amounts borrowed at different rates of interest.	Amount borrowed.	Rate of interest.	Percentage of amounts borrowed at different rates of interest.
11,015	Without	10.9	17,962	Without	8.0
12,761	Below 12 per cent.	12.6	17,522	Below 12 per cent.	7.8
27,222	12 to 16 "	26.9	27,183	12 to 16 "	12.1
29,130	16 to 20 "	28.7	68,640	16 to 20 "	30.6
21,034	20 to 30 "	20.7	48,574	20 to 30 "	21.6
		99.8	44,397	above 30 "	19.9
					100.0

STATEMENT 18 (Contd.)

Showing amount of advances in each district with rates of interest.

LAHORE.			ROHTAK.		
Amount borrowed.	Rate of interest.	Percentage of amounts borrowed at different rates of interest.	Amount borrowed.	Rate of interest.	Percentage of amounts borrowed at different rates of interest.
15,989	Without	11.8	....	Without	
19,335	Below 12 per cent.	14.3	15,017	Below 12 per cent.	11.9
9,795	12 to 16 "	7.2	14,260	12 to 16 "	11.2
500	16 to 20 "	.3	96,583	16 to 20 "	76.4
89,489	20 to 30 "	66.2	....	20 to 30 "	
		99.8	450	Above 30 "	.3
					99.8

PART II.

INQUIRY INTO THE MARKETING OF COTTON

This inquiry was conducted with the same staff as the village enquiry and was carried on in the intervals between the periods allocated to that inquiry.

Introduction. The mode of procedure was for each assistant accompanied by a *Mugaddam* to visit one of the selected markets and remain there for some days. Each day he selected anything from twenty to forty carts of *kapas* or as many as he could conveniently keep in touch with until delivery was effected and final payment made. The names and addresses of the owners whose carts had been selected were recorded in a questionnaire book provided for the purpose—for copy of the same see Appendix B. When an owner had sold his cotton he informed the investigator of the fact and gave him full particulars regarding the price fixed, deductions agreed to, etc. The investigator remained present during weighment and noted the whole procedure followed, particularly recording any unauthorised deductions made. Only when final payment had been made and complete data obtained did he take his departure. Often payments were not made until the following morning at the *artia's* shop. Investigators were sometimes allowed to inspect *artia's* registers and make their records from those.

As it was not possible to conduct inquiries in all markets in each district, only a few of the more important were selected and particulars regarding each of these are given in Statement I.*

Selection of Markets. It will be noticed that no special market for the sale of cotton exists in any of the towns selected, but the produce is sold either in the ordinary market or brought direct to the ginning factories and offered for sale there. In no place are there controlled markets such as exist in Berar. If a market has any controlling authority, it is composed of a *panchayat* or committee consisting of local people interested in the *mandi*. Rules made by such bodies possess no legal sanction.

The periods during which inquiry work was carried on in the markets were roughly as follows :—

Periods of Investigation.				
1st period	..	..	..	16th September to 29th October.
2nd „	..	..	..	26th October to 30th November.
3rd „	..	..	..	21st December to 6th January.

Except in one or two markets very little cotton was brought for sale during the first period.

Statement 2† shows the number of sales recorded by the investigators in the various markets, the quantity of cotton sold and the ownership of the stuff offered for sale.

Quantities of Cotton recorded in each market and ownership thereof.

* Vide Pages 29 & 30.

† Vide Page 31.

STATEMENT 1.

Particulars regarding Markets selected in each District.

District.	Name of market.	No. of ginning factories.	No. of presses.	If an established market for the sale of <i>Kapas</i> exists.	Conditions of communication leading to the markets.	If situated on a Railway line.	Provision for storage if any for <i>Kapas</i> on seller's account.	Remarks.
Lyallpur	Lyallpur	15	8	No separate market for <i>Kapas</i> exists; <i>Kapas</i> is sold in the ginneries.	3 <i>pacca</i> and 4 <i>kachcha</i> roads.	Yes	There is no provision for the storage of <i>Kapas</i> on seller's account either in the <i>mandi</i> or in factories.	Pool system was in operation. Only 6 factories worked, the remainder being closed for the whole season.
	Jaranwala	6	4	There is no separate market. <i>Kapas</i> is sold in the grain market and taken for weighment to the ginning factory.	3 <i>pacca</i> and 4 <i>kachcha</i> roads.	Yes	—do.—	Pool system was in operation only occasionally and not permanently. All the factories worked.
	Chak Jhumra	7	4	There is no separate market. <i>Kapas</i> is either sold and weighed in the grain market or in ginning factories.	2 <i>pacca</i> & 3 <i>kachcha</i> roads.	"	"	Pool system was not in operation, but two factories remained closed for want of capital.
	Toba-Tek Singh	5	3	There is no separate market. <i>Kapas</i> is sold in the grain market and taken for weighment to the ginning factory.	7 <i>Kachcha</i> roads.	"	"	Pool system was not in operation for the whole season, but only worked for a few days towards the end of the season.
Rohtak	Rohtak	2	1	<i>Kapas</i> is all sold in the ginning factories.	6 <i>pacca</i> and 2 <i>kachcha</i> roads.	Yes	There is no provision for the storage of <i>Kapas</i> on seller's account either in the <i>mandi</i> or in factories.	One factory remained closed for the season, so there was only one buyer at this market.

STATEMENT 2

District.	Market..	No. of carts recorded and whether belonging to :—		Weight of <i>kapas</i> recorded and whether belonging to :—	
		Growers.	Others.	Growers.	Others.
Lyallpur.	Lyallpur.	125	255	2,362	6,795
	Jaranwala.	33	199	677	5,544
	Chak Jhumra	108	112	2,439	2,675
	Toba Tek Singh.	62	79	932	1,882
Multan.	Khanewal.	50	289	2,519	5,933
	Mian Channu	88	147	1,945	3,484
	Jahania.	15	178	271	3,052
Lahore.	Chunian.	13	133	226	1,335
	Pattoki.	93	220	2,250	8,596
	Kot Radha Kishan.	31	52	347	865
Rohtak	Rohtak.	133	457	3,504	15,176
	Sonepat.	41	151	261	4,346
	Total.	792	2,245	17,733	59,683
	Percentage of total.	26	74	23	77

It will be noticed from the general average that 77 per cent of the produce is marketed by people other than growers—almost invariably village *banias*; while only 23 per cent is marketed direct by growers. This corroborates the information collected in the villages—(*vide* Part I, Statement 9) where it was ascertained that over 80 per cent of the crop is sold in the villages. The reasons given by the growers for disposing of so large a portion of their *kapas* in villages are given in the note appended to the statement referred to above.

The case of Chak Jhumra constitutes an exception in that in this market almost 50 per cent. of the *kapas* is marketed by cultivators. The investigator states that the reasons why cultivators specially favour this market are as follows :—

- (a) An influential local *artia* has formed a league of *artias* who act more in the interests of the seller than the buyer.

Note.—Regarding *artias* Mr. Roberts writes, 'The *artia* always acts in the interest of the sellers, but of course the buyer, being a big customer, has some influence, often preponderating. The *artia* receives *dami* from the buyer. Equally honest or dishonest *artias* (depending on one's point of view) can be found in all markets. The probability is that Chak Jhumra is a young market wishing to compete with Lyallpur and Jaranwala, and thus claiming higher virtues to cover a somewhat lower market rate offered.'

Reference above criticism please see Royal Commission on Agriculture Report, Para. 327, page 389, and para 336, page 395. The truth is that the *artia* is supposed to act in the interest of the seller but does not.

- (b) The bulk of the *kapas* when brought to the market is stacked for sale in front of the *artias*' shops and buyers are given a good opportunity of examining it before purchase. Once the bargain has been settled the *artias* will not admit of any subsequent deductions. It may be noted that this is the only case of this nature that has been recorded.

The extra costs of unloading the *kapas* in this *mandi* and again reloading it for transport to the factory are borne by the seller. It is stated that even with the additional charges cultivators prefer the system and that on the whole it works more satisfactorily and pays them better than delivering direct to ginners where complaints about quality and forced deductions are the general practice.

- (c) Due to the support and protection afforded by *artias* in this *mandi* cultivators are better treated than in other markets and as a result, the *mandi* has come to draw on a wider area than might otherwise have been expected.

There are no figures available under this head as there are no records kept in any of the markets investigated.

Daily arrivals of
kapas in markets

As previously stated there are no controlled markets in the province such as exist in Berar. Many towns have no cotton markets at all, the produce being exposed for sale on the roads in the vicinity of the ginning factories e.g. Lyallpur and Sonapat or in the ginning factory itself, e.g. Rohtak.

Management of
markets.

Some of the markets are managed by a *panchayat* or committee composed of people interested in the trade such as *artias*, *dalals*, etc. These committees make rules and regulations which the investigators speak of as fair and just, but in practice buyers invariably have things entirely in their own hands as far as prices, deductions, etc. are concerned.

Sales are conducted at different times during the day in different markets. The opening and closing hours for each market investigated are shown in Statement 3.*

When the cultivator or seller arrives in the *mandi* he immediately arranges with his particular *artia* for the sale of his produce. If he is a well informed man he informs him of the rate he is prepared to accept ; otherwise he leaves the transaction entirely in the hands of the *artia*. Before the opening hour *artias* and buyers foregather at some central place in the market.

Note.—Mr. Roberts remarks—regarding buyers having everything in their own hands—"As a matter of fact the year under investigation was the worst experienced by factory owners for the last 15 years. At least 95% of them lost money heavily. All banks advancing against cotton will testify to the accuracy of this statement."

But in reply to this all investigators affirm that in practice buyers invariably have things entirely in their own hands as regards prices, deductions, etc. In support of this statement I refer readers to the Royal Commission on Agriculture's Report, Para 323 page 385.

* Vide Page 33.

STATEMENT 3

Showing time of opening of cotton markets.

Market.	Time of opening	Time of delivery of <i>kapas</i> .
1. Lyallpur	about 12 a. m.	From afternoon to sunset*
2. Toba-Tek-Singh	" 2 p. m.	From 4 p.m. to sunset. *
3. Jaranwala	" 5 p.m.	From early morning to sunset with 2 hours rest at about 1 p. m.**
4. Chak Jhumra	—do.—	—do—
5. Pattoki	3 p. m.	In the evening of the same day or next morning.
6. Chunian	4 p. m.	—do—
7. Kot Radha Kishan	11 a. m.	After 11 a. m.
8. Khanewal	about 9 a. m. any time between morning & noon.	From afternoon to sunset.
9. Mian Channu	about 3 p. m.	From 4 p.m. to sunset***
10. Jahania	—do—	—do—
11. Rohtak	7-30 a. m.	about 11 a. m.
12. Sonapat	about 7 a. m.	about 11 a. m.

The buyers having previously decided on receipt of private telegrams received from Bombay what rates they are prepared to pay, wait upon the *artias* to conduct them around. Each *artia* proceeds to show the various buyers his constituent's produce. Buyers after inspecting the stuff by drawing small samples from various parts of the cart make the *artia* an offer under cover. If an agreement cannot be reached, the *artia* may consult the owner and after doing so again makes overtures under cover.

The procedure of bargaining consists in the buyer and the seller who is generally represented by an agent, holding each other's hands underneath a cloth and deciding by secret manipulation of the fingers what the rate is to be. Even when the decision is made, no one is informed of the rate; not even the seller until some time afterwards. This practice is condemned by growers, as it leaves them entirely in the hands of the *artia* who may or may not be acting in their interest. If the custom were replaced by auction sales or some system of more open dealing growers themselves would probably market a much higher proportion of their produce than they do at present.

*In some respects this time is very unsuitable for weighment as the sellers, particularly the cultivators want to go back before it is dark while the buyers, in most cases, intentionally delay it as they know that the sellers will always yield to deductions or allowances, claimed during weighment, much more quickly late in the evening.

**Two days are wasted in this way.

***Here too the time for weighment is not suitable for sellers. Buyers will always conduct weighing slowly while the sellers will always be in hurry to get back to their villages.

Sales by auction do, to a certain extent, take place in the Khanewal, Mian Channu and Jahania markets and also in some of the surrounding villages. Owners of big estates who have large quantities of *kapas* for disposal send the daily pickings to their commission agents for storage. When a sufficiently large quantity (about 500 *mds.*) has been accumulated an auction is arranged and buyers invited. These assemble on the day fixed, see the stuff and bid for lots in the usual way until it is disposed of. Weighment is made and delivery given at the seller's godown. Payment is also made before the stuff is removed. A certain amount of small cultivator's cotton is also disposed of in this way in villages. Most of the usual market charges are levied and deductions made from the seller's account.

It must be noted that it is a common practice for buyers to offer high rates in the market and then to cut down these rates when delivery is being effected on the ground that the *kapas* in the centre of the cart is dirty or inferior in quality to that exhibited on the outside. Such complaints are invariably made when it is too late for the seller to take his produce elsewhere as a portion of it has already been weighed and mixed with other *kapas* in the purchaser's godown. The seller has therefore no option but to accept the reduced rate. Such action on the part of buyers must engender very bad feeling and is another reason why growers are so loath to market their own produce. It is reported that such deductions usually vary between as. 2. and as. 12 per *maund*, but that in some cases they may be much more.

A most iniquitous case of this nature was noted in a particular factory by two officers who were inspecting the work of investigators. A cart of *kapas* had been sold. After about six *maunds* had been weighed and mixed with other *kapas* in the godown, a storm arose and the purchaser raised violent objection to the quality of the *kapas* in the middle of the cart. Angry altercations took place. The grower was told to take his stuff away, though nothing was said of the six *maunds* already weighed. There was talk of a lower price, but the grower proved sultry. Finally the *kapas* was weighed in at the old rate, but a brick was added to the side of the scale where there already reposed a $\frac{1}{2}$ *maund* weight, also a sack in which there were already stones which were said to be an allowance for dirt and damp.

Note.—Deductions.—Regarding statements made Mr. Roberts writes "As 80% of the *kapas* is marketed by *artias* and merchants, even in case the *zamindar* has sold through the *mandi*, and the *mandi* merchant delivers in the factory, it is not clear exactly how it affects the *zamindar*. Why did not the investigator obtain actual figures of allowances as these are easy to get. The facts are that in a falling market the buyer can take deductions for quality, whereas in a rising market he fails to do so, and has to accept even inferior quality."

In reply to these remarks I would say that these iniquitous deductions affect the village *bania* equally with the *zamindar*, but he being a business man and well acquainted with market conditions is in a better position to protect himself than is the illiterate and ignorant *zamindar*.

Actual figures of such illegal deductions made are very difficult to obtain as the case described in the report (part II page last para) shows that bricks and stones selected at random are thrown on the scales along with the weights; how are such deductions to be known?

For further information regarding this practice see Royal Commission on Agriculture, Report. Para. 323, page 385.

Buying is conducted in three different ways viz :—

System of purchasing.	1. Direct purchase.
	2. Fixed contract.
	3. Unfixed contract.

(1). The system of direct purchase has already been described under the head "System of Sales"; it is the normal method of purchase in all markets though in the Multan District two other systems have come into general use and are described below.

(2) *Fixed contract.*—This is a contract entered into between large producers, *bantias*, or Co-operative Societies on the one hand and factory owners or their agents on the other. Sellers agree to supply buyers with a stipulated quantity of *kapas* of a certain quality at a fixed price. Delivery may be taken either in a village or at the factory within a fixed period. The *maund* may contain $40\frac{1}{2}$ or even 41 *seers* according to arrangement. Weighment is usually made in the factories. The investigator in that district states that about 75 per cent. of the *kapas* is brought in this way at Mian Channu market and about 30 to 40 per cent. at Khanewal and Jahania. A sample form of contract is attached as Appendix D.

(3). *Unfixed contract.* Under the terms of this contract the seller agrees to give delivery at the buyer's premises of a certain quantity of *kapas* within a fixed period, the price to be paid being the rate offered by the buyer at the moment of settlement. Should the seller fail to fix a price within the period the buyer has the right to fix the price on the last day of the period at the rate at which he is then buying. According to this system the seller receives 75 to 80 per cent. of the value of his *kapas* on delivery. He is thus able to deliver fresh stuff, avoiding dryage, risk of fire, expenses of storing etc. The system is popular when the market is dull and the seller wishes to wait for better prices. 25 to 30 per cent. of the purchases made at Khanewal and Jahania this season were arranged in this way. A form of contract is given as Appendix E.

Special weighmen called "*Tolas*" are employed by *artias* for weighing all *kapas*. The ordinary beam scale and *pucca* weights (40 *seers*—one *maund*)

System of weighment. are in use in all the markets investigated. One of the investigators reports that the weights in use for weighing *kapas* in some of the factories are heavier than the standard weights and with no system of inspection of weights and measures this is quite possible.

Note.—Regarding system of weighing, Mr. Roberts remarks: "The practice in Khanewal is for the *artia* to bring his own weights and his own weighman. The factory owner has to check these to protect himself. Only in case of *kalla* where weighment is made in villages, and the weight checked only at the factory, are the factory owner's weights used in any factory at Khanewal. Any seller can demand that factory weights be checked, and standard weights are kept for the purpose in practically all the factories. I have myself, however, come across cases of excessive weights being used." (Continued on next Page).

The cotton to be weighed is put into a piece of gunny bag about six feet square and ropes tied to each corner are used to suspend it from the beam of the scale. The unit of weighment is usually half a *maund* (40 lbs.). Pieces of brick or stone are put in a bag along with the weights on the other side of the scales to balance the weight of the sack containing the cotton or as a means of making allowance for dirt, moisture etc. Quantities of less than 40 lbs. are either not taken into account or are weighed by means of bricks, etc, which do not give the correct weight. The labourers who remove the *kapas* from the cart and place it on the scales are employed and paid by the seller's *artia*, while those who remove it from the scales and place in godowns are employed by the buyer, though usually paid by the seller.

Weighment is generally done in the ginning factories, weighmen usually being employed by the seller's *artia*.

No accurate data could be obtained under this head. *Kapas* is rarely weighed in villages and even when it has been weighed, quantities removed as samples and as deductions in kind etc. render it difficult to establish any comparison. Generally there were few complaints about losses through weighment. The Khanewal investigator states that he has verified from the records of buyers that *kapas* sold by village *banias* weighs from $\frac{1}{2}$ to 1 *seer* per *maund* less on arrival in factories, but this might easily be accounted for by dryage.

**Comparison of
Village and
Market
Weighments.**

In all cotton markets every seller of *kapas* has to pay a variety of cesses in addition to "*arat*" or commission. The *artia* or **Deductions.** commission agent pays all the cesses and recovers the amount from the sale proceeds due to his constituents.

Statement 4* shows the fees and cesses paid by cotton sellers in different markets. From the figures it will be seen that there is no uniform scale of charges. They vary both in cash and kind even within the same market. They are lowest in Sonapat (Rs. 0-12-0 per cent.) and highest in Lyallpur (Rs. 3-7-3 per cent.) The average of all charges comes to Rs. 2-4-10 per cent.

This varies in different and even in the same markets from Rs. 0-8-0 to Re. 1- per cent. The reasons given for variations **Ccommission.** in the same market are :—

I would remark that Khanewal practices do not prevail everywhere. In many of the factories visited by me the scales and weights were the property of the factory owner I now find, however, from further enquiries that the Khanewal practice is becoming more common.

If a seller suggested that he should be allowed to check weights, the factory owner or his agent would probably regard such a request as an insult and ask him to take his stuff away.

I requested permission to check the weights of one factory against the standard weights kept in the factory for the purpose. A 56 lbs brass weight was produced while all the weights to be tested were half *maund* weights, so no true test could be made.

The Royal Commission on Agriculture made enquiries into the matter; their opinion is given in para 339 page 396 of their Report.

*Vide Pages 38, 39, 40.

- (a) When sellers have borrowed money from *artias* the rate charged is above the average.
- (b) When sellers have not borrowed money from *artia* ordinary commission is charged.
- (c) When sellers have not borrowed money from *artias* but allow their sale proceeds to lie with them for some time then the commission charged is below the normal rate.

In Kot Radha Kishan market the rates charged are higher than in any other market recorded. One reason for this may be that no deductions are made for charitable purposes. Co-operative Commission shops generally charge a fixed rate of commission in each *mandi* and as a general rule it is less than that charged by *artias*.

These charges vary from Rs. 0-5-0 to Rs. 0-15-0 per cent. in different markets. In some places such charges are paid in cash, **Weighing charges and labour.** in others in kind, or in both cash and kind. Deductions in kind are usually at the rate of one *seer* per cart or half a *chhatak* per *maund*.

This is a deduction made to cover loss in weight of *kapas* due to dampness, admixture of leaf, dust, etc. It is charged in kind at the rate of from $\frac{1}{4}$ to $\frac{1}{2}$ a *seer* per *maund*; or in cash from Rs. 0-2-0 to Rs. 1-5-3 per cent on the value of the *kapas*.
Kartu.

In some markets these charges are levied separately, in others they are not. They vary from Rs. 0-0-3 to Rs. 0-1-9 per cent. **Dharmao and Gawshala.** They are collected for charitable purposes but it is alleged that only a small proportion of the money thus obtained is legitimately used. In some cases it is reported that *artias*, by the precept of letting charity begin at home, utilise what is collected in this way for their pilgrimages to Hardwar, Benares, etc. Sellers invariably object to such deductions as they consider them unfair.

In some markets deductions are made for *dalali* and *shagirdi*. Such deductions vary from Rs. 0-1-0 to Rs. 0-4-0 per cent. **Dalali and Shagirdi.** *Shagirdi* means apprenticeship. *Artias* sometimes keep apprentices in their shops, the wages of such being deducted from the amount due to sellers.

A *dalal* is a man who buys produce on behalf of a ginner or merchant and he is invariably paid by the buyer and sometimes also by the seller. Besides acting as a buying agent he also supervises weighment in the factory and claims deductions on the grounds of inferior quality, low *kan* or lint percentage, etc.

Deductions in kind. Deductions in kind fall under three heads viz: Samples, *Changer* and Beggars.

Samples. A small quantity usually about one *seer* is taken from each cart by buyers and is not returned. Often a second unweighed sample is

STATEMENT 4 A.

Showing fees and cesses paid by Cotton Sellers in different *mandis*

District.	Market.	Cash Deductions.							
		Commis- sion or arat.	Labour & weighing charges	<i>Dharmao</i> <i>Gaoshala</i> or Miscel- laneous.	<i>Karta</i>	<i>Dalali</i>	Labour per maund.	Labour per cart	Total.
Lyallpur	Lyallpur	From 0-8-0 to 1-0-0 per cent.	From 0-5-0 to 0-12-6 per cent.	From 0-1-3 to 0-1-6 per cent.	Rs. 1-4 per cent. or $\frac{1}{2}$ sr. per maund	0-4-0 per cent.	0-0-3	0-2-0	Rs. 2-8-0 to 3-7-3 per cent.
	Chak Jhumra	0-12-0 to 1-0-0 per cent.	0-5-0 to 0-6-3 per cent.	0-0-3 to 0-1-3 per cent.	$\frac{1}{2}$ sr. per maund	0-1-3 per cent.	Cartage from <i>man- dis</i> to fac- tories 0-0-3 to 0-0-9 per <i>md.</i>	Unloading of <i>kapas</i> from carts 0-4-0 per cart or 0-0-3 per <i>md.</i>	2-3-6 to 2-9-9 per cent.
	Toba Tek Singh	0-8-0 to 1-0-0 per cent.	0-12-0 to 0-15-0 per cent.	0-0-6 to 0-1-6 per cent.	$\frac{1}{2}$ sr. per maund	..	..	..	Rs. 2-8-6 to 3-4-6 per cent.
	Jaranwala	0-8-0 to 1-0-0 per cent.	0-7-0 to 0-10-0 per cent.	0-0-3 to 0-1-6 per cent.	0-10-0 per cent.	<i>Dalali</i> & <i>shagirdi</i> 0-1-0 to 0-1-3 per cent.		..	1-10-9 to 2-6-9
Rohtak	Rohtak		Weighing charges $1\frac{1}{2}$ pies per <i>md.</i> or 0-1-0 per cent. approxi- mately.	<i>Dharmada</i> & <i>Gaw- shala.</i> 0-1-9 per cent.	6 <i>Chh.</i> per <i>md.</i> or 0-15-0 per cent.				1-1-9 per cent.
	Sonepat		-do-	-do-	4 <i>Chh.</i> per <i>md.</i> or 10 as per cent.				0-12-9 per cent.

STATEMENT 4A (Continued.)

District.	Market.	Cash Deduction.							
		Commis- sion or <i>arat</i> .	Labour & weighing charges.	<i>Dharmao</i> <i>Gaoshala</i> or Miscel- laneous.	<i>Karta</i> .	<i>Dalali</i> .	Labour per <i>maund</i> .	Labor per cent.	Total.
Lahore	Pattoki	0-12-0 per cent.	Weighmen and <i>Dhasmao</i> Rs. 0-11-3 per cent.		0-12-3 per cent.			..	2-3-6 per cent.
	Chunian	.. ..	Labourers and <i>Dharmao</i> Rs. 0-9-3 per cent.		0-9-0 per cent.			..	1-2-3 per cent.
	Kot Radha Kishan	1-7-0 per cent.	Weighman 0-10-9 per cent.		0-10-9 per cent.			..	2-12-6 per cent.
Multan	Khanewal		Cash for <i>arat</i> , weighing, cha- rity brokerage and cartage expenses to factory 1-9-0 to 1-15-0.		Cash Rs. 1-5-3 or $\frac{1}{2}$ sr. per <i>md.</i> <i>karta</i> & $\frac{1}{2}$ <i>Chh.</i> per sample		<i>Chungi</i> to 4 labourers at 1 <i>Chh.</i> each or $\frac{1}{2}$ <i>seer</i> per <i>maund</i> .		Average 2-7-3 per cent.
	Mian Chanun	Average 1-7-3 per cent.	Rs. 1-9 to 1-15 per cent. plus 0-2-0 per <i>bora</i> for cartage to factory.		<i>Karta</i> $\frac{1}{2}$ <i>seer</i> sample 5 <i>srs.</i> per 100 <i>mds.</i> additional sample 1 <i>seer</i> per cart		—do.—		2-11-3 per cent.
	Jahania ..	Average 1-7 per cent.	Rs. 1-0 to Rs. 1-15 per cent. per <i>bora</i> for cartage to the factory.		1 <i>seer</i> per <i>md.</i> sample $\frac{1}{2}$ <i>Chh.</i> per <i>maund</i> .				3/0 per cent. 2-4-10

STATEMENT 4 B

Showing fees and cesses paid by Cotton Sellers in different *mandis*.

District.	Market.	Kind Deductions.			
		Sample	Changer	Beggar	Allowance during weighment
Lyallpur	Lyallpur	about 1 seer per cart.	About 1 seer per cart or -1-6 per cent	Handful <i>kapas</i> is given to each heggar	
	Chak Jhumra	....	1 seer to 2 seers or 0-1-3 per cent	—do—	
	Jaranwala	Sample and gate entry about 2 srs.	About 1 sr. or 0-1-6 per cent	Handful of <i>kapas</i> is given to each beggar	
	Toba Tek Singh	$\frac{1}{2}$ Chh. per maund.	$\frac{1}{2}$ Chhatak to 1 Chhatak per maund.		
Rohtak	Rohtak	Menials about 2 seers.			about 1 seer per maund.
	Sonepat	Menials about 1 $\frac{1}{2}$ seers			do.
Lahore	Pattoki	Chungi to menials	Rs. 0-3-0 per cent		Rs 0-5-6 per cent.
	Chunian	Brokerage & <i>Chungi</i> to sweeper etc. Rs 0-7-0 per cent.			Rs 1/- per cent.
	Kot Radha Kishan	Paledar 0-5-3 per cent.			
Multan	Khanewal				One seller paid allowance due to poor quality at Rs. 1-2-0 per maund.
	Mian Chanun Jahania				0-1-0 to 0-2-0 per md. paid by 4 sellers. One paid allowance at Rs. 3-1-0 per md. as his <i>kapas</i> was mixed with old.

taken in order to find out the *kan* or ginning percentage. In some cases a third sample is taken from the cart during weighment in the factory for the purpose of showing to the buyer in his office and is not returned.

Changer. This is labour employed during weighment to unload carts, etc. Such labour is usually paid for at the rate of one *seer* per cart or half a *chhatak* per *maund*.

Menials and Beggars.—These include *bhistis*, sweepers, the *artia's* cooks, delivery clerks, etc. Such people are usually given a handful of *kapas* but not necessarily from every cart.

In many markets buyers pay Rs. 0-8-0 per cent. to *artias*. In such cases *artias* are paid by both sides; their interests are thus divided. Such a

Double payment to artias: practice cannot but militate against the interests of the sellers who employ them.

Such allowances are very common and take the form of the buyer endeavouring to reduce the rate of purchase when some of the seller's *kapas* **Allowances** has been weighed into his godown on the plea that it is **claimed during** not up to quality. Such deductions may vary from **weighment.** Rs. 0-2-0 to Rs. 0-12-0 per *maund*.

There have been no complaints about sellers not receiving their money in full from *artias*. Owing to the system of conducting sales, however, they **Making** are largely dependent on their honesty. The *artias* **payment.** invariably make payment as soon as delivery of the *kapas* has been effected. Buyers, on the other hand, do not make payment to the *artias* until some days afterwards.

In some of the *mandis* investigated, particularly Lyallpur, most of the buyers or ginners have formed themselves into an association or pool for the **Purchasing** purpose of eliminating competition and regulating prices **Pool.** in their own interests. Lyallpur and Mian Channu, however, are the only markets surveyed in which such a pool has functioned satisfactorily throughout the whole season under review.

The particular association at Lyallpur has been in existence now for a number of years. At the commencement of each season a committee appointed by the members estimates the quantity of *kapas* which is likely to be available and decides on the number of factories and the particular ones which will operate for the season. The number operating this season was six out of a total of fifteen. Those owners whose factories were closed received compensation from a fund collected as follows:—For every *maund* of *kapas* purchased at Lyallpur buyers were compelled to contribute a sum of Rs. 0-4-0 to the pool fund. At Mian Channu Rs. 3/- per bale was contributed to the pool funds by all factories operating. The total amount thus collected was distributed between all factory owners, both idle and operating, in proportion to the number of gins owned by each.

The investigator states that in Lyallpur some of the idle factory owners were receiving as much as Rs. 300/- per day as their share of the pool funds. It may be noted in this connection that the deductions made in the market are the heaviest of those recorded running from Rs. 2-8-0 to Rs. 3-7-3 per cent.

In most of the markets under review the number of ginneries is in excess of present requirements and vigorous efforts are being made to form similar combines elsewhere. If such should materialise and function successfully the seller is likely to find himself placed in a much more unfavourable position than he is at present, and the intervention of Government may become a necessity. The ginning industry under existing conditions appears to be overcapitalised and the owners thereof are naturally making strenuous effort to shift the burden of depreciation and interest on their fixed but idle capital from themselves to the growers.

Summary of General Conclusions.

Although the inquiry was confined to eight villages in each district (nine in Rohtak) the results obtained may be accepted as of fairly general application in those parts of the Canal Colonies where perennial irrigation is available. Rohtak stands more or less by itself, and to a lesser extent so does the district of Lahore.

Of all the cultivators recorded.

	48	Per cent are Proprietors,
	32.9	„ „ Tenants,
and	18.9	„ „ Both Tenants & Proprietors.

The share system of tenancy is the most common, 72 per cent. of the tenants holding their lands on such terms on a yearly tenancy. 78.5 per cent. of the holdings average 25 acres in extent. The area under cotton in the districts of Lyallpur, Multan and Lahore averages 21.3 per cent. of the cultivated area of the holdings but only 8.4 in Rohtak.

Cultivators provide 55.5 per cent. of their own seed requirements. 24.4 per cent. being obtained from *sahukars*. 13.7 per cent. from Government Seed Agents and Farms and the remainder from other sources.

The bulk of the crop seems to be marketed during the months of December and January. There does not appear to be any desire on the part of cultivators to send it to the market. As a general rule sufficient cotton is marketed to enable cultivators to pay their land revenue and water rate which falls due on the 15th December. Over 80 per cent. of the crop was sold to the village *bania* and most of the remainder through commission agents in the markets. The reasons given for so disposing of it are:—

- (a) Advances have been taken from the *banias*.
- (b) The time lost and difficulties encountered in marketing the cotton.
- (c) Ignorance of market rates, market procedure and of the unreasonable deductions made by middlemen and buyers.
- (d) Lack of Municipal storage in markets, secret bargaining. *Artias* in some markets do store cotton for their constituents.

A certain amount of *kapas* was held up for higher prices, *viz.* 10 per cent. in Lyallpur, 4 per cent. in Multan, 4 per cent. in Lahore, and nil in Rohtak.

These figures cannot be taken as an index of what happens from year to year as during the past season rates have varied only very slightly. There was thus little or no inducement for cultivators to hold up their produce in the hope of obtaining better prices, even though finances might have enabled them to do so.

Of the total number of cultivators recorded 54.1 per cent or roughly half have taken advances for general purposes, of these 42 per cent. are proprietors and 61 per cent tenants.

The principal source of borrowing is the *sahukars* who have advanced 58.7 per cent. of the total amount borrowed. Landlords advanced 12.3 per cent. and Co-operative Societies 8.5 per cent.

The percentages of borrowings at the different rates of interest are:—

Without interest.	7.7 per cent.
Below 12 per cent.	11.65 „
12 to 16 per cent	14.42 „
16 to 20 „	34.05 „
20 to 30 „	26.9 „
Above 30 per cent	6.05 „

As the above figures show the general level of interest is high and the almost universal complaint of the cultivators recorded in this connection seems to be justified.

Markets are not subject to any kind of official control beyond a toll levied in a few places for their general upkeep. Special
Marketing markets for the sale of cotton do not exist anywhere in
Inquiry. the province.

As a rule the ordinary markets are managed by a *panchayat* or committee composed mostly of commission agents. They decide the amounts of fees and cesses to be paid by sellers. All ordinary cultivators are forced by circumstances to sell their produce through commission agents or find themselves boycotted.

Weighment of produce is generally done in the factories, *pucca* weights being used. Complaints about the weighmen acting in the buyer's interests are common, as are also those about weights used in weighing *kapas* being made heavier by means of hooks and iron rings attached to them.

Besides the common practice of bargaining under cover, two special purchasing systems have been developed in the markets in Multan District. These are:—

- (a) By a fixed contract.
- (b) By an open contract.

Both systems are described on page 35. Sales by auction occasionally take place; the produce in such cases being the property of large *zemindars* or co-operative Societies.

Deductions in all markets average Rs. 2-4-10 per cent. In addition certain deductions in kind are made varying from one to two *seers* of *kapas*.

Payment to sellers is promptly made on delivery of the *kapas*. An organisation of buyers termed a purchasing pool is functioning in certain markets to the detriment of cultivators. This is particularly the case in Lyallpur where the deductions are higher than in any other market investigated.

NOTE BY INVESTIGATORS

ON

EFFECTS OF POOL ON PRICES OF *KAPAS* IN NEARBY MARKETS TO LYALLPUR.

Lyallpur is the controlling market in the matter of rates for other markets in the district, vide investigators' reports on market inquiry for Lyallpur and Khanewal. It is the head-quarters of almost all the big firms and mill owners dealing in the trade of cotton and *kapas*. Consequently there is greater competition at Lyallpur than at any other market. The sub-agents of all firms, stationed at various markets including Khanewal receive instructions regarding purchase of cotton and *kapas* from Lyallpur. The Lyallpur quotations therefore carry as much weight for other markets as Bombay and Karachi quotations for Lyallpur and other markets remained nearly the same as pool system at Lyallpur did not end then and there but it also extended to other markets.

In addition to this, factory owners at Lyallpur also own factories in many other towns. The agents in charge of such factories do not purchase *kapas* unless they obtain instructions from the owners at Lyallpur. Prices in other nearby markets were therefore less than at Lyallpur except at Jaranwala where the rates were sometimes higher than those current at Lyallpur.

APPENDIX A.
VILLAGE QUESTIONNAIRE.

GENERAL FOR EACH VILLAGE.

To be ascertained at the Commencement of the Inquiry.

1. Name of Village.
2. Total cultivated area.
3. Area under cotton this year :—
 - (a) Irrigated from canal.
 - (b) Irrigated from other sources.
 - (c) Unirrigated.
4. Area under cotton last year.
 - (a) Irrigated from canal.
 - (b) Irrigated from other sources.
 - (c) Unirrigated.
5. How does this year's crop compare with last year's ?
6. Is the crop this year earlier or later than usual and by how much?
7. What is (are) the nearest cotton market (s) ?

What is the distance
and
is the road good, fair or bad?
8. Is there any storage accommodation for *kapas* in the village?
9. What is (are) the common system (s) of weights in use in the village for *kapas* ?

Lbs. avoirdupois = 1 *Maund* of *Kapas*.
Maunds. = 1 *Khandi* of *Kapas*.

(Information to be obtained from each cotton grower).

1. Village.
2. Name of cotton cultivator.
3. Is he a proprietor or tenant or both?
If a tenant, what is the nature of his tenancy?
(Money rent, share system, etc.)

4. Total area of his holding.
5. Area under cotton.
 - (a) Unirrigated.
 - (b) Irrigated from canal.
 - (c) Irrigated from other sources.
 - (state sources.)
 - (survey numbers)
6. Variety and area: (a) American.
(b) Desi.
7. Source of seed supply (Cultivator's own, *soukar*, Government Farm, ginnery, etc.)

1st PERIOD

From.....to

Dates of investigator's visits to the village.

1. Has any advance been taken-up-to date?
If so, give reasons for the advance.

2. How much did you actually receive?

Include any advance in seed taken.

3. What amount have you undertaken to repay?
4. Rate (or rates) of interest.
5. Source of advance. (Landlord, Co-operative Society, *Soukar*, Cotton trader, etc.)

If advances have been taken from more than one source, give amounts and rates of interest from each source separately.

6. Is there any bond or verbal undertaking to sell *kapas* through the lender or to the lender?

7. Is the crop already sold, and the price fixed either on acreage or weight?

If so, to whom?

and
on what date (s)?

2nd PERIOD.

From.....to

Dates of investigator's visits to the village.

1. How much *kapas* has been picked so far?
(Reply approximately, in *maunds*.)
2. Has any advance been taken on this *kapas*?

3. If so, how much?

From whom? (*Sowkar*, Landlord, *Dalal*, middleman, ginowner etc.),
and
under what conditions?

4. Has any *kapas* been actually sold?

Give amount in *maunds*.

If so, to whom? (Petty merchant, *dalal*, *sowkar*, ginowner, etc.)
and where?
and when? Dates of sale (s).

5. Has the money been received for this *kapas*?
(Enter date of recording this reply).

6. What was (were) the rate (s)? (If there was more than one rate
of sale give amount sold at each rate).

7. What was the money actually received?

8. Where was the *kapas* delivered?

(Locally i.e., in village or elsewhere. Give name of place or market.)

How far away? (Miles)

Who paid for cartage?

(Seller or purchaser).

3rd PERIOD.

From.....to
Dates of investigator's visits to the village.

1. What was the total quantity (in *maunds*) of your whole crop of
kapas?

2. How much now remains with you?

3. Have you received the whole money due on the *kapas* sold?

(Enter date of recording this reply).

If not, how much is outstanding?
and

from whom?

4. How much (*maunds*) *kapas* was sold:—

(a) Locally i.e., in village?

(b) In market.

(c) Name of market and distance from village.

(5) What are the rates received for your:—

(a) Local i.e., village sales?

(b) Market sales?

and

on what date (s), were they made?

6. If sold in the market, was the sale made through a broker?
Was the cotton sold outright or deposited with an *artia*, *dalal*, *sowkar*, or *bania* for sale?
7. Did you ascertain the market rates before selling?
If so, from what source?
8. Has any advance been taken on the *kapas* remaining with you
If so, how much?
and
From whom?
and
under what conditions?
9. What rate (s) are you now offered for this *kapas*?
(Enter date and actual market rate of the same day).

GENERAL

Note for investigators.—The investigator should carefully explain the following questions to the cultivators under examination and should enter his actual replies only. If the cultivator has no reply to offer, leave the answerspace blank.

Enter here such information as can be obtained about difficulties in marketing, in finance, and in holding for higher prices.

1. Would an open cotton market with open prices be an advantage to you?
If so, how?
 2. Is there any difficulty in:—
(a) knowing the rate at which your agent sells your *kapas*?
(b) in recovering the full money?
 3. Are deductions made from the price?
(All deductions should be entered; not only the ordinary market deductions for *hamali*, *dalali*, *dharmadai* etc., but also deductions made during weighing on account of bad quality, etc., Deductions in kind should also be recorded here. Get records of actual cases whenever possible).
If so, what are they said to be for—and what rate (s) is (are) charged?
 4. If you take your *kapas* to market and cannot get a good rate for your cotton, what do you do with it?
-

APPENDIX B.

INFORMATION TO BE OBTAINED EACH DAY.

1. Name of market.
2. Date.
3. The market rate.
How and when fixed?
Was it posted or announced in the market?
4. Any change in the rate during the day?
Were these posted or announced?
5. Were any Bombay rates posted up?
If so, what rates?
and when?
6. Approximate arrivals of *kapas* during the day.

INFORMATION TO BE OBTAINED FROM EACH INDIVIDUAL
BRINGING *KAPAS* TO MARKET FOR SALE.

1. Date.
2. Was the *kapas* grown by you ?
or have you bought it?
3. From what village brought?
Distance in miles.
Road metalled or not.
4. What weight of *kapas* have you brought?
5. What is the rate which you have accepted?
6. What money have you received?
7. To what deductions have you agreed?
8. Have you taken any advance?
and if so, of what amount
and from whom?
(i. e. *sowkar*, *dalal*, cotton trader etc.)

GENERAL INFORMATION TO BE OBTAINED FROM EACH MARKET.

1. How is the market managed? Attach a copy of any local by-laws or rules regulating trading in *kapas* or cotton.
2. Is there any local Market Committee of any kind, if so, who are the members? What are their occupations?
3. Describe in detail how sales are conducted.
4. Can cultivators bringing *kapas* to the market sell direct or employ brokers?

6. If sold in the market, was the sale made through a broker?
 Was the cotton sold outright or deposited with an *artia*, *dalal*, *sowkar*, or *bania* for sale?

7. Did you ascertain the market rates before selling?
 If so, from what source?

8. Has any advance been taken on the *kapas* remaining with you
 If so, how much?
 and
 From whom?
 and
 under what conditions?

9. What rate (s) are you now offered for this *kapas*?
 (Enter date and actual market rate of the same day).

GENERAL

Note for investigators.—The investigator should carefully explain the following questions to the cultivators under examination and should enter his actual replies only. If the cultivator has no reply to offer, leave the answer space blank.

Enter here such information as can be obtained about difficulties in marketing, in finance, and in holding for higher prices.

1. Would an open cotton market with open prices be an advantage to you?
 If so, how?

2. Is there any difficulty in:—

- (a) knowing the rate at which your agent sells your *kapas*?
- (b) in recovering the full money?

3. Are deductions made from the price?
 (All deductions should be entered; not only the ordinary market deductions for *hamali*, *dalali*, *dharmadai* etc., but also deductions made during weighing on account of bad quality, etc., Deductions in kind should also be recorded here. Get records of actual cases whenever possible).

If so, what are they said to be for—and what rate (s) is (are) charged?

4. If you take your *kapas* to market and cannot get a good rate for your cotton, what do you do with it?

APPENDIX B.

INFORMATION TO BE OBTAINED EACH DAY.

1. Name of market.
2. Date.
3. The market rate.
How and when fixed?
Was it posted or announced in the market?
4. Any change in the rate during the day?
Were these posted or announced?
5. Were any Bombay rates posted up?
If so, what rates?
and when?
6. Approximate arrivals of *kapas* during the day.

INFORMATION TO BE OBTAINED FROM EACH INDIVIDUAL
BRINGING *KAPAS* TO MARKET FOR SALE.

1. Date.
2. Was the *kapas* grown by you ?
or have you bought it?
3. From what village brought?
Distance in miles.
Road metalled or not.
4. What weight of *kapas* have you brought?
5. What is the rate which you have accepted?
6. What money have you received?
7. To what deductions have you agreed?
8. Have you taken any advance?
and if so, of what amount
and from whom?
(i. e. *sowkar*, *dalal*, cotton trader etc.)

GENERAL INFORMATION TO BE OBTAINED FROM EACH MARKET.

1. How is the market managed? Attach a copy of any local by-laws or rules regulating trading in *kapas* or cotton.
2. Is there any local Market Committee of any kind, if so, who are the members? What are their occupations?
3. Describe in detail how sales are conducted.
4. Can cultivators bringing *kapas* to the market sell direct or employ brokers?

5. What is the system of buying? Do buyers buy direct or employ brokers?
 6. Do brokers and *artias* act for both buyers and sellers?
 7. Do buyers give advances against *kapas* deposited for sale if so, what percentage of the value and at what interest.
 8. If daily (or opening) rates are fixed, how is this done, and how are they announced?
 9. Are Bombay or other rates posted in the market regularly? If so what rates and how obtained?
 10. Are there any arrangements for storage in the market?
Is *kapas* stored in *artias*' shop, or godown, or in ginning factories, on sellers' account?
 11. Do the market records show daily arrivals? Compile a statement of daily and monthly arrivals for last season from the records available and of prices for the same dates.
 12. State the system of weighment in use. Are there any complaints from cultivators about weighment; if so, what?
 13. How is the weighman paid and how much? By whom is he employed?
 14. What are the allowances and deductions customary in the market? Is there any complaint from sellers that these are unfair?
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APPENDIX C.

Statement giving particulars of villages selected for Cotton Finance and Marketing Enquiry in the Punjab.

Name or District.	Serial No.	Name & Nos. of <i>chaks</i> or villages.	Agricultural tribe.	Original home District of cultivators.	Type of cultivators.	No. of cultivators in village.	Nature of water supply.	Nearest local markets.	Distance from markets. Miles.	Kind of road and means of transport.	Remarks.
Lyallpur ..	1	197 R. B.	Arain Mohammedan	Jullundur	<i>Abadkars</i>	68	Perennial canal.	Lyallpur and Chak Jumra	7 both ways.	Fair <i>Kachcha</i> . By cart.	
	2	263 R. B.	Jat (Sikh)	—do.—	—do.—	100	—do.—	Lyallpur	16	Good Metalled road. By cart.	
	3	110 J. B.	Mixed (Sikh Hindu and Mahommadens.)	Gurdaspur Jullundur and Delhi	<i>Sufedposh</i> mostly under tenants.	73	—do.—	Chak Jhumra	7	—do.—	
	4	213 R.B.	Sikh Jat (<i>Sufedposh</i>)	Different districts. Amritsar, Gurdaspur, Hoshiarpur and Sialkot.	—do.—	58	—do.—	Lyallpur	2	—do.—	
	5	43 G.B.	Jat (Sikh)	Amritsar	<i>Abadkars</i> .	46	—do.—	Gojra.	8	—do.—	
	6	67 G.B.	Kamboh (Sikh)	Jullundur	—do.—	93	—do.—	Jaranwala	8	—do.—	
	7	282 G.B.	Jangli (Mohammadens)	Local from Ravi side.	—do.—	70	—do.—	—do.—	15	Bad <i>Kachcha</i> . By cart.	
	8	2 J.B.	Jat (Mohammadens.)	Amritsar	—do.—	37	—do.—	Lyallpur	7	do.	

APPENDIX C. (Continued.)

Statement giving particulars of villages selected for Cotton Finance and Marketing Enquiry in the Punjab.

Name of District.	Serial No.	Name & Nos. of <i>chaks</i> or villages.	Agricultural tribes.	Original home district of cultivators.	Type of cultivators.	No. of cultivators in village.	Nature of water supply.	Nearest local markets.	Distance from markets. Miles.	Kind of road & means of transport.	Remarks.
Multan	1	78-15 L.	Jat (Sikh)	Ludhiana Sialkot.	Military grantees.	30	Perennial canal.	Khanewal & Mian Channu.	16 & 10	Kachcha road. By cart.	Progressive.
	2	115-15 L.	Sainis	Hoshiarpur	<i>Abadkars</i> .	70	—do.—	Mian Channu.	4	—do.—	
	3	17-8 R.	Jat (Sikh)	Jhelum Campbellpur.	Military grantees.	49	—do.—	—do.—	11	Good Kachcha. By cart.	
	4	113-10 R.	Mixed Arain Kamboh & Jats.	Different districts.	<i>Abadkars</i> .	29	—do.—	Jahania	1½	—do.—	
	5	105-15 L.	Sikh (Military Ranks.)	—do.—	Military grantees.	58	—do.—	Mian Channu.	8	Kachcha. By camel.	
	6	93-10 R.	Local <i>Abadkars</i> .	Janglis	<i>Abadkars</i> .	54	—do.—	Khanewal	5	—do.—	
	7	7-9 R. Hanuman-garh.	Jat Sikhs & Hindus	Ferozepur Multan.	Military grantees & <i>Abadkars</i>	60	—do.—	Khanewal Mian Channu	13	—do.—	
	8	Jiwand-singhwala (Tehsil Kabirwala)	Jat (Mahammden & Sikh mixed.)	Different districts.	Owners	29	Semi perennial canal.	Khanewal	12	Kachcha 4 miles Pacca 8 miles. By carts.	

APPENDIX C. (Continued.)

Statement giving particulars of villages selected for Cotton Finance and Marketing Enquiry in the Punjab.

Name of District.	Serial No.	Name & Nos. of chaks or villages.	Agricultural tribes.	Original home district of cultivators.	Type of cultivators.	No of cultivators in village.	Nature of water supply.	Nearest local markets.	Distance from markets. Miles.	Kind of road and means of transport.	Remarks.
Lahore	1	Ghaneko	Jat (Sikh)	Local	Peasant proprietors	61	Perennial canal	Kot Radha Kishan.	4	Kachcha. By cart.	
	2	Joia	Jat (Muslim.)	—do.—	Bhaya-chara.	29	i —do.— ii Wells iii Barani	—do.—	12	Kacha by camels ponies and donkeys	
	3	Chak 4 Viram.	Jat (Hindus).	—do.—	—do.—	64	Perennial canal.	Pattoki	3	Good metalled. By carts.	
	4	Baban Khai.	Arains	—do.—	—do.—	16	i Wells ii Barani	Chunian	10	Kachcha. By camels ponies and donkeys.	
	5	Chak 58 Fauji	Jat (Sikhs)	—do.—	Military Grantees.	33	Perennial canal.	—do.—	3	Kachcha. By carts.	
	6	Chak 6 Alipur.	Muslim Jats.	—do.—	Fatidari.	87	do.	Pattoki.	8	—do.—	
	7	Sham Kot Kuhna.	Jat (Sikhs).	—do.—	Bhaya-chara.	38	i Wells ii Barani	Kanganpur Pattoki	4 16	Kachcha. By camels. ponies and donkeys.	
	8	Bukkanke	Rajputs	—do.—	—do.—	44	i Wells ii Barani.	Chunian	5		

APPENDIX C. (Continued.)

Statement giving particulars of villages selected for Cotton Finance and Marketing Enquiry in the Punjab.

Name of District.	Serial No.	Name & Nos. of <i>chaks</i> or villages.	Agricultural tribes.	Original home district of cultivators.	Type of cultivators.	No. of cultivators in village	Nature of water supply.	Nearest local markets.	Distance from markets. Miles.	Kind of road and means of transport.	Remarks.
Rohtak	1	Pai	Gaur Brahmans	Local	Peasant proprietors	30	Perennial canal	Sonepat	11	Good metalled road. By Cart.	
	2	Thana Khurd.	Mixed Hindu Jats & Gaur Brahmans.	—do—	Proprietors and tenants.	32	—do—	—do—	9	—do—	
	3	Bhalaut	Jat (Hindus)	—do—	Peasant proprietors	123	—do—	Rohtak	7	—do—	
	4	Lahli	Rajputs (Mahomedans.)	—do—		69	do. and Barani	—do—	8	—do—	
	5	Selana	Jat (Hindus)	—do—	—do—	111	Perennial canal.	Rohtak & Sonepat	16 16	—do—	
	6	Bhainswan Khurd.	Jats (Hindus & Moh-ammadens)	—do—	—do—	55	—do—	Rohtak	17½	—do—	
	7	Rana Kheri.	do.	—do—	Village owned by one landlord therefore under tenants.	46	—do—	—do—	35	Bad Kachcha. By carts.	
	8	Pahrawar	Gaur Brahmans.	—do—	Peasant Proprietors	54	—do— and Barani	—do—	6	—do—	
	9	Garhi Ujale Khan	Rajputs (Muslims)	—do—	—do—	4	Perennial	—do—	19	Good Metalled. By carts	

APPENDIX D.

KAPAS CONTRACT FIXED

Contract No. 302, 20-2-1926.

Bought of A.B. hereinafter called sellers by C.D. hereinafter called buyers, the following *kapas* :—

1. Quantity:—*Mds.* 270 say two hundred seventy *mds.* of 40½ *seers* nett.

2. Quality :—New *palas* of the crop 1925-1926 production of 4-F. pure 2nd picking free from foreign matter, damage or stain and in dry sound and merchantable condition.

3. Price :—Rupees Thirteen annas three and pies nil viz. Rs. 13-3-0 per *maund* of 40½ *seers* nett.

4. Discount to buyers at 0-8-0 per cent Rupees.

5. Delivery.—The *Kapas* to be weighed over and delivery to be completed by the ——— next at the buyers' factory at ——— in one or more tenders.

6. The *kapas* to contain ——— *seers* cotton lint per *maund*. This is to be either estimated or agreed upon or to be ascertained by actual test of the samples by a machine gin with mutual allowances for every one *seer* lint over or under this basis at Rs. ——— per *maund* of *kapas*; fraction in proportion.

7. Terms of payment :—Cash after delivery and lint outturn being agreed upon as per clause 6, and account settled on completion of the full quantity contracted for.

8. If sellers shall commit a breach of any one or more of the provisions of this contract on their part to be performed and a claim shall arise or be made by buyers for damage resulting from such breach, buyers shall be entitled to retain all moneys to the extent of their claim, which at the date of such breach or subsequently thereto may be or become payable by buyers to sellers under this or any other contract or transaction and on their claim to damages for such breach being ascertained by agreement award or judicial decision buyers shall be entitled to appropriate the moneys which shall have been so retained by them against the damages payable to them under any agreement award or decrees that may be made or published or passed.

9. Should either party become insolvent or go into bankruptcy or into liquidation the other party shall notwithstanding any proceedings be entitled to immediately consider the incompleting portion of this contract cancelled at the day's rates (for ready if the time of delivery hereinbefore is already current or for forward if the said delivery still be so).

10. Any addition or alteration in any language other than English is void.

Sellers :

• Buyers :

Brokers :

APPENDIX E.

KAPAS CONTRACT UNFIXED.

Contract No. _____ Season _____ Made at _____
 Dated 15-12-1926.

Bought of A.B. hereinafter called Sellers, by C.D. hereinafter called
 Buyers the following *kapas* :—

1. Quantity :—Mds. 10— say ten *maunds* of 40½ *seers*.
2. Quality :—Produce of crop 1926-27, M/S Pure, 2nd picking.
3. Delivery :—The sellers will give delivery at _____ and complete this contract within a fortnight from the date of purchase.

4. Price :—The price of this contract is left unfixed until the 15-3-27 and sellers have the option of fixing same on any day upto and inclusive of the above mentioned date. It is mutually agreed upon that the price to be fixed by the sellers will be the rate offered by buyers at the moment of settlement, irrespective of any other price offered at any other time by the buyers themselves or by any other parties. Should the sellers neglect or fail to fix the price as above the buyers shall have the right to fix the price on the 15-3-27 at the rate at which they are buyers at the moment and the price so fixed is final and binding on sellers. The buyers do not undertake to inform the sellers of such settlement if the sellers reside at a place where the buyers have no recognised Agency.

5. If the buyers have no buying order from the day on which this contract has been entered into upon and including 15-3-27 then the sellers agree that the buyers have the right to settle the rate price of this contract at the first rate at which subsequently to the date mentioned in this clause the buyers may be prepared to buy.

6. Part Payment :—The buyers will pay to the sellers 75% of the actual value of the *kapas* taken delivery by them. This value to be computed at the rate at which buyers are prepared to buy on the day of delivery or at their option at any other rate.

7. The acceptance by the buyers of a quantity less than that contracted for shall not under any circumstances be taken to cancel the contract as to the balance to be delivered.

8. All other conditions as customary. Any addition or alteration in any language other than English is void.

Sellers :

Buyers :
