

Revenue (1898) Department.

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[Despatch Abstract.]

*Recording Proceedings of the Board of Revenue
communicating to all collectors for informa-
tion and guidance extracts in which the inter-
mediate relief works system is described.*

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

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To the Bd of Rev (Rev Sett) No 13-10-98

Intermediate relief-works.—Communicating to all Collectors for information and guidance extracts in which the — system is described.

PROCEEDINGS OF THE BOARD OF REVENUE
(REVENUE SETTLEMENT, LAND RECORDS AND AGRICULTURE).

Resolution—No. 327, dated 8th September 1898.

The accompanying extracts, in which the "Intermediate or gang piece-work system" of relief works is described, will be communicated to all Collectors for information and guidance. The original papers were communicated with B.P., No. 119, dated 12th March 1898, but it is thought that much trouble will be saved by bringing the essential parts thereof together.

2. The attention of all Collectors will also be drawn to the principles laid down by the Government of India for regulating expenditure on public works in time of famine.

3. All Divisional officers should be directed to make themselves fully acquainted with the principles set forth in these papers and the Chief Engineer will be asked to communicate them to all officers of his department for information and guidance.

(True Extract.)

Dy. Dir., L. Rds. and Agri.

To all Collectors (Divisional-officers—Tahsildars),
" the Chief Engineer.

Copy to the Secretary to Government, Revenue Department.

APPENDIX.

Letter from T. W. HOLDERNESS, Esq., I.C.S., Deputy Secretary to the Government of India (Department of Revenue and Agriculture—Famine), to the Secretary to the Government of Madras, dated Calcutta, the 13th February 1897, Cir. No. 16—104-L-F.

I am directed to forward, for information and guidance, copy of a memorandum in which are succinctly stated the leading principles regulating expenditure upon public works in time of famine.

2. Paragraphs 5 to 8 of the memorandum should be regarded as supplementing the provisions contained in the Provincial Famine Codes with regard to the expansion of "ordinary" public works and the opening of "test" works when distress is imminent or its extent and acuteness have to be ascertained. It is not proposed at present that the Famine Codes should be amended with a view to bring them into formal agreement (where this is necessary) with a memorandum as to the manner in which such works should be conducted. The statement of principles contained in the memorandum leaves in this respect a large discretion to Local Governments and Administrations, and any amendment of the Codes which may be required in this and other points will be more usefully undertaken when the experience of the present year can be brought under review.

3. Paragraph 6 of the memorandum refers to the "intermediate or gang-piece-work" system which has been experimentally adopted in the North-Western Provinces and Oudh.*

Principles for regulating expenditure upon Public Works in time of famine.

1. In districts where no distress exists, it is the general rule that expenditure upon public works, even within the limits of budget provision, should be contracted with a view to setting funds and establishments at liberty for employment when they are more needed. To this rule, however, exceptions may be made—

(1) where the works could not be contracted without risk of creating distress by reducing the local employment of labour;

(2) where the contraction of the works would result in returning to districts, where distress exists or is threatened, the labourers employed on them.

2. Where distress exists, it will be necessary to provide additional employment upon works. All such additional expenditure must be subjected to the relief conditions described below.

3. The essence of relief conditions is that the remuneration for work done must be so fixed as not to attract labour for which there is existing employment elsewhere. This condition must invariably be enforced. The method of enforcing it will vary with the degree of distress which prevails.

4. Where acute distress or famine prevails, so that the general population is affected, and it is necessary to provide employment not only for able-bodied labourers, but also for a large proportion of inefficient labour, task work must be rigorously enforced, nobody being allowed either to do more than the fixed task or to earn more than the fixed maximum wage. The former condition is necessary in order to economise the supply of useful work upon which labour can be employed; the second, in order to limit expenditure, since, when the dependants of a skilled labourer are paid separately, it is not necessary for purposes of relief to pay him more than a subsistence wage.

5. But when distress, though present, is not so acute as to drive on to the works a large proportion of inefficient labour or of persons unaccustomed to work, payment by results is more economical than task work; for so long as an able-bodied labourer can earn enough, under the conditions laid down in paragraph 3, to enable those of his family who do not work to live at home, he will support himself and them more cheaply than Government can do.

* *Vide* full description of later date and after longer experience of the system printed at page 4 below.

6. Payment by results may take the form, either of an expansion of ordinary works under the usual system of petty contracts, or of the intermediate or gang-piece-work system of the North-Western Provinces. The former is sufficient when distress is slight; but as the scarcity becomes more acute and threatens to deepen into famine, the latter should be substituted, since it secures proper remuneration to the individual workman, which, under the urgency of distress, the former fails to do.

7. If the rates offered are regulated by the principle laid down in paragraph 3, gang-piece-work will effectively gauge the intensity of distress, since it will afford to inefficient labour only a bare subsistence.

8. As soon, therefore, as the demand by inefficient labour for employment on these terms begins to be appreciable, additional test-works on the task-work system may usefully be opened; though at a sufficient distance from the piece-work works to ensure that if the man works at piece-work and his women and children at task work, they shall at least be compelled to live apart. These will provide for the women and children during the intermediate stage, while distress is *becoming* acute. As soon, however, as the demand by inefficient labour for employment upon either system becomes considerable, acute distress is present, and payment by results must then be discontinued and task work substituted for it.

9. It is conceivable that in any district there may be cases in which the rapid and efficient prosecution of a particular public work is of such importance as to justify a relaxation of the above conditions. Such instances will be rare, the works will be of magnitude, and each case will be decided upon its individual merits.

10. It is for Local Governments to judge of the local conditions in each case, and to justify to themselves or to the Government of India, as the case may be, the action to be taken under the principles thus laid down.

Letter from the Secretary to the Government of India, Department of Revenue and Agriculture, to the Secretary to the Government of Madras, Revenue Department, dated 3rd August 1897, No. 2628-F.—188-2.

I am directed to acknowledge the receipt of your letter, No. 431,* dated the 3rd June 1897, regarding the adoption in the Madras Presidency of the intermediate system of relief works introduced in the North-Western Provinces and Oudh.

2. The Government of India are very glad to learn that the Government of Madras have decided to introduce the piece-work system in Ganjam and into other affected tracts where similar conditions prevail. With regard to the last sentence of paragraph 6 of the order, which requires the replacement of piece-works by regular relief works if the demand of inefficient labour for employment is found to be considerable, I am to suggest, for the consideration of the Governor in Council, that even in the event of the demand for employment by inefficient labour being found to be considerable, it may not, on that account, be necessary to replace the intermediate works by regular relief works, unless both classes of works cannot be conveniently worked at the same time. If the piece-work system is affording employment to efficient, although distressed, labourers on satisfactory and economical terms, it may be possible to retain piece-work for them unless it is found that, without their assistance, no employment of any kind can be given to inefficient labourers.

EXTRACT from letter from the Government of the North-Western Provinces and Oudh describing the Intermediate System of Relief-Works, dated 10th July 1897.

2. To explain clearly the objects and the effects of the system, it is necessary first to make a brief survey of the circumstances, places and time of its introduction.

In the shape originally adopted, work under the intermediate system was distributed among piece-workers or gangers who were, in effect, petty contractors paying the labourers fixed wages and themselves remunerated by rates which allowed sufficient margin for their own labour and expenses. The works were, in fact, conducted

* Vide Madras G.O., No. 420, dated 3rd June 1897, at page 5 below.

on the ordinary system of public works with the large contractor eliminated and provision made for securing the employment and fair remuneration for labourers requiring relief. The plan was suggested by the circumstance that in certain less distressed districts where large railway and canal works were in progress, the people were for a time able to find support on them without the necessity arising for special relief works under the Famine Code system. Though possessing certain advantages, this early system was found to fail in one particular. The ganger or middleman had a direct object in employing only the most efficient labour, and in practice it was found impossible to always prevent the exclusion of weakly or inefficient workers who could not render a reasonably full task. The persons excluded were generally those who stood most in need of relief. Those who least needed assistance were able to earn much more than a subsistence wage, while those who most required it were sometimes unable to earn anything.

3. A modification was therefore introduced, at first in a tentative form in certain localities, by which the middleman was excluded and the work given out direct to the labourers by the official staff, who also measured up the work done and distributed the payment. This arrangement put an end to the complaints which existed against the system in its first form.

4. At the end of February, when field work was in abeyance, the relief works were thronged by great multitudes. Many of them could possibly have subsisted without this resource, but the Famine Code system offered no effective means or test which would exclude them. The number of dependants was also very great, and in the less distressed districts there was some reason to fear that the system was abused by the introduction of inefficient labourers and hangers-on whom the relatives that might have supported them found it convenient to throw on State support. The season was approaching when outbreaks of epidemic cholera might be expected. The collection of larger numbers in relief camps was therefore a source of danger which it became necessary to minimize. The presence of numerous idlers was also calculated to demoralize the working body. Moreover, the period of the spring harvest was approaching, when it was most essential that the labour required for gathering the crops should not be diverted to relief works. In the public interest it was most necessary that all available labour should be devoted to the harvest work, and that the State should be relieved of the cost of supporting those who could find employment when it commenced. The relaxation of prices and the addition to the food supply consequent on the harvest afforded other reasons for contracting the area of relief. Other measures—which need not be here narrated—were adopted to secure these ends. The success of the modified system of intermediate works indicated it as a useful auxiliary measure, capable of wide expansion. It was accordingly determined to introduce that system into all districts where distress was not acute in substitution of the full Famine Code system then in force. The period selected for commencing the change was the Holi festival (20th March), which marks the beginning of the harvest in these provinces, and when the works would be, and as a matter of fact practically were, deserted by all those not actually dependent on them for subsistence.

Instructions were accordingly promulgated in Resolution No. 753 of 16th March, which resumed and repeated orders which had already been given at conferences and otherwise to the various officers engaged in relief operations, and the conversion commencing from the Holi was generally completed in all the selected districts by the beginning of April. Early in March considerable numbers had begun to leave the works to assist in getting in the spring harvest. The introduction of the intermediate system coincided with, or was followed by a further fall.

5. The objects aimed at in the modified form of intermediate works were—

- (1) to remove and exclude from relief works those who could find employment elsewhere or were not dependent on such works for their subsistence;
- (2) to get rid of such portion of the large number of dependants and useless workers as were a source of danger and demoralization, and whose friends, included in the preceding category (1), were able to support them;
- (3) to secure a better outturn of work for the money expended.

The first object would be gained by the imposition of a more stringent labour test and by the principle of payment by results. The intermediate system, though imposing a maximum wage limit, does not include any provision for the payment of a minimum wage irrespective of task, this minimum wage on full Code works being the most potent enemy of economy and discipline.

The second object would be furthered by permitting the able-bodied members of a family to earn enough to support their dependants as well as themselves, while the limitation on possible earnings would prevent competition with private employment or ordinary public works.

The various reports received from District and Divisional officers, show that, in the main, the system has proved capable of securing these results. The numbers have been kept down; the dependants and useless labourers have either disappeared or been limited to children whose emaciated condition required special aid; the outturn of work has been increased and the cost of it lowered; while sufficient relief has been afforded to the population of those tracts where the system has been enforced.

6. It was recognised that the system would not be suitable for districts where the distress was acute and widespread. In such tracts it was necessary to arrange works which would provide a moderate fixed task and a bare subsistence wage for each applicant. The piece-work system was therefore unsuited for such conditions. The intermediate system was accordingly restricted to those districts where distress was less severe and less extended. These comprised all districts, except Bundelkhand, South Allahabad and Hardoi. In only one small and doubtful case was it found desirable to revert again to the Code system.

7. But experience of its working led to two modifications of the scheme as defined in Resolution No. 753. Families coming on the works brought young children who were unfit for labour, but could not be separated from their relatives. It was observed in some localities that the condition of such children was bad, owing to neglect or indifference on the part of their parents. This phenomenon was not confined to intermediate works or due to any defect of the system. It was first observed on the Famine Code works, where the children received a dola sufficient for their support. It has even been noticed in the case of persons gratuitously relieved at their own homes. One of the unhappy effects of protracted scarcity has been to weaken the ties of domestic duty and parental affection, and to lead parents to divert to their own uses or to savings the relief provided for their children who were not required to work. Where this state of affairs has existed, the plan has been adopted on Code works of supplying young children with cooked food instead of a money dola. On intermediate works, where the necessity arose, discretion was given to Divisional officers to authorize the distribution of cooked food to young children and to add one pice to supplement the diet of nursing mothers. This was no doubt, as has been pointed out, a departure from the original principle, but as these children could not be removed from their parents and placed in poor-houses or on village lists, there was no alternative but to either acquiesce in their maltreatment or to provide them with a daily meal.

8. It was further discovered that the standard task laid down in Resolution No. 753, though suited for persons of ordinary physique, pressed hardly on persons who were infirm or in reduced condition. When such persons were employed to any substantial extent with effective workers, the outturn of work and the earnings of the whole party were reduced—a result which pressed unfairly on those who had themselves rendered a full task. Permission was consequently given in exceptional instances and localities to form these weaklings into separate gangs and prescribe a reduced task for them.

10. The question of wages and outturn of work is dealt with in the papers.

The figures are not so complete or accurate as a more prolonged experience and a more accurate scrutiny may be expected to afford; but they may be taken as showing that the average earnings have been higher and the average outturn of work considerably greater per head than under the Code system, while the cost of the work

has been substantially reduced. In considering these figures it must be remembered that under the Code system the workers and dependants receive a Sunday wage though no work is done. On intermediate works the Sunday holiday is observed and no wages are paid, but the rates are adjusted to enable the workers to earn enough by six days' work to support themselves and their dependants for seven days.

It would be difficult to reduce to arithmetical terms the margin of earning left to support the inefficient dependants of the workers under the intermediate system. But it can be safely affirmed that, with the modifications now adopted, the system does in practice afford sufficient maintenance for both, and there has been no deterioration in the condition of the people where the system is in force; in fact, they would compare favourably with the workpeople under the other system, though here, again, the relative intensity of general distress would have to be taken into account.

It may be observed that districts under the intermediate system have kept wonderfully free from cholera during the summer. The outbreaks have been few and mild. Among the larger numbers on Code works in the very distressed districts the cases of epidemic cholera have been more numerous, persistent and fatal.

11. The intermediate system undoubtedly requires very close supervision and control to secure successful results, and it necessitates the employment of a larger staff than the Code system. Even with this additional charge it has the advantage in economy of working. But these conditions also tend to render it unsuited for the very extensive works that must be maintained and the large masses of people who must be handled in the acutely distressed districts where the Code system is in force. But in the localities suitable for its operation it has proved adequate as a means of relief, efficient as a test, and effective and economical in securing a fair outturn of work at reasonable rates.

EXTRACT from letter from the Secretary to Government, North-Western Provinces and Oudh, to the Commissioner, Lucknow Division, dated the 6th April 1897, No. 937-S.—103.

2. This system does not contemplate the payment of non-working dependants, as the wages have been adjusted on the basis of 12 seers per rupee, so as to allow of the efficient workers in a typical family ordinarily earning sufficient to support the inefficient members of their family. But experience elsewhere has shown it to be possible that parents or relatives may, from indolence, indifference, or continued pressure of distress, fail to make necessary provision or provide suitable food for young children unable to work. It is impossible to provide for this class by bringing them on the village relief lists while their parents are on relief works. Should it therefore become apparent from their condition or appearance, or from any other substantial reason, that young children require some special provision for their relief on intermediate work, the course to be adopted is to open kitchens on the works and provide for the supply to them of a ration of cooked food on the scale laid down in article 101 or 102 of the Famine Code, that is, one-fourth of the ration allowed in the circumstances to an adult. The cost of the kitchens and food supplied will be charged against the work.

3. This provision will be confined to children out of arms, but under seven years of age. A cash dola of one pice should be given to a child in arms, as cooked food cannot be distributed to them, in which case it seems desirable to increase the food allowance of the mother. Adult male and female dependants should receive no gratuitous dola either in cash or food; they should, if necessary, be brought on the village relief lists or provided for in poor houses if they have no homes. Instructions on the subject have been laid down for the Fatehpur district in the Minutes of the Conference held by His Honour at Fatehpur on the 30th March, a copy of which will reach you in due course. You have discretion to introduce the arrangement on any of the relief works in your division where you may find it necessary to make some extra provision for child dependants. You are to regard these instructions as supplementary to those contained in my No. 753, dated 16th March, prescribing the system of intermediate works.

EXTRACT from letter from the Secretary to Government, North-Western Provinces and Oudh, to all Commissioners of Divisions and District Officers, North-Western Provinces and Oudh, dated the 14th May 1897, No. 1130-S. :—

It has been brought to the notice of the Lieutenant-Governor and Chief Commissioner that in some exceptional instances and localities a proportion of labourers seeking employment on intermediate works are from poor physique and reduced condition unable to execute the full standard task, or so much of it as will suffice at the prescribed rates to procure for them an adequate subsistence wage. His Honour has accordingly considered the best method of meeting these exceptional cases without making any general reduction of the ordinary rates which are found to make sufficient provision for the general body of labourers.

2. The method, which commends itself to Government is the formation of the weaklings into separate gangs, and the prescription for these infirm gangs of a reduced task which may be on a sliding scale, the *minimum* being fixed at 60 cubic feet in ordinary soil instead of the 100 cubic feet laid down as the standard in G.O., No. 753, dated 16th March 1897. The weakly gang would receive the full wage prescribed in ordinary gangs or 100 cubic feet on executing the reduced task if fully accomplished. The gang would further have permission to execute work and earn wages to the extent of 25 per cent. in excess of the reduced standard in order to provide for Sunday wage.

3. The Lieutenant-Governor and Chief Commissioner accordingly gives discretion to District officers to sanction this special arrangement in any intermediate work where, owing to the generally reduced or feeble condition of the people, the necessity is shown to exist. It should not be introduced merely on account of the occurrence of occasional cases of emaciation, for which provision can otherwise be made.

EXTRACT from Madras G.O., No. 430, Revenue, dated 3rd June 1897.

2. Section 16 of the Madras Famine Code recognises that in tracts where distress is just commencing, it may be desirable to expand, as a temporary measure, the ordinary works of the Public Works Department so as to give employment to larger numbers than usual, the labourers being employed on the additional works thus undertaken on the usual contract system at the rates prevailing in the labour market. Such additional works may in many cases be sufficient to meet all requirements in the earlier stages of distress, as demand for employment by inefficient labour will not then be appreciable and the earnings of able-bodied workers on the piece-work system supplemented by such additions as can be obtained in the villages by their women and infirm dependants will be sufficient for the maintenance of the whole family. Section 16 further contemplates that it may be necessary to modify the usual contract system on these ordinary works so as to admit of their giving employment to the largest number possible, contracts for small works or where possible for portions of large works being given to such heads of villages as can be relied on to give employment to their most needy fellow villagers. But when distress deepens and gives rise to demand for employment by inefficient labour, since the ordinary contract system fails to secure proper remuneration to the individual worker, one or more test works are to be opened to gauge the extent of distress and of the demand for employment under the conditions of the Famine Code.

3. The above appears also in the main to be the course prescribed in the North-Western Provinces Famine Code, but the experience gained in that province shows that in tracts where distress, though considerable, is not so acute as to drive on to the works a large proportion of inefficient labour, payment by results is more economical than the gang and task-work system of the Code which involves the payment of a subsistence wage to all workers however inefficient, besides the gratuitous maintenance of their children and infirm dependants. In view of the costliness of relief works and of the extreme difficulty of obtaining the large number of subordinate officers required for their supervision, the Government of the North-Western Provinces has adopted a system of works intermediate between ordinary and relief works, which are to take the

place of ordinary works when distress becomes pronounced, to be replaced in their turn by regular relief works when distress deepens into famine. These works are to be given out on the system of payment by results to piece-workers or gangers, preferably village headmen, at rates which allow them a fair remuneration for their trouble and expense, the proportion of the rates to be paid as wages to the workmen being fixed beforehand. The above is in effect, the modified contract system contemplated by section 16 of the Madras Code and the advantage of it is that it secures proper remuneration to the individual worker which, under the urgency of distress, the ordinary contract system fails to do, while at the same time it enables able-bodied workers to earn enough to maintain their women and children. But it gives the contractors and middlemen interposed between Government and the actual workers an inducement to employ only the more able-bodied labourers to the exclusion of the weakly who stand most in need of relief, and constant supervision involving expense is required to counteract this tendency. It has therefore been found that though suitable to less considerable works where distress is not general, the system is not adapted to large undertakings designed to afford relief to considerable numbers of unskilled labourers, and it appears * * * that the North-Western Provinces Government has found it necessary to adopt a modified form of it in which the Government deals directly with the labourers. The work is laid out, supervised and measured by Government officials, and tools where necessary are supplied by Government; but payments are made by results as under the piece-work system, and no dependants are recognised.

4. The Government has carefully considered the subject and is of opinion that the district of Ganjam is one in which strictly organized test and relief works fail of their intended objects, and that there and perhaps elsewhere also it is necessary to supplement the scheme of works as laid down in the Code by an intermediate system like the one described above. The Uriyas of Ganjam are as a class averse to sending their women to labour at the relief works and none but those belonging to the lowest classes send their children to the kitchens attached to the works; as the earnings of the actual workers are barely sufficient for their own maintenance, Government relief does not reach the women and children of the labouring classes and regular relief works fail of their object. Further it is reported that the people of the district dislike the discipline enforced on such works and will not resort to them unless reduced to great straits. The Koyas of the Bhadrachalam taluk similarly have a strong prejudice against relief works and refuse to accept employment at the Code rates though there is considerable distress among them now; and anxiety has been expressed in some quarters lest this prejudice should lead them to starve themselves. A similar reluctance on the part of the people to resort to relief works has been reported from Vizagapatam. On the other hand payment by results to which the people are accustomed is suited to their habits and tastes, and it appears from the correspondence forwarded by the Collector of Ganjam that the labourers in his district are anxious to have piece-work and willing to accept work at rates considerably below those allowed by the Public Works Department in ordinary years. The Government is of opinion that the proper policy to pursue under the circumstances is to offer relief in the form acceptable to the distressed population instead of waiting till by prolonged sitting they reduce themselves to such a low condition as to make them ready to accept employment on any terms. The intermediate system of payment by results offers the best solution of the difficulty and the experience gained in the North-Western Provinces shows that it is more economical than task work even at rates higher than those allowed by the Public Works Department in ordinary years.

5. The adoption of such a system is also rendered necessary by the concentration of relief works lately ordered by Government which involves the opening of petty village works and improvements for affording employment to people living at a distance from the works centres. These petty works cannot be carried on under the supervision of Government officials and must necessarily be entrusted to the agency of village heads or other middlemen. The system is therefore likely to prove advantageous not only in Ganjam but in all the affected tracts, and His Excellency the Governor in Council is of opinion that it should be adopted as an integral part of the scheme of famine-relief works. It is no doubt true that the system as originally

approved by the Government of India was intended to meet the earlier stages of distress and to be preliminary to the introduction of the regular relief works, but in the modified form in which it has been recently adopted in the North-Western Provinces it can advantageously be made use of even when distress becomes severe.

6. The scheme of relief works to be opened by Government will then stand as follows:—

- (i) Expanded ordinary works: ... To be carried out on the ordinary contract system.
- (ii) and (iii) intermediate works: to be carried out on the gang and piece-work system.
 - (ii) With the intervention of petty contractors.
 - (iii) Without the intervention of contractors, work being laid out, supervised and paid for by Government officials.
- (iv) Test and relief works: ... To be carried out under the Code conditions.

Class (ii) is the same as the modified contract system contemplated by section 16 of the Code, class (iii) works are called "intermediate" in accordance with the designation adopted in the North-Western Provinces, but the Government trust that in districts like Ganjam where the peculiar habits of the people may render such work necessary, they will be found adequate for the relief of distress in all its stages and will form an efficient substitute for relief works as organized under the Code. The laying out, supervision and measurement of work on this class of works should be undertaken by Government officials, and to prevent a too rapid exhaustion of the works it will be necessary to limit the amount of work to be assigned to each piece-working gang. The rates allowed on works of classes (ii) and (iii) must be so fixed as not to attract labour for which there is existing employment, and should be "such as to constitute a hard bargain even with the skilled labourer, and should be distinctly below what it would be necessary to give in order to attract labour in the absence of distress." It is also well to bear in mind that these works are opened on the supposition that under the system of payment by results an able-bodied labourer can earn enough to maintain himself and the non-working members of his family and that such works are therefore more economical than relief works. As soon therefore as it is apparent that there is a demand by inefficient labour for employment on the terms offered at these intermediate works, one or more works on the task-work system should be opened, and if such demand be found to be considerable the intermediate works should be replaced by regular relief works, or the labourers drafted to the nearest such works.

EXTRACT from Madras G.O., No. 72, Revenue, dated 7th February 1898.

3. The above proposals for an extension of works are based on the assumption that there is now in the district* undoubted distress requiring the interference of Government under the Famine Code; but since the Collector has as yet furnished little information regarding the tasks exacted from the workers, the Government is not satisfied that the works now in progress have proved the existence of such distress. The numbers on the works are no doubt on the increase, but this is no proof of distress unless the works are being carried on, as they should be, under deterrent conditions.

4. The Collector's programme consists of a number of scattered isolated works and if he is under the idea that it is in every case necessary to provide labour near the villages of the persons to be relieved, he is under a misapprehension. The Collector should be directed to take immediate steps to replace numerous scattered works by a few carefully chosen works of large size, providing suitable hutting accommodation for the workers who are unable to attend from their own homes. The Government is of opinion that, where labourers are provided with resident accommodation on the works, no distance within the limits of the same taluk, at all events, should be regarded as too great.

* Nellore is referred to.

5. The Government observes from the weekly season reports that persons who are not dependants of workers are being fed at the kitchens attached to the test works; the Collector will be instructed to discontinue this at once. In regard to the relief of dependants the Government has more than once expressed the opinion that it is inexpedient to supplement the wages at test works by the grant of gratuitous relief to dependants, but will not disturb the arrangements made by the Collector pending receipt of the detailed report on the condition of the district which the Commissioner of Revenue Settlement has been called upon to submit. The Commissioner will, however, be informed that no kitchens should be opened for the future in connection with test works, and generally that no gratuitous relief of any kind should be given without the previous sanction of Government except in connection with regular relief works carried on on the task-work system.

6. The works in progress at Narravada and Narramarella are road works, and if the intermediate system is suitable for any works at all in Udayagiri or Kanigiri, it must be suitable for these works. At the same time the preponderance of women and children in the numbers reported as on relief seems to show that any distress that there may be in these taluks cannot be severe. It is, therefore, not clear why the Collector should object to the system as unsuitable. The Government, of course, does not intend that the system should be adopted irrespective of local conditions which may render its introduction undesirable, but as the Collector's objection appears to be largely due to a misapprehension of the nature and scope of the system, it is necessary to explain in some detail what the system is, how its adoption is desirable in the early stages of distress, and how it can be worked with advantage and economy at almost any stage of distress.

7. As its name implies, the system is intermediate between the contract piece-work system of ordinary works and the task-work system of the Famine Code, and was originally intended for adoption in the early stages of distress on the score of its economy. In relief works carried out under the conditions laid down in the Code, employment has to be provided for the inefficient who, under the ordinary contract system, would never be taken on at all, and such works give in consequence a very poor result for a very large expenditure in money and trouble. When, therefore, distress, though present, is not so acute, as to drive on to the works a large proportion of inefficient labourers or of persons unaccustomed to labour, payment by results is more economical than task work; in other words, so long as an able-bodied labourer can earn enough by piece-work to enable those of his family who do not work to live at home, he will support them and himself more cheaply than Government can do. The piece-work rates should, however, be so fixed as to form a real test of distress and so as not to attract labour, for which there is existing employment elsewhere. The system, as originally framed in the North-Western Provinces, required the interposition of petty contractors or middlemen between Government and the actual labourers, but it was soon found that this arrangement, though suitable for less considerable works when distress was not general, was not adapted for large undertakings designed to afford relief to considerable numbers of unskilled labourers, and in the North-Western Provinces a modified form of it was consequently adopted, in which the State dealt directly with the labourers; the work was laid out, supervised and measured by Government officials, and tools, where necessary, were supplied by Government; but payments were made by results as in the original scheme and no dependants were recognized. The original scheme and this modified form correspond, respectively, to the works of classes (i) and (iii) mentioned in paragraph 6 of G.O. No. 430, dated 3rd June 1897. The former of these is the same as the modified contract system described in section 16 of the Madras Famine Code as suitable at the commencement of distress.

8. When directing the introduction of these two classes of works, the Government intended that they should be adopted only in the earlier stages of distress and should be replaced by regular relief works when the demand for employment by inefficient labour became considerable. But later correspondence received by Government since the above order was passed on the working of the system in the North-Western Provinces, shows that the modified form of the system latterly adopted in those

provinces has been found suitable for even advanced stages of distress and that, with suitable modifications and subject to certain limitations, it may be adopted with advantage in almost all stages. These modifications are—

(1) the distribution of cooked food to young children and the addition of 3 pies to supplement the diet of nursing mothers;

(2) the formation of weakly persons into separate gangs in exceptional cases. These modifications rendered a larger supervising staff necessary than on Code works, but the system was reported to be notwithstanding more economical. It was also found to be deterrent than Code works, but it was not suited to localities where distress was very severe and in these localities it had to be supplemented by Code works on subsistence wages.

9. It will be seen that the essence of the scheme is piece-work at rates which are somewhat less than the ordinary rates, or rather less than the ordinary rates raised with due regard to the prevalent high prices, but still sufficient to leave some margin for the support of dependants. It is of course not intended that the wage of each worker should vary with the number of his dependants; but only that the rates, while below full current rates, should be so fixed as to give a sufficient wage to an able-bodied labourer with an average family.

10. The system can, it is believed, be adopted on large as well as on small and petty works. It is to be distinctly understood that the adoption of the system does not mean the opening of petty village works, which the Collector has been directed to avoid, concentrating his operations on large works. In the event of distress becoming really severe, it may become necessary to open village works to supplement these central works; and where such village works are opened and assigned to village headmen or other middlemen on contract, the contract should be coupled with a condition that all applicants for employment shall be admitted and that the work shall be paid for at rates to be specified beforehand. When the system is adopted on large works, middlemen may be employed in the early stages or where the official staff necessary for supervision is not readily available, but the Government hopes that it will always be found possible to adopt the modified form of the system.

Extract from Madras G.O., No. 143, Revenue, dated 10th March 1898.

2. The Collector appears to regard it as a fundamental principle, that the responsible officials are not to interfere in any way with the formation of the gangs, that the workers may divide themselves into as many gangs as they like, turning out as inefficient, any individuals they choose and that "of necessity the system becomes a task-work, pure and simple, the moment we take upon ourselves to say how the gangs are constituted." The essence of the intermediate system is payment by results, and there can be payment by results to regulated gangs as well as to unregulated gangs. The officials should see that the gangs are of a proper size and properly constituted, and fix the tasks accordingly.

3. Among the arguments adduced to prove the unsuitability of the system, the Collector declares that it does not secure uniformity in the wages, that it does not provide for the subsistence of the worker and his dependants if he has a large number of them, and that it does not secure that the same amount of work shall get the same wage in different gangs. The intermediate system is not intended to achieve these objects, and it cannot be said that it fails because it does not. The system when properly administered fails, however, if the condition of the people depending on it is bad and deteriorates, as, the Collector says, is the case at Narravada. Now that the work at Narravada has been transferred to the Public Works Department, the effect of their management must be watched and if the condition of the people on that work goes on deteriorating, a reversion to the ordinary task system under the Code may be necessary.

4. The Collector also urges that the intermediate system leaves the inefficient to starve. On this subject the Collector will be referred to paragraph 8 of letter to the Government of India. If the inefficient are not very numerous, they should be distributed amongst the ordinary gangs; but if their numbers become unduly large, the Collector may form these weakly persons into separate gangs and prescribe a reduced task for them. Kitchens for distribution of cooked food to young children (under seven years of age) may also be opened when there is reason to believe that the parents are deliberately starving their children. This should, however, be done with caution, as parents who would otherwise treat their children well, may be tempted to take full advantage of the concession when it is once granted. The Collector should decide after careful consideration whether the establishment of a kitchen for children is necessary in the case of any particular work or not. He should also supplement the wage of nursing mothers by three pies a day.

EXTRACT from resolution of the Board of Revenue, No. 119, dated 12th March 1898.

2. In G.O., No. 430 of 1897, no regulation of the size of the gangs was prescribed, and as the Collector of Ganjam, on whose reference the order referred to was based, expressly said "the people are accustomed to work by piece-work in small gangs; the large gangs organised under the Famine Code militate against a good outturn," it was understood that workers were at liberty to form their own parties. This view was supported by the papers of the Government of the North-Western Provinces and Oudh to be found in G.O., No. 662 of 1897, quoted below:—

"Under the old system there was a minimum, and the difference between the maximum and minimum was so small that there was little or no inducement for the worker to exert himself. Under the intermediate system there is no minimum, and the workers are divided into family groups, and the head of the household is able to exercise a certain amount of control and more readily realizes that a short task brings a small wage and that a full task brings a full wage. One great drawback of the Code system was that the industrious were often punished on account of the lazy. The individual worker felt that no exertion on his part would enable him to earn the full wage if his fellow workers did not likewise exert themselves; hence a tendency to idle."

"The table is framed primarily to meet the case of a labour party (or family) consisting of a digger and two adult carriers."

The spirit of the scheme introduced in the North-Western Provinces seems to be lost as soon as any attempt is made to regulate the size of gangs.

Regarding the last extract, Government, in G.O., No. 435, dated 5th August 1898, observed that "it is obvious that a great deal of supervision and regulation can be effected without contravening the spirit of the scheme introduced into the North-Western Provinces."

* From the Secretary to Government, North-Western Provinces, dated 10th July 1897—vide page 6.

C. No. 6581

From the Board of Revenue (Sett.)

No. 327 Dated 8th September 1898.

FOR ORDERS.

To read

The Board communicates to Collectors extracts from papers in which the intermediate system of relief works is described.

2. The system is described as follows being the following papers: —

G.O.	$\frac{430}{3-6-97}$	(i)
G.O.	$\frac{662}{2-8-97}$	(ii)
G.O.	$\frac{705}{20-8-97}$	(iii)
G.O.	$\frac{72}{7-2-98}$	(iv)
G.O.	$\frac{143}{10-3-98}$	(v)
G.O.	$\frac{435}{5-8-98}$	(vi)

The Board gives extracts from the letters of the G.O. I and of the G.O. of the N.W.P. forwarded in G.O.'s (i), (ii) & (iii) and from G.O.'s (iv), (v) & (vi). The paper may be recorded.

RS
6-10-98

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11/10/98

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HEAD AGAIN G.O., No.
189

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LETTER OF GOVERNMENT.

WITH DITTO.

CASES NOT FILLED UP, BEING MEANT FOR DISPATCH
IN ORIGINAL.

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