CHAPTER NO. 1.
HISTORICAL BACK-GROUND OF
THE FAIR PRICE SHOPS
IN THE AKOLA DISTRICT.
CHAPTER I.

Historical Background of the Fair Price Shops in Akola District.

Introduction:

Before the dawn of Independence, the condition of the people of India was very miserable. They lived in poverty, and died in poverty. Before independence there were fairly frequent crops failures resulting in large scale migration, frequent and large number of starvation deaths, and unchecked exploitation of the population by the traders. In order to combat this horrible situation a serious thought was given to the question on food policy only after the separation of Burma in 1937. Thus after independence, in the preamble of the constitution of India it has been categorically stated as under.

"We the people of India having solemnly resolved the constituted India into Sovereign Socialist, Secular democratic, republic and to secure all citizens Justice, Social, Economic and Political."

It is further mentioned that there would be equality of status and of opportunity. This shows that the Govt. at the helm of affairs at that time had in mind to assure social equitable justice to all sons of the Soil.

In 1946 the condition of nearly 80% of country was that they used to remain half fed. Without food they used to work, without milk their children grew with torn clothes, their families used to live half naked, such was the pathetic condition. The aim of the govt.
was to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political would embody the national life.

The district of Akola is situated in the Amravati Division of Maharashtra State. It is surrounded by Amravati district, in the north-east, Yeotmal in the South-east, Parbhani in the South and Buldhana in the West. The district lies between 19.51' and 21.16' latitude and 76.38' and 77.44' longitude. It has a total area of 10,567 Sq.Kilometeres.¹

There are thirteen tehsils in the district, namely Akola, Barshi-takli, Akot, Telhara, Balapur, Patur, Washim, Risod, Malegaon, Mangrulpir, Manora, Murtizapur and Karanja. Akola district Fair-Price-Shops administration is done from district headquarters, Akola. Fair-Price-Shops administration is divided into fourteen zones. Akola tahsil is divided into Akola - Urban and Akola - Rural and remaining tahsil comprise one-one zone. There are 1204 fair-price-shops in the service of the residents of the Akola district.²

The east and west berar district were ceded by the Nizam of Hyderabad to the East India Company by the treaty of 1853. At this time Open Market System' was inforce. At this time the farmer was deproied of his

¹ Ed. Board, Maharashtra State gazetters, Akola Dist. P. P.1.
² Dec. 90 Food Supply Office, District Collector, Akola.
During various rules, Akola district administration had to feed the residents of the district in 1901. The administration of Akola district under Nizam rule had the responsibility to feed 7,52,066 people. Akola district was handed over to the East India Company and there after this district was handed over to the British Empire by the East India Company. In 1941 Akola district administration had to feed the population of 9,07,742 mouths, when the second world war was going on. In 1947 India attained Independence. Akola district was placed in the province of M.P.E.Berar state.\(^1\) In the census of 1951, the population of Akola district was 9,50,994. In 1961 as per the re-organisation of the state Akola district was merged into the state of Maharashtra. In the 1961 census, the population of Akola was 11,89,354\(^2\). At present as per the census of 1991 the population of Akola district is 22,14,271.

The population growth of Akola district since the time of Nizam's period was uneven. In the Nizam's period, the population growth rate was approximately 4%. During the British Administration the growth get fluctuated between one to ten percent. After the independence till Akola district was merged in the state of Maharashtra. The growth rate was constant at plus 3% immediately after the merging of Akola district in the Maharashtra state and government of Maharashtra declaring as an industrial district. The impact of this development was tremendous on the growth of population and hence forth the population increased at the rate of

1) Maharashtra State gazetters, Akola dist. P.P.510
2) Maharashtra State gazetters, Akola dist. 210
justice reward by the middle-men who paid him lower price for his produce whereas the consumer was also duped by the same Agence. This state of affairs received the attention of the British government who enacted the Hyderabad residency cotton and grain markets law of 1987. The enactment led to the establishment of markets at Akola, Akot, Washim, Karanja, and Murtizapur. This law and super-ceded by the act of central provinces and Berar Cottor Markets Act 1932, which was subsequently amended in 1937. This act was inforce upto 1963. In 1963 Maharashtra Agricultural Produce Marketing (Regualation) act was brought into force in Akola District.

World wars first and second brought the Economic depression resulting in controlling the supply of food grains to the consumers through control system. This government controlled system of supply of food grains to the citizens through government alloted Fair Price Shops. The reason for alloting Fair Price Shops was to distribute proper and equitable food grains, sugar and wheat products to the consumer and to have controll over prices. Akola district has one thousand two hundred and thirteen fair price shops in the year 1968-69 at various places in the district. All the thirteen block headquarters of the district have distributing system through the godowns located at their places. Commodities are distributed to Fair Price Shops. In 1968-69 the food grains valuing Rs. 1,79,91,333.57 were produced by the govt. and sold through the fair price shops at the cost of Rs. 71.50 P.Per Quintel.

1) Ed. Board Maharashtra State gazatters, Akola Dist. P.P. 482.
The rise in population since 1901 to 1991 was threefold. The real growth in population began in 1961 when the government of Maharashtra declared Akola as an Industrial District. Akola district's population in 30 years is 11,10,646. This growth in population is almost double. Hence the government had to double its distribution centre in the form of Fair-Price-Shops.

**Akola District under Nizam rule**:

In the medieval period the Akola district was a part of Berer. Ellichpur was the capital of Berer and hence Akola was ruled from there. In this period Akola was a very small village. Its local administration was carried out by Gram-Panchayat. At that time revenue collected from this area amounted to 24 lakhs rupees per year.

Under the Nizam's rule Akola district was always controversial because the land of Berer had many claimants, and they fought battles to gain control over it. Nizam had to withstand these onslaught to keep Berer under its control. The Hindus of this region considered the rule of Muslim Nizam as a stigma on them. The relatives of the Nagpur king tried to salvage Berer. Mogatrao of Shinde family tried to evoke the sentiments of the residents to fight for throwing of the Nizam rule. Mogatrao has hosted the Bhosle flag on the walls of Jamod of Akola district and made a fair stand there. The Deshmukhs and Deshpandes all assisted him. The continuous disturbances in the

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2) Ibid.
Berer forced Nizam to take assistance from the British irregular forces to protect Berar. The irregular forces were organised at the instance of the British resident. Nizam had to take loan from Pranmal Messes Pestanji and company and later on from Raja Chandulmal to finance the army to fight the Berar rebellions. These continuous expenditures on were made Nizam bankrupt. In 1845 and in several succeeding years the pay of the Nizam's irregular forces, maintained under the treaty of 1800 had to be advanced by the British Govt. In 1850 it had fallen again into heavy arrears. There were other unsatisfied claims of the British government on the Nizam, and his whole debt amounted to 45 lakhs in 1853. The bankrupt of the Hyderabad government disorganised their administration. The non-payment of the troops continued to be serious political evil. Lord Dalhousie, in April 1853 the resident, under the orders of the government of India placed before the Nizam a proposal of a new treaty.

This treaty concluded on 21st. May 1853 laid down that 'In lieu of the present contingent the company agreed to maintain an auxiliary force to be paid from Nizam's revenue and entitled the Hyderabad government to provide for the regular payment of this force and certain obligations'. The Nizam agreed to assign district yieldings an annual gross revenue of 50 lakhs of rupees. Thus the province of Berar and the districts of Osmanabad and Raichur were taken over by the East India Company and these regions passed under its direct administration.¹

Akola District under the British rule:

Lord Dalhousie directed his residents in Hyderabad to place government of Hyderabad to pay the debt as early as possible. The inability of the government of Hyderabad resulted in the form of the proposal of a new treaty. This treaty was concluded on 21st. May, 1853. As per this treaty the Nizam agreed to assign districts yielding an annual gross revenue of 50 lakhs of rupees for the maintenance of the East India Company's forces stationed in the Nizam state.

The Jagir of Berar was used by East India Company from 1853 till the treaty of 1861. Even the Independence war of 1857 had no impact on the Berar. After this war Berar was reconstituted into East Berar and West Berar. Akola was the headquater of West Berar. In 1864 West Berar district was divided and the new south-west Berar district was formed. This district was known as the Mehekar district and later on 1867 it was named as the Buldhana district. In 1868 Washim district was formed while, Achalpur and Mehekar which had been one time districts were abolished. An agent of the resident of Hyderabad was posted at Amravati for the better administration of the Berar. The Britishers restored the administration of the Berar and the exodus due to the mismanagement of the Nizam rule was in forced totally stopped, with the improvement in the administration in the district of the Berar.

The People of the Berer demanded the establishment of local self government. The demand was
accepted in 1881 by the Berar govt. and all the towns having the population of 5000 and above were authorised to establish municipal committees under the supervision of the deputy Commissioner. Who will appoint five members who will look after the cleanliness and other matters of the town.\footnote{1}

The Municipal Act 1883 was extended to Berar in 1887 and district Boards were established. Washim district board was the first body of this kind established on 3rd. December 1889\footnote{2}.

Nizam leased Berar for 25 lakhs rupees per year to the British Government. The agreement was signed by Lieut. Cal. Sir David Barr, for the British Govt. and Maharaja Sir Kisan Prasad on behalf of the Nizam of Hyderabad. Lord Curzon placed Berar in Central Province and Berar Presidency came into existence. The Chief Commissioners from time to time of this presidency had to maintain peace and order in Akola district to curb or face the political movement for the independence. At last India attained independence on 15th. August, 1947.

**GOVERNORS - GENERALS AND VICEROYS.**

1) Governors - General of Fort William in Bengal.

(Regulating Act of 1773)

1774 \( \text{(20 October)} \) - Warren Hasting.

1785 \( \text{(8 February)} \) - Sir John Macpherson.

\footnote{1}{Maharashtra State gazetters Akola district PP - 180}

\footnote{2}{Ibid. PP - 181}
<table>
<thead>
<tr>
<th>Year</th>
<th>Date</th>
<th>Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1786</td>
<td>(12 September)</td>
<td>Earl (Marquess) Cornwallis.</td>
</tr>
<tr>
<td>1793</td>
<td>(28 October)</td>
<td>Sir John Shore (Lord Teignmough).</td>
</tr>
<tr>
<td>1798</td>
<td>(17 March)</td>
<td>Sir A. Clark.</td>
</tr>
<tr>
<td>1798</td>
<td>(18 May)</td>
<td>Earl of Mornington (Marquess Wellesley).</td>
</tr>
<tr>
<td>1805</td>
<td>(30 July)</td>
<td>Marquess Cornwallis (For the Second time).</td>
</tr>
<tr>
<td>1805</td>
<td>(10 October)</td>
<td>Sir George Barlow.</td>
</tr>
<tr>
<td>1807</td>
<td>(30 July)</td>
<td>Baron (Earl of) Minto I.</td>
</tr>
<tr>
<td>1813</td>
<td>(4 October)</td>
<td>Earl of Moire (Marquess of Hastings).</td>
</tr>
<tr>
<td>1823</td>
<td>(13 January)</td>
<td>John Adams.</td>
</tr>
<tr>
<td>1823</td>
<td>(1 August)</td>
<td>Baron (Earl Amhenst).</td>
</tr>
<tr>
<td>1834</td>
<td>(16 June)</td>
<td>Lord William Cavendish-Bentinck.</td>
</tr>
<tr>
<td>1835</td>
<td>(20 March)</td>
<td>Sir Charles (Lord) Matcalfee.</td>
</tr>
<tr>
<td>1836</td>
<td>(4 March)</td>
<td>Baron (Earl of) Auckland.</td>
</tr>
<tr>
<td>1842</td>
<td>(28 February)</td>
<td>Baron (Earl of) Ellenborough.</td>
</tr>
<tr>
<td>1844</td>
<td>(15 June)</td>
<td>William Willberforce Bird.</td>
</tr>
<tr>
<td>1844</td>
<td>(23 July)</td>
<td>Sir Henry (Viscount) Hardinge.</td>
</tr>
<tr>
<td>1848</td>
<td>(12 January)</td>
<td>Marquess (Of Dalhousie).</td>
</tr>
<tr>
<td>1856</td>
<td>(29 February)</td>
<td>Viscount (Earl) Canning.</td>
</tr>
</tbody>
</table>

**GOVERNORS - GENERAL OF INDIA.**

*(Charter Act of 1833)*
III GOVERNORS - GENERAL AND VICEROYS.

(Govt. of India Act. 1858)

1858 (1 November) Viscount (Earl) Canning.
1862 (12 March) Earl of Elgin and Kincardine I.
1863 (21 November) Sir Robert Napier
  (Baron Napier of Magdala).
1863 (2 December) Sir William T. Dension.
1864 (12 January) Sir John (Lord) Lowrence.
1869 (12 January) Earl of Mayo.
1872 (9 February) Sir John Strachey.
1872 (23 February) Lord Mapier of Merchistown.
1872 (3 May) Baron (Earl of) Northbrok.
1876 (12 April) Baron (Earl of) Lytton - I.
1880 (8 June) Marquess of Ripon.
1884 (13 December) Earl of Dufferin
  (Marquess of Dufferin and Ava)
1888 (10 December) Marquess of Lansdowne.
1894 (20 January) Earl of Elgin and Kincardine II.
1899 (6 January) Baron (Earl) Curzon of Kedleston.
1904 (30 April) Lord Ampthill.
1904 (13 December) Baron (Marquess) Curzon of Kedleston (Re-Appoint).
1905 (18 November) Earl of Minto II.
1910 (23 November) Baron Harding of Penshurst.
1916 (4 April) Baron Chetmsford.
1921 (2 April) Earl of Chetmsford.
1925 (10 April) Lord Lytton II.
1926 (3 April) Lord Erwin.
1929 (29 June) Lord Goshen.
1931 (18 April) Earl of Willington.
India's Independence and the challenge of the
Economic crisis and the Partition.

India's Independence movement forced British
government to take decision regarding India's
Independence after the second world war under forced
circumstances even with standing the opposition of Winston
Churchil, the British Parliament passed the independence
bill of India. As per this Independence Act of India,
Pakistan and the Princely States were given Independence.
India became sovereign Independent state on 15th August,
1947. On this date hundreds of Princely states were
merged in it. The state of Nizam. The state of
Junagad, and state of Jammu and Kashmir were included in
it in the later date through either Police or military
action.

One of the immediate results of the independence
and partition was the communal upheaval of unprecedented
magnitude in western Pakistan and East-Punjab, Delhi and
surrounding areas. This led to vast migration from one
country to another and problems of colossal magnitude had
to faced by newly Independent India. Powerful
disruptive forces were at work and the first objective of
the government was to meet this menace, which might have
put an end to out unity and freedom and all ordered of

1) Origin and development of legal and political system
in India. Volume - II P.P. XVI
government. The Government also had to face the tremendous problem of looking after millions of dispossessed persons, most of whom had lost everything and were reduced to destitution. At the same time govt. had to help in building up structure of Independent India, which had been badly shaken up in a variety of ways by the Partition.

The fight against poverty and unemployment and the attempt at the economic betterment of the people thus became major objective for India, thought of bringing in force the First Five Years Plan, which was chalked out by the Planning Commission of India.¹

Akola district at the impact of the happening on its population. At the time of partition hundreds of Muslims left their homes to reach Pakistan. The refugees from Pakistan who reached Akola district were rehabilitated in Akola city and in some of the other towns of the Akola district. At Akola city the rehabilitation of the refugees from Pakistan was done in the Khadan area, which is now known as Sindhi Camps. The growth of population at this time in the town was due to the rehabilitation of the Sindhis.

The date regarding the rehabilitation is now available because this rehabilitation took place in 1947 to 1951. As such the variation of the population during the 1941 to 1951 will make the picture clear about the growth of population due to the peramanent resident of Sindhis, in Akola district and its important town. The data is given in the following table.

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¹ Nehru J.L. India's Independence and social revalution. P. 100.
-: TABLE - 1 :-

Growth of Population.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the town</th>
<th>Pop. 1941</th>
<th>Pop. 1951</th>
<th>Decade variation in number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Akola city</td>
<td>62564</td>
<td>89606</td>
<td>+ 27042</td>
<td>+ 43.00</td>
</tr>
<tr>
<td>2.</td>
<td>Akot</td>
<td>22465</td>
<td>24255</td>
<td>+ 1790</td>
<td>+ 7.97</td>
</tr>
<tr>
<td>3.</td>
<td>Karanja</td>
<td>18126</td>
<td>22094</td>
<td>+ 3972</td>
<td>+ 21.91</td>
</tr>
<tr>
<td>4.</td>
<td>Washim</td>
<td>17928</td>
<td>18763</td>
<td>+ 835</td>
<td>+ 4.68</td>
</tr>
<tr>
<td>5.</td>
<td>Murtizapur</td>
<td>12636</td>
<td>15352</td>
<td>+ 2716</td>
<td>+ 21.49</td>
</tr>
<tr>
<td>6.</td>
<td>Akola Dist.</td>
<td>171933</td>
<td>210232</td>
<td>+ 38299</td>
<td>+ 22.02</td>
</tr>
</tbody>
</table>

From the above table it is clear that maximum Sindhis who came from Pakistan were settled in large number in the Akola city and in lesser number in the small towns. They totally neglected rural areas and preferred urban area of the district.

**Akola district under M. P. and Berar Government :-**

Akola district was placed in M. P. and Berar provinces immediately after independence. Thus Akola was ruled as an important district of Berar region from the capital i.e. Nagpur, Akola district and particularly Akola city was the main trading centre of the state. The district remained in M. P. and Berar till 1956. In 1956 with reorganisation of the state Akola district was transferred from M. P. to the Bombay state.

From 15th. August 1947 to 1954, the settlement procedure prescribed under section 78 to 105 of the Berar land revenue code was applicable for the settlement of the
Sindhies in Akola city and elsewhere in the district. In 1954 the M. P. land revenue code 1954 became applicable on Akola district.

The following statement shows the land revenue collection in the Akola district in 1955 was Rs. 32,60,649.

The district collector Ex-office, district Registrar, For each tehsil there is a sub-Registrar who performs the duties connected with the registration of documents. The Akola district is divided into nine sub-districts under the Indian registration Act. They are Akola, Akot, Telhara, Balapur, Risod, Murtizapur, Karanja and Mangrulpir. Each of these sub-district has a sub-registry office manned by the sub-register and other necessary office staff. There are two linked sub-registry office at the district Viz' Patur and Shirpur.

Under Nizam's rule, four municipalities were working in the akola district i.e. Akola, Akot, Washim, and Karanja. Akola under British rule prospered because of the security provided by the British govt. to the residents and crops in the area. Pelit theives were dealt severly. The towns of the Murtizapur, Balapur and Patur were upgraded, now they became Municipalities instead of Grampanchayats.

1947 to 1955 was a period when Akola district even though became politically important in M. P. and Berar, economically it lacked behind. Only in Telhara was converted into Municipal Committee in 1952. No other
changes could take at this time¹.

**Akola District under Bombay Government:**

The reorganisation of the state took place in 1956 and onwards. The reason for reorganisation of the state was to dismantle the presidency form of the state and reorganised them on natural or linguistic bases. On 1st. November 1956 the bilingual state of Bombay came into existence. Akola district was transferred from M. P. to the bombay state on this date.

Akola district was governed for the sale and purchase of the goods by the Central provinces and Berar sales tax Act of 1947. This Act was amended in 1948, 1949 and 1953. Akola was merged in Bombay state and this act became nonpracticable because the state of Bombay was governed in this respect of the most developed Acts, under the Bombay Sale Tax Act 1959, the dealer of the Akola district along with the Bombay state were provided divided in three categories i.e. 1) Importer, 2) Manufacturer, 3) Other dealers². The implementation of this act modified the trade and business of the district.

Akola district had a Broad guage, metreguage and narrowguage railway line. The tradition of railway travel in this district started in 1967. Akola is one of the main railway junctions on Bombay-Howrah Railway line. Akola metreguage junction is the most important

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¹) Maharashtra State Gazetters, Akola Dist. PP. 725
2) Ibid. PP. 666
junction on Kachguda - Jaipur metreguage line. The narrow guage railway line, Yeotmal - Murtizapur - Achalpur passes through Akola district. This narrow guage railway line was narrow guage 57 Km. and metre guage 214 Km. The existing railway mileage in the district is 3.79 miles per 100 Square miles of area against 2.66 per 100 Square miles in the state.¹

National highway No. 6 passes through Akola district. This highway runs from east to west through Murtizapur, Akola and Balapur tehsils for a total distance 143 Km.² There are several state highways, major district roads and other district roads joining the villages in Akola district with each other. The road transportation improved when Akola district was placed in Bombay state. While Akola district was under Bombay government rule there was widespread demand for the reorganisation of the States on the basis of the languages. Akola being a Marathi Spoken district it was sure to be included in the Marathi based state of Maharashtra.

**Akola district under Maharashtra State :-**

Akola came under the state of Maharashtra on 1st. May, 1960. Akola being the Berar's industrial and trade and commerce centre acquired importance and thus Akola district of the Maharashtra State.

1) Op. Cit. P.P. 545
2) Ibid P.P. 549
Akola district is a part of Amravati division and therefore Amravati division established many of its headquarters at Akola city i.e. Deputy Health Commissioner's Office, Divisional Headquarters of Maharashtra State Electric Board.

At the time of merging of Akola district in the state of Maharashtra, this district had six tahsils, which are new converted into following thirteen Tahsils, Akot, Balapur, Akola, Murtizapur, Mangrulpir, Washim, Barshi-Takli, Manora, Risode, Karanja.

As per the Krishi Vidyapeeth in 1968 the Punjabrao Agricultural University came into existence on 20th October, 1969 with headquarters at Akola. This University became a blessing to the cultivators of this region.

The population of Akola district was continuously rising due to the migration of people from 'Non Industrial area' of the state. Akola city has a M. I. D. C. District Headquarters and its industrial growth has reached fourth extension, the Akot and the Washim sub-centres of the M. I. D. C. manuring in the District.

Akola District is predominantly agrarian area and therefore it is Rural in nature. This Distrit produces mainly Cotton, Jowar, Wheat, Tur, Groundnut etc. The cities of this district started expanding due to the industrial policy of the Maharashtra state. This had transformed the nature of the cities and today

1) Maharashtra State Gazetters, Akola dist. P.P. 383
particularly Akola city is termed as urbanised City.

The co-operative movement in the district developed and thus covered many areas to promote the growth and overall development of the district. The co-operative movement took initiative in establishing financial institutions to finance, refinance and crossfinance the enterpreneours. Akola had all the requirement to be industrial centre, these qualities rare utilised by the government of the Maharashtra and Akola became the biggest industrial centre of the Berar. Many co-operations open their offices at Akola to carry out trade and business from this centre. Maharashtra seed Cooperations established its Mahabij at Akola. Maharashtra State Road Transport Corporation has its Akola division headquarters at Akola city and it covers almost entire district to serve the people of the district.

Britisher's started protected market system in India. Worldwide economic depletion because of the worldwars forced the Britishers to implement control rationing in India. This has increased the importance of controll rationing system through Fair-Price-Shops. India after attaining independence continued this policy on certain edible goods. The common citizen of India is benefited through the services of Fair-Price-Shops. Fair-Price-Shops as a distribution system is a developed state of protected market system. The items sold through the Fair-Price-Shops differed from time to time, but sugar, wheat, Jowar, rice, etc. are the common goods sold to the customers through the Fair-Price-Shops at all the time.
Today fair-price-shop system is implemented through the district units of the government of Maharashtra. Akola district is the unit of the government of Maharashtra. Fair price system in Akola district is controlled by the district food supply officer. Food Supply Officer's office is situated in the premises of the District Collector Office. This office is divided into branches on the basis of tahsil as such there are thirteen branches plus godowns. There are 1204 Fair-Price-Shops plus numerous godowns in the Akola district in the service of the residents of the district. This system has provided the edible goods to the common residents at the cheaper rate than the rate in the open market.