The rationale of cash relief assumed that "pull failure" lay at the very base of the entitlement problem; it did not assess the strength or ability of the market to respond to the "pull" provided by the regeneration of purchasing power. The year under review, however, saw a "response-failure" of grave dimensions, caused largely by the imperfections of the market and the misconceptions in government policy.

The famine of 1896-1897 was particularly extensive, affecting the United Provinces, Central Provinces, Bengal, Bombay & Madras, the area in acute distress measuring about 125,000 sq. miles, with a population of 34 million. This reacted on the local situation, for the fear-psychology took a stronger grip and the terms of trade moved against Bengal.

1. Deviations from the normal pattern

The areas which normally supplied foodgrains held back in apprehension of scarcity. Hence, the usual sources of supply were closed this year as from the North-West Provinces to South Bihar, from Nepal to North Bihar, from Lohardaga, Udaypur, Gangpur and Jashpur to Palamau, and from the surplus districts in East Bengal (Dacca-Chittagong Divisions) to Rangpur, Bogra, Rajshahi, Khulna, Nadia, Jessore, and even parts of Bihar. Secondly, instead of exporting, these normally surplus areas began to import actively in 1896; and, having greater purchasing power, succeeded in attracting supplies even from the scarcity districts. For example, agents of the North-West Provinces were busy buying up local stocks in Patna, Gaya, Shahabad, Saran and Champaran, which led to scarcity, causing grain riots and widespread panic in the Patna Division at the end of 1896. In January, 1897, traders from the North-West Provinces outbid the local people and carried off grain even from Palamau, which suffered from acute scarcity. Similarly, Mymensingh and the eastern districts imported grain from Rajshahi Division. The Nakodas or Bombay merchants exported actively from Puri in Orissa. Grain also flowed from Khurda to Madras. Thirdly, though with the progress of the famine imports increased in volume, especially in the Patna Division, it was not always possible for the scarcity districts to seek new sources of supply, for the latter usually had prior commitments, and did not find it profitable to divert their stocks to areas with low purchasing power. For example, attempts by government to encourage imports from Gaya to Palamau failed repeatedly, as people in Palamau could not buy rice at less than 9 seers a rupee.
The most acutely affected tracts in Bengal province in 1896 appeared to be in the Patna and Presidency Divisions.

In the former, the southern districts of Patna, Gaya and Shahabad were better off due to irrigation facilities provided by the Sone Canal, heavier rains in November, and the benefits of the bhaoli system. Yet there were problem tracts; Patna, Dinapur and Bihar towns and Thanas Islampur and two-thirds of Dinapur and Maner in Patna District, Jehanabad in Gaya, and particularly Bhabhua in Shahabad. Of the northern districts in Patna Division, the condition of Champaran was rapidly deteriorating. Saran and Darbhanga were in a similar plight, while Muzaffarpur showed no change for the better. The worst-hit areas were the exclusively rice-growing tracts like Siwan-Gopalganj in Saran, Ramnagar-Madhuban-Araraj in Champaran, Muzaffarpur-Sitamarhi in Muzaffarpur and Madhubani in Darbhanga.

In the Presidency Division the affected areas lay in the Bagri tract and Kalantar region in the east and south-east of Murshidabad; the Kalantar and ex-Kalantar in North-West Nadia and Karimpur, Daulatpur, Gangni, Meherpur, etc., further eastward; Bongaon and parts of Magura and Narail in Jessore; Satkhira in Khulna. Thus, the famine zone covered the east, or rather south-east of Murshidabad, the north-west of Nadia, parts of west, north-east and eastern Jessore, and western Khulna.

Parts of the Chotanagpur and Rajshahi Divisions (the Barind, "deara" and "bilan" lands in Rajshahi district and the Padma-Burrul area in Pabna) may be included in the next category, where distress and scarcity were being felt, though not to the extent as in the Patna and Presidency Divisions.

The problems were slightly different in Bhagalpur and Orissa which, though not suffering from such a shortfall in agricultural production as the above regions, were fast being drained of their stocks by excessive exports. In Bhagalpur Division the stress lay mainly in Supaul in Bhagalpur district, Jamtara and Godda in the Santhal Parganas, and a small tract in Malda bordering on Rajshahi district. In Orissa, the Chilka tract, a small part of Khurda, as well as Parikud, Manikpatna, Bajrakote, Malood, parts of Chaubiskud and Serai in Puri district were the worst affected.

Finally, the normally surplus districts of the Dacca, Chittagong and Burdwan Divisions apprehended scarcity, but, except in Bankura, actual distress was probably not felt. Here, the main impact lay in the new directions of their grain trade.

2. Comparison with the movement of grain-trade in 1873-74

The movement of grain trade showed several changes this year, some of which may be compared to those of the crisis year 1873-74.
South Bihar generally imported large quantities of foodgrains from upcountry provinces, which further increased in times of stress. In 1873-74 the southern districts of Patna Division, especially Shahabad and the northern district of Saran, had been largely saved by the unprecedented activity of private traders, supplemented by government efforts in importing grain from the North West Provinces. But in 1896 the effects of drought were felt in nearly the whole of India; this not only closed the normal sources of supply, but also filled the local markets with competitors. The North-West Provinces, for example, required all that they could produce, and were actively importing from Bihar. Bourdillon, Commissioner of Patna Division, reported a sharp price-rise throughout his districts at the end of September 1896, due mainly to the failure of the hathiya rains and heavy exportations by agents of the North-West Provinces, who were busy buying up local stocks in Patna, Gaya, Shahabad (Arrah, Buxar), Saran, and Champaran. This led to scarcity, hoarding, grain riots and widespread panic in the Patna Division throughout October. In early November, the panic subsided and exports slowed down, for the upcountry markets were overstocked. In fact, the agents of the North-West Provinces in Patna district were asked to stop purchases and sell the stocks in hand. Exports from Champaran dropped as the late November rains had improved prospects upcountry. Yet the outflow of grain to the North-West Provinces, though fluctuating, continued throughout the year. In late November exports again increased from Patna, Shahabad, Saran and Darbhanga. Exports from Champaran went to Gonda and Gorakhpur. Whereas in ordinary years a large part of the grain in Saran came from the west down the Gogra and Ganges, most of it in 1896-97 came upstream from eastward. Imports to Saran from the stricken districts of Champaran, Darbhanga, Muzaffarpur and Purnea fell off considerably. A substantial increase occurred in supplies from Monghyr and Murshidabad, while Birbhum and Burdwan assumed the role of supplying districts for the first time.

Thus, instead of bringing in grain from the North-West Provinces, Patna Division in 1896-97 sent out large supplies there and imported, rather, from the east and south, as from Orissa to Patna and Saran, Bengal to Bhabhua in Shahabad, Midnapore to Siwan in Saran, and Bhagalpur and Burna to Champaran. Muzaffarpur and Darbhanga drew most of their supplies from the Burdwan Division and adjoining tracts in the Bhagalpur district, where the crops were relatively good. In fact, Burna rice was all that could be had in the affected tracts of the Bettiah Subdivision, and became the staple food of the people during the famine.

In the northern districts of the Patna Division rice imports from Nepal were considerable in ordinary years. Champaran imported largely from Nepal. In Muzaffarpur, the influx from Nepal was between 700,000 to 800,000 Mds per year. Darbhanga imported 374,000 Mds in 1894-95 and 387,000 in 1895-96.
But, in 1896, the Nepal government prohibited exports in apprehension of scarcity. The import trade in North Bihar, active in September-October, therefore came to an abrupt stop. Soon, however, considerable amounts of smuggled rice from Nepal began to flow into Champaran, Muzaffarpur and Darbhanga. There was brisk activity at the stations on the Bairagnia extension in Muzaffarpur, which tapped the rice exports from Nepal. Darbhanga too received not less than 1,000 Mds a week in early December but, being a smuggling trade, this could not be relied upon, nor could the size of the imports be even approximately assessed.

In Bhagalpur in 1873-74, large-scale government and private importations had begun by November-December, in sharp contrast to the exports in November-December, 1896. In 1873-74 there was an influx of grain in Monghyr and south Bhagalpur and also from Jalpaiguri to Purnea and from Dinajpur to Malda.

Bhagalpur was a rich food-producing district, which normally exported its surplus; in 1896, however, there was a large increase in the volume of its outflow, so that prices rose sharply despite a good harvest. In the Santhal Parganas landlords were asked to forego the rent, so that cultivators were not forced to sell grain to export-dealers, in order to pay their dues. Imports from Purnea and Dinajpur to Malda were not unusual, and occurred also in 1874. But, simultaneous exports to Patna, Dacca and Mymensingh in East Bengal might indicate new problems. Grain also flowed from north Bhagalpur to Darbhanga and Champaran in late November, 1896.

In Chota Nagpur foodgrains were exported to Bankura in 1873-74. In Manbhum exports continued throughout, but there were no imports except on government account. The local authorities in Palamau encouraged private import of grain from Sambalpur, Lohardaga and the Tributary States of Sirguja, Gangpur and Jashpur.

In 1896 an important change occurred, for the sources of supply dried up. Palamau did not receive grain from any of the states which had supplied it in 1874. In ordinary years, it drew its grain from the Lohardaga plateau, the neighbouring Tributary States and to a small extent from the Gaya and Shahabad districts. Lohardaga, up to mid-January 1897, supplied it with about 43,000 mounds of rice, and with another 10,877 mounds till June. The flow then stopped, 4,500 of the pack-bullocks being sent back empty to Palamau. It obtained very little of grain from the Shahabad and Gaya districts too, in view of the prevailing scarcity. Meanwhile, the Tributary States prohibited exports, and Palamau received not a grain from them. The local authorities doubted whether in view of the existing state of affairs, they should be justified in interfering.

Export activity in Orissa was remarkable in 1896. In 1873-74, Orissa was not affected; yet there is no mention of any large-scale exports to scarcity areas. In October 1896, however, one notes the hectic activity of the Nakodas or Bombay merchants in Cuttack and Puri in
exporting rice to other places. Exports also went on from Cuttack to Patna and Saran in late October and early November. The outflow of grain from Chandbali this year would beat the record, while that from False Point was much above the average till the end of October. Cuttack imported mostly from the tributary states of Orissa, which would have stopped these supplies but for the intervention of the Deputy Commissioner. Meanwhile, Bombay merchants continued to buy rice, though to a moderate extent, in Puri throughout November-December and well into 1897, when local distress was most acute. In fact, there was an organised export trade, but no corresponding import activity in the Chilka region in Puri, which fell within the famine zone. Most of the rice exported by sea went from Puri Port to Colombo, Ceylon and from Banpur into the Ganjam district. The Bombay export had an important effect in keeping prices high in Puri town and raising them all over the district. Export activity was no less marked in Balasore and Angul. In Angul Mogulbundi dealers stayed all the year round, buying up supplies for export from local markets and villages, and making advances to the cultivators for the produce on the ground.

Rajshahi district had to import about 110,000 Mds of Burma rice during the famine of 1873-74. Rangpur imported foodgrains from Coochbehar, Assam and the districts of the Dacca Division. But much of the grain so imported passed into Dinajpur, which, in turn, exported most of the supplies derived from Rangpur. The import trade in Rangpur collapsed in 1874, the impasse being finally broken by foodgrain consignments brought into the market by government. Export activity was considerable in Pabna and unprecedented in Jalpaiguri, the latter sending supplies to Purulia, Rangpur, Dinajpur and Darjeeling. Bogra exported to Rangpur and Dinajpur, and later, due to high prices, imported from the eastern districts of Bengal.

In 1896 prices shot high in Bogra and Sirajganj (Pabna) due to failure elsewhere, and in Jalpaiguri and the Terai due to local shortfall. Cultivators in Rajshahi took their carts to Tarash in Pabna, Nitpur in Dinajpur and elsewhere, to return laden with dhan. In the Barind regions there was yet no alarm, for prices in the interior were easier than in the exporting hats, such as Godagari. In the Charghat region, however, the situation was reversed, rice being imported mainly from Dinajpur and occasionally from Calcutta by local mahajans.

Even if the aus gave a full crop, Pabna had to live on rice imported from Rangpur, Dinajpur and Bogra at this time of the year, i.e., in November when the aman was yet to be reaped. In 1896, its main supplies were derived from Bogra and Dinajpur, supplemented by imports from Goalando and Kushtea and also Saran, Rajshahi and Nawabganj in Malda. The main problem for Pabna now was whether Rangpur, Dinajpur and Bogra could spare this quantity of rice, after satisfying their own needs. Bogra exported largely, which led to exceptionally high prices here despite a good harvest, and old rice disappeared from the market by November. As there was no sizeable surplus, even a moderate demand for export led to great stress. Failure had been general throughout
India and when one district in course of trade relieved the greater necessities of another, it was out of stocks which in ordinary years would be consumed at home. Thus, to feed its own population properly Bogra required more than three-fourth of the crop it was likely to get; and prices there must rise high indeed before they attract away what can be dispensed with only by reducing consumption.

The most remarkable feature of the trade in the Rajshahi Division this year was that the drain was not to Calcutta or Bihar and the North West, but to Mymensingh and the east.

In the Presidency Division, surplus districts like the 24 Parganas and Murshidabad exported grain to affected areas in Jessore and Khulna-Nadia respectively, in 1896-97. Export of rice and paddy from the 24 Parganas (for example, from Basirhat, Haroa and the Sundarbans to Bongaon in Jessore) might have been greater than in normal years but it could not compare with the drain on Rarh in Murshidabad. The Rarh tract lying in the western parts of Murshidabad and Burdwan was in 1897 the main source of supply for the Kalantar in Nadia and famine areas in east Murshidabad. These exports, together with those to Calcutta and the North West Provinces were unprecedented. In ordinary years the affected area in Murshidabad drew its supplies from the Rarh and from Malda, Rajshahi, Dinajpur and Rangpur. No imports could be expected from these districts this year, so that the drain on Rarh was most severe and unusual.

In this Division the stress lay mainly in Khulna and Nadia. It was not difficult for private traders to supply the needs of Khulna, as it lay on the water routes from Calcutta to the eastern districts. Since the eastern districts did not export much this year due to shortfall in production, large supplies poured in from Calcutta and Midnapore. But, as the people lacked credit and purchasing power, traders and mahajans failed to operate effectively in these regions. Meanwhile, in the Kalantar tract in Nadia, there was no organised private trade in rice, for this region did not normally export or import much rice. The cultivators themselves acted as petty traders bringing in and selling paddy by carts mainly from the Rarh tract in Burdwan and Murshidabad till mid-April. But when the roads became impassable with the first showers in May, they would not be able to finance imports by boat. It was also indefinite as to how long Rarh could continue to supply them with paddy. In fact, since the end of April stocks in Katwa fell very low and grain dealers there refused to sell rice to anyone except their regular customers, underlining the fact that imports from Rarh into Nadia were not a regular feature in normal years. The proximity of Nadia to the eastern districts, which proved such an advantage in ordinary years as well as in 1873-74, could not ease the situation this year.

The Burdwan Division normally sent out large supplies to neighbouring tracts. In 1873-74 prices in Burdwan were throughout lower than elsewhere, so that exportation never ceased. Foodgrains flowed out
from Birbhum, Midnapur and from Bankura via Raniganj.

In 1896 the strain on its resources was much more pronounced. As imports from the eastern districts were cut off, Khulna and even Saran in Bihar drew upon supplies from Midnapur, while Nadia-Jessore imported actively from the Rarh in Burdwan. In Jan-Feb 1897, Patna & Shahabad received a large proportion of rice from Burdwan Division. Stocks were being depleted fast and it was doubtful whether Rarh could meet these demands much longer.

Indeed, the changes in the direction of the grain trade in Dacca-Chittagong were most significant. As seen above, in normal years and especially during agrarian crises the northern districts like Rangpur, Bogra and Rajshahi, as well as Khulna, Nadia and Jessore in the Presidency Division, and even parts of Bihar, drew upon supplies from the eastern districts of Bengal. This year, however, Khulna and Nadia had to find other sources of supply in Midnapur and Rarh, while Rajshahi, instead of importing from Dacca, sent grain there. Jessore, which normally imported rice from the eastern districts continued to do so till May 1897, when supplies from that direction fell off. Since then, the importation of Burma rice commenced and persisted till mid-August - this was entirely a feature of this year of scarcity, rice never having been imported before from Calcutta, to any large extent.

3. Main trends

Thus, there were several changes in the direction of the grain trade in Bengal in 1896-97; Patna Division, especially south Bihar, instead of importing from the North West Provinces, sent out large supplies there and imported rather from the south and east, i.e., from Orissa, Midnapur, Burdwan, Bhagalpur and Burma. The rice imports from Nepal into north Bihar were officially stopped, though a considerable amount was still smuggled in. In Chota Nagpur the normal sources of supply to scarcity tracts like Palamau were fast drying up. Exports were unprecedented in Bhagalpur and Orissa, the Nakodas being most active in Puri and Cuttack. Rajshahi, instead of importing rice from the eastern districts and sending out supplies to Calcutta for Bihar and the North-West, was exporting, rather, to districts in Dacca. Khulna and Nadia-Jessore, being deprived of rice from Dacca-Chittagong, imported largely from Calcutta and Midnapur, and from the Rarh tract, respectively, draining the resources of the latter.

366
Problems of grain-trade

The private trade in foodgrains during the famine of 1896-97 in Bengal involved several critical problems. First, excessive exports disturbed the trade balance and depleted stocks as in parts of the Patna, Bhagalpur and Orissa Divisions, which might otherwise have staved off the crisis. Secondly, the absence of big traders and adequate imports heightened the distress in problem areas like Champaran, Palamau, Satkhira in Khulna, Kalantar in Nadia and the Chilka region in Puri. Finally, hoarding and rigging of the market by private traders and mahajans was a common complaint, especially when the first signs of famine became apparent in September-October 1896, leading to widespread grain riots in the Patna Division. The limitations of bureaucratic management aggravated these basic problems.

1. Persistent outflow of grain from scarcity regions

As noted, there were heavy exportations from the Patna Division to scarcity areas in the North-West Provinces, which in normal years was the main source of supply for south Bihar. Bourdillon, Commissioner of Patna Division, reported a sharp price-rise due to this throughout his area at the end of September 1896. Distress was reported from Shahabad where in the Arrah Sub-Division the price of grain rose suddenly on 30th September and 1st October, owing especially to the hectic export activity of agents from the North-West Provinces, and grain riots were apprehended. In the circumstances, Egerton, Collector of Shahabad, banned grain exports by an order under section 144 of the Criminal Procedure Code, dated 2nd October. Bourdillon immediately cancelled his order by wire, rebuked him for his 'unwise' step and 'impressed upon him that no direct interference with trade can possibly be allowed'. Government approved of this measure, and condemned Egerton's action as "both ill-advised and illegal". Even in the third week of October, exports continued from Arrah and Buxar in Shahabad. Large amounts of the grain flowed quietly into Chapra, where most of the local banias had golas. Saran and Champaran were the worst affected in Patna Division. Yet, in Champaran and even in Saran which imported largely in normal times, exports were brisk. Bourdillon notes that applications were made to the Collector to interfere, "which he has of course declined to do". Similarly, the Collector of Patna was asked by a mob on 4th October to fix a rate and prohibit exportation. Even in Bihar Sub-Division of Patna District, which lay farthest from the Railway, export of foodgrains continued. Inglis, Collector of Patna, reported in early November that prices would have risen anyway due to a deficient harvest. Yet, even this local scarcity could not curb the export activity and led to widespread panic.

In early November the exports slowed down and panic subsided, for the markets upcountry were satiated and agents were asked to stop purchases and sell the stocks in hand. But in late November the outflow again increased from Patna, Shahabad, Saran and Darbhanga. In early December there were no exports, mostly westward from Patna, Shahabad, Gaya, and Darbhanga. But the distress in Palamau caused a drain on the outlying parts of Gaya in January–March 1897, as the tendency among traders was to buy supplies as close at hand as possible. Thus, export of foodgrains from the Patna Division, though fluctuating in volume, continued throughout 1896 and well into 1897.(2)

Traders may be compelled to honour prior contracts despite local shortage or the prospect of higher prices, as was often the case with rice traders and millers in Burma. But a considerable part of the exports from the Patna Division were not made in keeping with prior commitments. The North-West Provinces normally did not import from Bihar and the agents sent there in apprehension of scarcity in 1896 probably attracted supplies not by virtue of forward contracts, but merely by outbidding local purchasers. Likewise, Gaya did not normally export so much rice to Palamau, Lohardaga and the neighbouring tributary states were, according to the Commissioner, the "only sources" from which Palamau drew its food supply in ordinary years (3). It was only in early 1897 that imports increased in Patna Division by more than 50% and exports fell off by 8.74%. In Gaya, however, exports still largely exceeded the imports (4).

In the Bhagalpur Division, too, the export trade in foodgrains was unusually large. An estimate of food stocks in the Division could not be arrived at even roughly, as they fluctuated sharply due to the relatively good means of exportation by road, rail and water. It had been a prosperous year on the whole for Bhagalpur. Even for the three Sub-Divisions of Bhagalpur district, for which anticipatory famine reports were submitted, it was estimated that local stocks would be ample till September next, despite the exportation which took place. Yet, so good were the communications and so dead had been the level of prices since last August, that even if the Division had produced a bumper harvest of autumn and winter rice, famine rates would still prevail in view of the circumstances elsewhere. The enormous export trade from Bhagalpur this year was, in fact, due to the general failure of crops in other parts of India. As noted by the Collector of

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3. Ibid, IV, p. 340, Agriculture (Famine) - No. 381, 11th Feb 1897.
Bhagalpur in December 1896, "The cause of trouble is not so much the local failure of crops, as high prices caused by circumstances existing in other parts of India" (5).

By July, prices had reached the peak, due mainly to increasing exports and decreased imports. All the old rice had disappeared in the south Gangetic country; this was a most unusual and disturbing factor, as the poor do not eat rice so new as this. In Malda the export warehouses at Nawabganj and Rohanpur on the Mahananda were absolutely empty at the end of November, 1896. In fact, as soon as the bhadoi harvest was reaped and apprehensions of a famine turned to certainty in various parts of India, an immense activity in grain-dealing was displayed in Bhagalpur. Existing stocks and even the standing crops were bought up in all directions, local middlemen and dealers competing with the agents of large firms sent here to purchase all they could. A heavy flow of exports commenced and persisted throughout from October 1896 to September, 1897. During this year, the exports by rail exceeded the imports by 23,36,013 maunds. Simultaneously, strings of carts laden with grain passed from North Bhagalpur into Darbhanga, though the total volume of the outflow by road and river cannot be assessed in the absence of reliable statistics (6).

Meanwhile, exports up-country continued relentlessly from the Santhal Parganas. Here, the Commissioner tried to impress upon the landlords the fact that once foodgrains got into the dealers' hands, it was impossible to check exportations even if such a policy were permitted; the landlords could help the district to hold its stocks by easing the pressure on their raiyats, who were selling it to pay their rents.

In Chota Nagpur, too, grain flowed out of the Division despite acute local scarcity in Palamau, Manbhum and Lohardaga. For example, the Bhaiya Saheb, or zamindar of Untari was exporting 484 pack-bullocks of paddy to Mirzapur in the NWP in February 1897, when Palamau was in great distress due to want of supplies (7).

The process was similar in Orissa where the Nakodas or Bombay merchants made large purchases for export in Cuttack and Puri. Most of the rice exported from Puri by sea sent to Ceylon. In Cuttack exports from Chandbali this year were unprecedented, while those from False Point up to the end of October were considerably above the average. On November 25th the price of export rice fell due to rainfall in Bombay and the Deccan. But in early 1897 considerable quantities were still being exported, 40,000 CWT of rice flowing out from False Point to Mauritius

6. From H. J. McIntosh, Esq., Collector Bhagalpur, to the Com., Bhagalpur Div.
7. Famin. Sel, v, P. 309
within one week in January. As the Collector notes, "Exports must go on and the government forbids interference! At the same time there is absolutely no machinery for imports. In this respect Orissa compares most unfavourably with other parts of the province" (8). Purchases by the Nakoda merchants continued in Puri despite scarcity in the Chilka tract and served to raise prices all over the district. Indeed, the export from Puri town by sea to Bombay was drawing a large quantity of rice from the district. The export agents even colluded with the carters, in order to corner supplies. The Collector of Puri wanted to break through this and also to stop the exportation of rice by rail from the government Khas Mahal, which would otherwise be the direct cause of famine in June, down to the Banpur region (9). Stocks were low in Balasore after the unusual export activity of the last nine months. In Angul the system of exportation was very effective; here the Mogulbandi traders bought up supplies from local markets all the year round, and advanced money to cultivators for the produce on the ground.

Heavy exportation also took place from parts of Rajshahi Division and from the Rarh tract in Burdwan to Nadia and Jessore. Exports from Bankura, where low prices normally prevailed, were "abnormally large" in the lean months of 1897. (10) Moreover, exports from Katwa and Rarh in Burdwan continued unabated into the affected regions in Nadia from late 1896 to mid-April, 1897. In his tour notes Mr B C Basu, Assistant Director of the Department of Land Records and Agriculture in Bengal, emphasises the importance of the supplies from Rarh into the affected areas of Nadia. However, as Mr J.H.E. Garrett, Collector of Nadia, states: "Mr Basu in his note styles the present system of importation as an admirable one; no doubt it might be so called if the stocks in the Rarh were unlimited; but as that stock must fall short within a very few weeks, I am of opinion that the present system of importation is a very unfortunate one, as it leads the people to believe that they need have no fears for the future .... So far as I can see, there must be very serious trouble in the Kalantar when the supply of rice from the Rarh suddenly ceases". (11) Already in early February 1897 the Collectorate of Nadia doubted the belief of the Katwa SDO that the local surplus in Katwa would hold out for another 2 months, and asked him to report to them immediately as the exportations from Katwa began to flag.

Exports from Murshidabad Rarh, too, were excessive. In February the Collector of Murshidabad reports that the price of common rice has averaged 10 seers per rupee since December last, as compared with 16 seers in the preceding year and a further rise was probably causing great distress, especially among smaller cultivators and the landless classes. He also apprehended that the stocks in hand would not be sufficient to meet local requirements up to September. The statistics for grain trade in Murshidabad during February and March 1897 amply illustrate this point.

<table>
<thead>
<tr>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd week February</td>
<td>Nil Mds 14,800 Mds</td>
</tr>
<tr>
<td>4th week February</td>
<td>200 ,, 10,100 ,,</td>
</tr>
<tr>
<td>1st week March</td>
<td>1,700 ,, 17,100 ,,</td>
</tr>
<tr>
<td>2nd week March</td>
<td>100 ,, 21,100 ,,</td>
</tr>
<tr>
<td>3rd week March</td>
<td>566 ,, 18,120 ,,</td>
</tr>
<tr>
<td>4th week March</td>
<td>20 ,, 7,192 ,,</td>
</tr>
</tbody>
</table>

Thus, exports were already falling off by the end of March, probably due to depletion of stocks, though there was still very little of imports. By April, the price of common rice rose to 8/9 seers a rupee in different parts of Murshidabad and in some hats the supply of grain was insufficient to meet local demands. Yet, exports rose to 15,522 Mds in the first week of April and 14,661 Mds in the second, as against 781 and 1,323 Mds of imports, respectively. This temporary rise was due to the late rabi harvest, specially of gram and arhar, which was sent to Calcutta and the NWP, after which exports decreased again. Since mid-April exports to Nadia ceased. By mid-May imports increased, and Burma rice was being sold in the principal bazars, which was an indication that the resources of the district were being taxed to the utmost. At the end of the month, however, mahajans had brought out their hidden stocks and the local food supply appeared to be better than was apprehended. Exports once again increased and rice flowed into Nadia.

Nadia, while importing from Rarh into the Kalantar region, exported largely from other parts. In early March exports greatly exceeded imports by rail. Even considering the imports from Rarh, and also from the northern districts by boat, there is no doubt that Nadia sent out far more than it took in. In fact, it shows a net loss of nearly 100,000 Mds during the second fortnight of March 1897. In April prices
shot high and food stocks were very low throughout the district. Yet, exports still exceeded the imports by rail and river, though to a lesser extent. Early in May, imports for the first time exceeded the exports by 14,000 Mds owing to acute local shortage. By the end of the month the district was almost entirely dependent upon the inflow of grain, which now nearly doubled the exports. Yet the Collector was faced with a crisis: "... the stock of food grains is practically exhausted ... the efforts which I have made to stimulate importation have to a great extent failed ... it is ... a mystery to me that the exports should be as large as they are." (12)

The affected region in Sakhira, Khulna, had almost no stock as early as in February 1897. The eastern part of Khulna, the 24 Parganas and Backerganj supplied it with grain. Taking the district as a whole, however, there were practically no imports while exports were considerable, especially from Bagerhat. The same state of things continued till May, when export by rail shows 1,086 mds of rice, while there was little importation of foodgrains. Burma rice was being imported and sold at 8 seers a rupee at hats in affected areas. In the interior the price of rice was higher (7 seers), which indicates that there were still no local stocks in the famine tract and the condition of the people was worse.

Thus, exports from the Rarh tract in Burdwan and Murshidabad, and from unaffected regions in Nadia and Khulna, continued unabated, despite acute local scarcity. Rarh and east Khulna, however, exported not only outside the district but also supplied grain to affected areas within, though not to the extent as to avert failure of supplies in these regions, especially in April-May. But the case of Nadia was exceptional; it went on exporting large amounts of food grain throughout, while draining the Rarh for supplies to the Kalantar tract.

The excessive exports thus led to two types of problems; they either accentuated local scarcity, or raised prices to famine rates even in areas which had a relatively good harvest. The most typical example of the former is the North Patna Division (i.e., Saran, Champaran, Muzaffarpur and Darbhanga) and, to a lesser extent, Jamtara-Godda in the Santal Parganas and the Chilka tract in Puri. As to surplus areas, such as parts of Orissa and the greater part of the Bhagalpur and Burdwan Divisions, the equalisation of prices with those prevailing in the scarcity tracts need not be regretted; in fact, it was the guarantee against starvation in famine areas, as provided by improved communications. But there were several instances where prices in surplus districts shot higher than in scarcity zones, due to excessive exportation. For example, in Gaya, which was the only district more or

less unaffected by scarcity in the Patna Division, prices were higher than elsewhere except in Mirzapur. In Bogra, which had perhaps the best harvest in the Rajshahi Division, rice sold at 9 seers 12 chs per rupee in September, which was much more than in Jalpaiguri, Darjeeling and even the scarcity district of Pabna. Again, in the surplus region of Tippera the price was 7 seers 10 chs a rupee as early as in September—a rate higher than in the affected areas of Bengal.

2. Feeble response of the import-trade in foodgrains

While the outflow of grain thus went on unchecked, the level of imports fell far below expectations in the districts affected. Though there was a distinct increase in foodgrain imports in the Patna Division this year, they were unremarkable in Bhagalpur, Chotanagpur, Orissa and Burdwan.

As the railways had "largely absorbed" the foodgrain trade of the Patna Division, the following returns submitted by them from April 1895 to September 1897 reveal the general pattern of this trade, and the deviations in the year of famine (13):

**TABLE 1**

<table>
<thead>
<tr>
<th>District</th>
<th>Apr 1895 to Sep 1895</th>
<th>Oct 1895 to Mar 1896</th>
<th>Apr 1896 to Sep 1896</th>
<th>Oct 1896 to Mar 1897</th>
<th>Apr 1897 to Sep 1897</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patna</td>
<td>I 49,571 E 6,81,447</td>
<td>E10,54,281 E 5,51,608</td>
<td>I 3,33,279</td>
<td>Gaya</td>
<td>E 1,17,979 E 18,149</td>
</tr>
<tr>
<td>Shahabad</td>
<td>I 2,30,354 I 78,393</td>
<td>E 2,83,357</td>
<td>I 17,791 E 84,200</td>
<td>Champaran</td>
<td>E 8,531 I 7,220</td>
</tr>
<tr>
<td>Saran</td>
<td>I 65,190 I 8,171</td>
<td>I 29,840 I 7,47,688</td>
<td>I 10,05,294</td>
<td>Muzaffarpur</td>
<td>E 24,379 E 14,755</td>
</tr>
<tr>
<td>Darbhanga</td>
<td>E 64,579 E 90,174</td>
<td>E 40,725 I 31,005</td>
<td>I 11,24,127</td>
<td>Net Total</td>
<td>I 1,29,347 E 7,25,181</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These figures for the successive half-years are extremely significant. It is clear that for the greater part of the year from 1st October 1895 to 30th September 1896, grain poured out of the Division, mainly westward, the excess of exports over imports being 21,54,633 maunds. Grain exports in the Patna Division had, in fact, received a great impetus from the rapid extension of the railways in the last two decades. Darbhanga and Champaran, and to a lesser extent Muzaffarpur, exported largely in ordinary years. Shahabad and Gaya, too, became important export-centres of grain, due respectively to the opening of the Patna-Gaya Railway and the Sone Canals. However, once the implications of crop-failure in Bihar became apparent, the tide turned and the excess of imports came up to 6.2/3 lakhs of maunds. During the last half-year, when the famine had reached its climax, the net imports rose to 37.1/8 lakhs. In the 12 months ending on 30th September 1897, the export excess of the previous year (21.1/2 lakhs maunds) had been wiped off, with a balance of more than 43 lakhs in the nature of imports. Thus "The direction of the trade turned completely round and imports exceeded exports by 43,78,353; the measure of the revolution in the trade was thus 65,33,006 maunds ....". (14)

A very large proportion of the grain imported was rice, partly because it was the rice crop which failed most completely in Bihar, and also because it was the grain most commonly grown in the two tracts which chiefly supplied Bihar this year, viz. - the Burdwan Division and Burma. Some rice also flowed in from Bhagalpur, eastern Bengal and Orissa.

The swing towards imports, however, seems less marked on considering several qualifying factors, such as the large volume of grain trade that went unregistered; the absence of inter-district returns in the Annual Divisional Reports which therefore left out vital links in the trade-pattern, such as the brisk exports from Champaran and Muzaffarpur to Saran; and the disparity of the district figures of railborne traffic with the trade returns of the affected tracts, which were often remote, inaccessible and untraversed by the railways.

It was indeed difficult to obtain accurate statistics of the total volume of this traffic, for in every district there were important segments of the grain-trade beyond the purview of the railway returns. Patna had a large boat traffic, besides cargoes sent on steamers of the India General Steam Navigation Company. Gaya exported by carts and pack bullocks down the GT Road, and into the Chotanagpur Division, as well as across the Sone and up the Sone Canals. Much of the traffic from Shahabad went to Zamania, beyond the border of Bengal, whence trade flowed both ways across the Ganges with Ballia in the NWP. Saran

imported largely down the Gogra from the NWP. Champaran and Muzaffarpur exported a sizeable amount of grain westward across the Gandak, while Muzaffarpur and Darbhanga, especially the latter, had a considerable traffic down the Ganges to Monghyr and Bengal. The three most northerly districts also had an active rice-trade with Nepal, much of which went unregistered.

Even on analysing the figures for railborne trade alone, to the exclusion of this vast area of river and cart traffic, the imports do not seem to have satisfied the demand for foodgrains.

From October 1896 to September 1897 the railborne trade in foodgrains in Shahabad left a balance of merely 5,425 maunds in favour of the district, while the boat traffic gave a balance against the district of 71,834 maunds. Imports in Saran increased by 91,440 maunds in 1896-97, as compared to the previous year. Yet even here, though the local traders were familiar with every aspect of the import trade, supplies dwindled in February and March due to the failure of a leading Chapra firm, while the falling off in May was due to a block in the traffic over the railway Ghat. As to the Maharani outpost, which eventually proved the worst-hit region in the district, it was far removed from the sources of supply, and a "cul-de-sac" from the trader's point of view. (15) In Champaran exports persisted till mid-November 1896, when a 16% rise in prices gave a boost to the imports. The inflow of grain, feeble at first as the local merchants "were not accustomed to this form of trade", became more assured in the first quarter of 1897, when it received a fresh impetus from a sudden price-rise in mid-March. However, supplies ran out again in the middle of May, due to the failure of the Bengal and North-Western Railway Company to bring in grain consignments from Mokama ghat on the Ganges with reasonable despatch, and to prevent pilfering during transit. An attempt made to open a steamer line from Patna up the Gandak in apprehension of a further breakdown in the railway arrangements, was also frustrated by the problems of navigation when the water was low. (16) In Muzaffarpur the exports by rail exceeded the imports by 10,000 maunds in October 1896. By November, however, the situation was altered, the excess of imports over exports rising steadily till it amounted to 63,587 maunds in May, 1897. In Darbhanga, the thrust towards imports was qualified by the large cart-traffic to Muzaffarpur, Saran and Bhagalpur, as well as the river trade from Roserah in the south of the district down the Gandak, consisting almost entirely of exports.

Despite these reservations, it may on the whole be concluded that in 1896-97 the north Bihar districts imported a far greater amount than was usual, which is much more than can be said about the Bhagalpur Division. The district of Bhagalpur normally exported largely both

15. FRFRO, Saran, Ch. I, para 12.
16. FRFRO, Champaran, Ch. III, paras 49, 51.
within and without the Division, and the year of famine saw n exception to this rule. A vigorous outflow of grain began as soon a apprehensions of scarcity were confirmed late in 1896, and persiste throughout the year without interruption. Between October 1896 an September 1897, the exports by rail greatly exceeded the imports, an not in any month did the reverse ever occur. By March 1897, the stock were depleted. "Everything was exported, little or nothing 'bein imported". (17) During the six months from October 1896 to March 189 the imports were only 49,323 maunds, as against the export figure o 19,504,429 maunds. During the lean months from April to July, stock were exhausted and imports went up to 2,04,222 maunds, or more than 2/ of the total imports of the year. Even so, the exports exceeded th imports by 1,80,874 maunds. By August, good crop-prospects led to sharp drop in imports. In the Santhal Parganas, the normal volume o exports went down but did not cease this year, while the imports wer negligible. A mere trickle of grain flowed into Jamtara and Sahibganj while a very limited quantity of Burma rice was imported into Sahibgan and Deoghar.

In Hazaribagh, the normally small amount of foodgrain imports rose t nearly thrice the monthly average in April-May 1897, but fell belo average since August. In Lohardaga, the importation of rice came up 41,000 maunds in 1896-97 as against 16,000 maunds in 1895-96, accordin to the police figures in the annual reports. However, these figure are dismissed by the Deputy Commissioner as the "wildest surmise" being purely speculative in nature. In March 1897 two Ranch merchants, Babus Hardat Rai Marwari and Tara Prasanna Rai Chowdhry began to import small quantities of rice into Ranchi from Singhbhum an elsewhere, through Purulia. In July, prices rose higher due t difficulties of cartage from Purulia. In August, some cartloads o rice came into the district from Chakradharpur via the Chaibassa-Ranch Road, but it is hard to assess the quantity received, as the carts she their load in degrees during stop-overs at the weekly hats of Bangaon Murhu and Khunti. Very little rice came in from Manbhum on the east and none at all from Hazaribagh and Palamau in the north, and th native states of Sirguja, Gangpur and Jashpur on the west and south o the district. The only import statistics available are for Ranchi, th total amount being 28,083 maunds between October 1896 and Septembe 1897, of which Hardat Rai Marwari and Tara Prasanna Rai Chowdh imported 12,665 and 9,146 maunds, respectively. Thus, importation i Lohardaga did not begin till March 1897 and failed to pick up even a late as in June. Though some effort was made during 8th August to 8t September 1897 to avail of the government bounty of Re. 1 per ever maund of rice imported into the district, only 11,050 maunds could b brought in due to the difficulties of transport. The total inflow o

Burma rice amounted to no more than 2,000 maunds. (18) In Manbhum the import trade in grain was larger than usual, rice being brought in from Burdwan, Birbhum and Bankura, and from Burma via Calcutta. But an unspecified amount was re-exported to Lohardaga, no particular measures being taken to stimulate the importation of grain. In Palamau, out of Rs. 25,000 sanctioned by government after much hesitation for payment of "bounty", and Rs. 75,000 for advances to traders for foodgrain imports, only Rs. 9,895.10a-10p on the former count and Rs. 52,500 on the latter were expended, the total quantity of rice imported being no more than 23,692 maunds. The difficulties of importation into Palamau will be discussed in greater detail later on, while analysing the problems of supply failure in remote and inaccessible tracts during the course of this famine.

In Bengal, exports from the affected district of Bankura in Burdwan Division were "abnormally large" this year, while very little rice came by rail or road from Midnapur. No Burma rice was imported either. Exports were heaviest in the lean months from March to May, exhausting stocks in the affected tracts and pushing prices up to unprecedented heights, especially in Saltora. In Nadia in the Presidency Division the local traders, being unaccustomed to imports, were not enterprise enough to undertake such ventures in a crisis. Besides the cartloads of rice brought into the Kalantar from the Rarh in Burdwan and Murshidabad, only about 6,000 maunds of Burma rice were imported into the district. Rice imports from Faridpur, Khulna and Bakarganj into Jessore continued in larger quantities than usual till May 1897, when supplies from that quarter fell off. Prices rose to 7 seers per rupee, and the importation of Burma rice commenced. Approximately 63,000 maunds were brought into the district between mid-May and August, 1897. Though Khulna had a large deficit, importation was easier as it lay on the direct water-route to Calcutta. The amount of food-grains imported into Murshidabad came up to a mere 17% of the exports from that district. Though in 1874 the imports amounted to only 12% of the exports, altogether 13,388 tons of grain were either sold for cash, distributed in charitable relief, or advanced on loans. In 1897, however, there was no contribution by the government under any of these heads, only 12 and 140 tons being sold and distributed respectively, by the District Charitable Relief Committee. (19) The available trade returns for the Presidency Division in 1896-97 as given below, show an excess of exports over imports in all districts except Jessore (20):

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19. FRFRO, Murshidabad, p.3. A comparative statement on the famines of 1874 and 1897.  

377
TABLE II

<table>
<thead>
<tr>
<th>Districts</th>
<th>Imports</th>
<th>Exports</th>
<th>Excess, E or I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nadia</td>
<td>7,21,099 Mds</td>
<td>8,07,964 Mds</td>
<td>86,863 E</td>
</tr>
<tr>
<td>Murshidabad</td>
<td>66,203 ,,</td>
<td>3,15,484 ,,</td>
<td>2,49,281 E</td>
</tr>
<tr>
<td>Jessore</td>
<td>2,69,496 ,,</td>
<td>74,235 ,,</td>
<td>1,95,261 I</td>
</tr>
<tr>
<td>Khulna</td>
<td>14,494 ,,</td>
<td>29,769 ,,</td>
<td>15,275 E</td>
</tr>
</tbody>
</table>


From Puri district in Orissa, exports of rice continued as usual to Cuttack, Ganjam, Colombo and Mauritius. The imports hardly amounted to anything in ordinary years, and the quantity brought in during the crisis was negligible. The raiyats, under pressure of the prevailing high prices and the inactivity of the local trade, imported small quantities for their own consumption. No statistics are available for this petty trade in foodgrains, which was on too small a scale to merit notice.

2. (a) Background to the import problem

Thus, during the year under review a heavy and incessant stream of exports flowed from the famine-hit districts, in marked contrast to the slow and feeble response of the import-trade in foodgrains. The process was not unreasoned. The famine of 1896-97 was of unprecedented dimensions, which created an almost insatiable demand for food. As trade normally moved along established channels, it was no easy task to divert the flow of grain to new directions in order to meet the exigencies of the situation. Certain preconditions were essential for the purpose, viz. — (i) an organised trade-base, whether of exports or imports as the need be; (ii) traders rich and resourceful enough to expand on this basis; (iii) easy access; (iv) and effective demand. It will be seen that few of the tracts affected in 1896 possessed even one of these many advantages.

(i) As noted, the trade position was abnormal this year in more ways than one. The widespread apprehension of famine often led to a closure of the normal sources of supply. In consequence, grain did not flow as in ordinary years from Nepal and the NWP to north Bihar, from Lohardaga, Birguja, Gangpur and Jashpur to Palamau, or from Dacca-Mymensingh to Rajshahi and Nadia. Due to a growing fear psychosis, the normally surplus districts not only withheld stocks, but also succeeded in drawing out grain from the affected tracts, by virtue of their superior purchasing capacity. Attracted by the high prices offered,
there was a voluminous outflow of grain along the existing trade-line from normally exporting districts as in the Patna, Bhagalpur and Orissa Divisions, to the increasing agony of the famine-hit tracts within. Not only inter-district, but intra-district trade was affected: grain flowed out of Nadia but did not enter the Kalantar, while rice selling at 23 seers to the rupee in Khurda did not reach Puri town, where it sold at the rate of 13 seers. It was difficult for the affected tract to seek new sources of supply, for the latter usually had prior commitments, and would in any case be reluctant to divert grain to areas lacking in effective demand.

For regions which normally did not import and had no such base of connections, it was almost impossible to tap fresh sources and start new ventures in the midst of such a crisis. In this respect districts like Saran, which always imported the greater part of their food requirements enjoyed a distinct advantage, for their traders were familiar with every detail of the local import trade in foodgrains. No wonder supplies flowed liberally into Saran as early as in January-February 1897, while surrounding regions suffered from acute scarcity. (21) As noted in Mr Bourdillon's administrative report for the year 1891-92, "The district even at the best of times never feeds itself and in consequence its merchants are thoroughly acquainted with the grain trade; when crops fail and prices rise, the buniya merely buy thousands of maunds where he bought hundreds before...". (22) Conversely, the importation of grain was a "new experience" for the merchants of Champaran. (23) Only two Ranchi merchants tried to bring grain into Lohardaga, and importation was "not their normal line of business". (24) The traders in Orissa, too, were unused to import from outside, or even from one part of a district to another. As the Collector of Cuttack notes: "We have a highly organised export trade and no import trade in grain at all". (25) The same applied to Bhagalpur. The Santhal Pargana, too, was normally an exporting district with hardly any fixed source of supply. The Administration, however, did not show much interest in this aspect of the problem. As W. B. Oldham, Commissioner of Bhagalpur Division and the Santhal Parganas remarked: "..... the question of where supplies are to come from is not to be our concern at all". (26)

(ii) A quick trade response to a crisis of such dimensions as in 1896-97, presupposes the existence of an enterprising mercantile community used to operating effectively at least at the inter-district level. However, grain merchants of this calibre could hardly be found anywhere.

22. FRFRD, Saran, Ch. III, para 21.
23. FRFRD, Patna Division, Ch. I, para 30.
24. FRFRD, Lohardaga, Ch. III, para 12.
25. Fam. Sel. IV, p. 419.
in the famine zone. In Nadia, for instance, people in the Kalantar were dependent for their food on their own reserves or on supplies brought in from the Rarh by cartmen and petty banias, as "there is not a single merchant of any wealth or business capacity in the whole tract". (27) The nature of the local trade, if it could be so called, was peculiar, for its fortunes fluctuated with the success or failure of the crops. Foodgrains were sold locally by the village "moodies" or grocers, who kept modest reserves of oil, tobacco, chura, moorkee, rice and pulses. Obviously, in a year of crisis these small-time shopkeepers would be in no position either to replenish their stocks, or to engage in import activities of any consequence. (28) Unlike Nadia, Khulna had direct access to Calcutta; yet the affected tracts in Satkhira suffered due to the absence of proper traders and mahajans, while the zamindars were uncooperative. In the districts of north Bihar, too, one rarely came across local traders of any standing. According to Mr Charles Still, Relief Superintendent of Hardih, there were no stocks for sale in the Rammagar tract in Champaran, as "there are no big baniyas or stock-holders at any time". Even the Bettiah traders, on whom the fate of the entire northern half of Bettiah subdivision depended, stopped functioning due to the congestion at Mokama Railway Ghat in mid-May 1897, as they could not afford to order fresh supplies before realising the value of the earlier consignments stranded at Mokama. (29) Trade was particularly backward in the Chotanagpur Division. In Lohardaga, the amount of grain trickling depended almost solely on the efforts of two Ranchi merchants, Babus Hardat Rai Marwari and Tara Prasanna Rai Chowdhry. The grain-dealers of Palamau carried on a petty barter trade, having little capital and lesser knowledge of commercial transactions. It is significant that one Ghan Shyam Das, an outsider from Gaya, was the first to avail of the government "bounty" of 8 annas on every maund of Burma rice imported into Palamau from outside. In the affected areas of Orissa, bordering on the Chilka, there was no local trade worth noting. Some wealthy raiyats and "maths" of Chaubiskud had laid by small reserves for their own use, most of which were sold to the Bombay and Ganjam merchants at high prices this year.

(iii) Non-resident merchants did not show any interest either in importing rice into the famine zones, as the risk and expenses of transportation were normally too great to make it worth their while. In Nadia, for instance, they were naturally reluctant to operate on a large scale anywhere in the famine tract, as communications with the outside world were difficult throughout the year, and impossible during the rains. In the dry season carts trudged along numerous tortuous tracts which were wholly or partially submerged during the monsoon, there being practically no proper road in the Kalantar, Bonaj, and the

27. FRFRO, Nadia, p.2.
28. FRFRO, Nadia, Ch. I, para 25.
29. FRFRO, Champaran, Ch. III, para 51.
'fail' tracts in Gangni. When the floods were too low, as during their commencement or recession, and particularly in the year under review, the Khals and bils were neither navigable nor fordable. Moreover, the silting up of the local rivers, which were no longer open even to small country boats in the dry season, was a further "powerful factor" leading to the decrease of trade in this region, as all the sixteen trade-centres of the tract lay along the water-routes. In Jessore, grain-trade was similarly affected in the last three years by the clogging up of the Muchikhali near its mouth on the Gorai side. It cut off the vital trade-link between Magura and the great rice-producing districts of Faridpur, Khulna and Bakarganj via Kushtia on the Eastern Bengal State Railway, the alternative route across the Gorai being too circuitous for use. Khulna fared better, due largely to its easy accessibility to and from the grain-marts of Calcutta.

In the Santhal Parganas, there was only one fully bridged road, and no metalled roads except one or two serving the district headquarters. But, as the Deputy Commissioner of the Santhal Parganas noted, "Famine does not confine itself to district or subdivisional headquarters. If we leave the supply of food to trade, we must help it with good and well-bridged roads ...". (30)

Due to the broken and uneven surface of the land in Chotanagpur, communications were "necessarily bad". In Lohardaga, for instance, there were hardly any fully bridged or metalled roads for cart traffic. The entire district relied for its imports on the nearest railway station of Purulia, lying 75 miles from Ranchi. The long, uphill journey took 7 days in fair weather and from 10 to 14 days in the rains, the freight charge running from 9 annas a maund in the dry season to 13 annas during the monsoon, while in July 1897 the want of carts pushed it up as high as 1 rupee and 6 annas per maund. The paltry imports (11,050 maunds) despite a government bounty of 1 rupee per maund from 8th August to 8th September 1897, indicate the impossibility of provisioning the district via Purulia in a year of crisis. The maximum working power of that traffic was 1 maund per 100 of the district population per month. The difficulties of distribution from Ranchi to the interior were ten times greater. There was only one unmetalled road leading from Ranchi to Palkote in the affected tract, which could not be negotiated by cartmen in the rains. The worst tract was thus inaccessible, lying 40 to 50 miles from Ranchi to the west of this road at a distance of from 2 to 12 miles, and being cut off from it by the Karo river, which was often unfordable for days together. In this area of about 100 sq. miles there was no large hat or grain-mart

of any kind, the nearest bazars being Govindpur on the east bank of the Karo, and Dumha and Duria lying beyond this tract to the west. (31) The situation was worse in Palamau, which was "probably the most isolated district in the whole province of Bengal - a district which in a time of scarcity ... may not inaptly be compared, in the words of the late Sir George Campbell, to 'a ship at sea running short of provisions'." It had neither railways, nor metalled roads or reliable water communication. Daltonganj lay over 100 miles from the nearest railway station of Gaya, the journey by bullock cart taking 8 to 10 days in dry weather and 12 to 20 days during the rains, the usual rate of cart-hire being 12 annas per day. Transport by road was equally difficult in the summer months due to want of fodder and water for the pack bullocks, while they were virtually impassable during the rains.

In the Patna Division, the rugged hill country covering the southern portion of Bhabhua and Sasaram in Shahabad received their food supplies from the plains through difficult passes which, always unapproachable by wheeled traffic, were closed even to pack animals once the rains set in. Such of the grain-marts as existed in Bhabhua sub-division were erratically supplied from Sasaram and Zamania, lying about 28 miles from Bhabhua. Communication was equally difficult, if not more so, in the affected areas of Champaran, the Tighut State Railway ending at Bettiah. The relatively good means of communication in Saran stand out in sharp contrast, as a major factor stimulating its import-trade ir foodgrains. It was surrounded on two sides by the great waterways of the Sogra, Ganges and Gandak. The Bengal and North-Western Railway ran across it diagonally for 84 miles, while the network of roads was more complete than in any other district of Bihar.

Conversely, the lack of roads made it impossible to supply any foodgrains in the Chilka tract of Puri either from the interior of the district or from outside, except by boats. Although the East Coast Railway ran close to the northern shore of the lake, it was not feasible to carry supplies across the high floods of the Chilka during the rains. (33)

(iv) The lack of effective demand was a greater deterrent to trade than the physical difficulties of transport and communication. In fact,


traders were often willing to import grain into remote tracts, if the prices paid were high enough to cover the cost of carriage and allow for a substantial profit-margin. The case of Champaran is typical. Despite acute local distress, grain flowed continuously throughout October and the first half of November 1896, from Champaran to the NWP where higher prices prevailed. In mid-November, however, prices in Champaran rose at a bound by over 16%, reversing the outflow into a stream of imports. The process was repeated in mid-March 1897, when prices rose suddenly due to depletion of stocks, making it remunerative to import Burma rice from Calcutta. (34)

Again, in July-August 1897 difficulties of cartage from Purulia pushed up prices in Lohardaga to a level which enabled the Ranchi trader Hardat Rai Marwari, to re-import rice at a profit from Hazaribagh where higher rates had ruled till then. Imports were also made during this period from Chakradharpur via the Chaibassa-Ranchi Road. (35)

Famine rates, however, were more often nominal than real, as local people in the scarcity districts could seldom afford to buy grain at competitive prices. The lack of effective demand thus disproved the government theory that the price-stimulant would automatically draw supplies from surplus to scarcity regions, and created confusion in bureaucratic circles. J.H.E. Garrett, the Collector of Nadia, was baffled by the "mystery" of grain flowing out constantly from the district instead of being diverted to the Kalantar, where famine price ruled. Again, the apparent enigma of rice being "taken unsold from the market in the most distressed tracts" of Govindpur in Lohardaga was attributed by the Deputy Commissioner, H.C. Streatfeild, to the superstitious and inconsistent behaviour of the local people. (36) In Palamau, too, rice lay unsold at less than 9 seers per rupee, and flowed out to the NWP from the Garhwa market. (37) There was a similar outflow from the export-centres of Khusropur and Fatwa in Patna. In fact Bourdillon, the Commissioner of Patna Division, had grave doubts as to whether the people there could buy grain at famine prices, had private trade been able to supply the deficiency. As he noted, "lack of adequate purchasing power might account largely for this outflow of grain despite acute local scarcity which was already evident in Bhabhua, Siwan - Gopalganj, the Ramnagar-Araraj-Madhubani tract, Sitamarhi and Madhubani".

The level of purchasing power was habitually low in some districts like Bankura, Balasore and Puri. Shut out from the railways by the Damoda and enjoying a prolific yield of rice in normal years, Bankura had

34. FRFRO, Champaran, Ch. III, para 49.
36. Ibid, PS, para 19.
37. Fam. Sel. IV, p. 360; VI. p. 278.
very restricted trade in foodgrains. Prices and wages were kept down in consequence, the sale of rice at 10 seers or less per rupee indicating great distress, while elsewhere in the famine zones it sold for as high as 6, or even 5 seers to the rupee. The usual abundance of rice in Orissa and its inaccessibility during the rains had a similar effect on the price and wage levels, enabling others to draw heavily on its food and labour reserves. The price-rise in such districts, while putting great pressure on the local population, was not high enough either to stop exports, or to attract imports of any consequence. As the Collector of Cuttack observed: "... as long as our prices (relatively high to the normal though they be) are lower than elsewhere, exports must go on...". (38)

In certain other areas such as Nadia, Murshidabad, parts of Chotanagpur and north Bihar, crop-failure and its linkage effects on related industries in 1896-97 caused an exchange crisis by severely depressing the local wage rates. The closure of the filatures in Murshidabad due to the failure of the "maghi" bund this year cut down further on the already dwindling profits of the silk industry, which could no longer finance the high mulberry rentals. Successive crop-failures in the Kalantar in Nadia and Satkhira in Khulna for the past few years had greatly reduced their economic staying power. The slackness of the coal and lac trades cut down on the employment opportunities in Chotanagpur. In Muzaffarpur, the decline in indigo cultivation further reduced the local level of entitlement. The prohibition of salt manufacture likewise had a most prejudicial effect in the scarcity tracts of Malood and Parikud in Puri. The Santhal Parganas experienced a fall in the usual demand for labour in the mines and stone quarries, and for reaping crops in the adjacent districts, which had also been hit by famine. While the grain price was alarming by local standards, purchasing power fell as labour, plentiful even in ordinary seasons, had to face further competition this year from small peasants willing to accept lower wages in order to supplement their meagre income from land. Even expenditure on public works was reduced in scarcity areas not officially included in the famine zone. Thus, "the employment on which they had learnt to reckon has been reduced instead of being increased. Their need is great, their demand is loud, but they cannot make it effective". (39)

Conversely, districts with adequate purchasing power, like Saran, drew in a sizeable amount of foodgrain imports. As noted earlier, Saran already had an organised import trade in foodgrains. In crisis years the bania merely expanded on this basis, "knowing well that he cannot fail to sell his stock since the purchasing power of the District is very great indeed owing to the vast sums brought into it by opium,

38. Ibid., p. 419.

384
indigo, and by the remittances of emigrants". (40) Indeed, Sarar received 1/4 of the total opium payments to cultivators of poppy in the Patna Division during the 5 years preceding 1896-97. Again, of the total sum of Rs. 65,74,400 paid in cash for indigo cultivation in the northern districts of the Patna Division during 1896-97, it received Rs. 14,28,000, or 21.7%. Though not impressive in itself, Saran fared better than its neighbours if the opium and indigo payments were considered together. The most potent source of the district resources, however, lay in the cash remittances sent home by its migrant labourers. A rough calculation based on the census statistics of 1891 indicates that 17% of the adult male population in Saran were emigrants who remitted Rs.26,02,670 to the district in 1896-97, amounting to 23.4% of the total remittances by money-orders paid in the Division. (41)

2. (b) Selective case-studies relating to the problem.

All these problems in the way of foodgrain imports during the course of the famine are brought to a sharp focus in the four selective case-studies of remote and inaccessible tracts, viz.- (i) Kalantar in Nadia, (ii) Rammagar-Araraj-Madhuban in Champaran; (iii) the Thanas of Garhwa, Daltonganj, Balumath and Latehar in Central Palamau; (iv) and the Chilka region in Puri.

(i) In the Presidency Division, the affected areas lay mainly in the Nadia 'Kalantar', and Satkhira in Khulna. The affected areas in Nadia were inadequately served by private traders. The petty banias of the region were "not solvent enough to carry on any extensive import or export trade". Besides, their proportion to the total population of this tract was not even one in a thousand, in sharp contrast to other parts of the district, where the percentage of the commercial to the total population was more than 2.7. Trade might have prospered to some extent, if the communications were better. As it stood, however, people hesitated to open any large business in the interior of this tract, as it was cut off entirely from the outside centres of trade throughout the rains. (42) In the Gangni and Nowpara Thanas, the means of communication were particularly unsatisfactory. There was no proper trade centre anywhere in the interior of Gangni nor of the nearest markets having proper road connections. The road to Meherpur was not bridged throughout. The only route across the Bonaj from Chapra to Latuda was an incomplete famine road, impassable during the rains. In Nowpara, too, there was no brisk trade and the cart tracks were useless except in the dry season. The trade of the region further declined with the silting up of the Bhagirathi, Bhairab, Mathabhanga, Jalanghi and Padma, on which lay the main commercial centres of

40. FRFRO, Saran, Ch. III, para 21.
42. FRFRO, Nadia, Ch. I, para 25.
Gotepara, Debogram, Kaliganj, Tehatta, Meherpur, Hat-boalia, Taragonia, etc. Traders also complained that the level of purchasing power was not high enough to cover the risk and cost of transporting rice into the Kalantar, which had suffered from successive floods and crop-failures in the last 5 years.

As early as in February 1897, the Circle Officers in Nadia found it impossible to locally purchase rice sufficient for distribution, without the aid of contractors. In Karimpur the grain contractors had to be paid 8 annas per maund over market rates. Even by March, no substantial trader had commenced throwing rice into the affected tracts, and paddy cultivators continued to bring in small amounts by cart from Rarh. On 16th April, the Collector of Nadia was informed that supplies from Katwa and Rarh had ceased suddenly. Stocks were very poor in Katwa, mahajans getting no supplies from the interior. Even relief officials could procure only 200 maunds with great difficulty for the Kalantar region. The Katwa dealers refused to sell rice to anyone but their regular customers. The price rose to Rs. 5-8 annas per maund, and the contractors failed to supply rice in the affected tracts.

The Collector then entered into contract with a wealthy grain merchant, Babu Pratap Chandra Saha, who was to import 2,000 maunds from Calcutta per week at the market rate, to Debogram in the Kalantar. Two others were also to import rice from Khulna and Calcutta. The price now fell to Rs. 5 or Rs. 5-4 annas a maund in Nadia. Though contractors were appointed to import grain from Calcutta to the Kalantar, and petty imports from Rarh had recommenced to a slight degree, the north-west part of the district still lay in jeopardy. The Collector publicised the fact that rice may be purchased in Calcutta at less than Rs. 4 a maund, hoping in vain to stimulate importation. The only large store in the district, especially in the north-west, lay with Gregson, an agent of Watson and Company at Shikarpur, who imported from Calcutta and sold freely in Karimpur and Daulatpur.

Disappointed by this poor response of the local traders, the Collector of Nadia arranged to give bounties in aid of grain importation into the district, but to no effect. As supplies failed and exports continued, the Collector proposed to advance Rs. 50,000 to Gregson at 6.1/4% interest, in order to enable him to enlarge his sphere of activity. The government, however, refused to sanction the loan on the ground that though Gregson looked for no profit and proposed to sell at cost price, he would undersell all private traders and create a monopoly, thus dislocating trade. Instead, it was proposed to advance money to other traders who would import and sell at any price they found profitable. The Collector maintained that there were no such traders in the tract concerned, and the problem remained unresolved.

(ii) In the Ramnagar-Araraj-Madhuban tract in Champaran the local officials, fearing inaction of the traders, persuaded the Commissioner and the Lieutenant Governor to ask for government loans at reasonable
rates of interest (about 6%) to responsible local men. They would undertake to import grain from beyond the seas, solely to increase local supplies without any desire for profiteering. Supplies would not be drawn from scarcity districts, and challans for grain imports into inaccessible tracts would be inspected occasionally. Government, however, thought that this stipulation could be abused in several ways, that the scheme was too generalised, and that it amounted in effect to a direct interference with trade, which was likely to paralyse mercantile activity in the region.

The Collector and Governor, however, explained clearly that the proposals were not for financing any general scheme of importation, but for foodgrain import into precisely defined, specific localities. Besides, contracts with dealers for the supply of grain at relief works could not alone suffice, for supplies were also running out in the local markets, though purchasing power was still there. This would compel people to flock to relief centres for food, thus overstraining government resources. The Administration accepted the logic of these arguments, and agreed to treat Champaran as a special case, while reiterating the principle of laissez faire as the basis of its general trade policy.

Emphasising the slackness of trade in Champaran, the Collector on 17th December, 1896, expressed "grave doubts... as to the ability of private enterprise to meet the wants of the people at the proper time." The fear was not unreasoned. As Charles Still, the Relief Superintendent of Hardih, observed, in Ramnagar Thana there were no grain-dealers proper who had any stocks of rice or could import at such short notice, Champaran being normally an exporting district. The mahajans, who controlled a large portion of the stocks due to excessive prior hypothecation, had also sold out to export agents this year at prices beyond the reach of the local people. Purchasing power was still there, but as the Ramnagar tract was backward and the people poor, great uncertainty prevailed as to how long they could afford to pay famine rates. Even in mid-January 1897, rice was selling at 8.1/2 seers, and Indian corn at 10 seers a rupee.(43)

The high cost of carriage partly accounted for the rise in prices. As the Collector wrote on 10th November 1896, with the exception of a few ill-kept tracks, "the tract is without regular communications, the country to the north-east of Ramnagar being particularly defective in this respect ...." The Tirhut State Railway running through Champaran ended at Bettiah. Shikarpur and Ramnagar in the centre of the famine tract in Champaran lay 24 and 28 miles respectively from the railway, the severely distressed region extending 10 to 12 miles further north. One of the worst tracts to the north of Bagaha was situated 50 miles away from the railway. No subsidiary roads existed to connect the different points in the famine-hit region. The rude tracks along which carts managed to ply were interrupted by numerous water-courses flowing down the hills, involving the risk of a total disruption in communications. "Unfortunately this was the very part of the district

The danger of a supply-failure was so acute in the affected tracts of Champaran, as to justify Resolution No. 298F of 20th January 1897 by the Government of India, authorising intervention in case of an emergency to stimulate and supplement, though never to supplant, private trade in the region. In effect, however, nothing was done beyond circulating information about the current market situation for the benefit of traders. A bania starting an import business was assured of government purchases for gratuitous relief at rates which, though varying with the Bettiah prices, would leave him with a sufficient profit-margin.

However, the breakdown in railway arrangements at Mokama Ghat in mid-May 1897 led to a supply crisis of grave dimensions, Ramnagar being largely dependent on imports of Burma rice. The Bettiah merchants could not afford to order fresh supplies from Calcutta till they realised the value of their earlier consignments, which were taking 3/4 weeks to arrive instead of the usual 10 days. The problems of despatch and pilfering in transit upset all their calculations, causing an almost total suspension of trade in the region. Meanwhile, attempts to start a steamer line from Patna up the Gandak were frustrated by the unprecedentedly low level of the river. The problem intensified with the advent of the rains, as the merchants hesitated to bring in grain lest good bhadoi prospects should draw out the old reserves. Imports failed to pick up throughout the rest of the season, as this feeling of uncertainty persisted. They dwindled and ceased altogether in August-September, when the bulk of the bhadoi crops had come into the market. The Ramnagar tract, however, remained unrelieved, for here the bhadoi was of little consequence, and always came in a fortnight to three weeks later than in the rest of the district.

(iii) The problem assumed a greater intensity in the affected regions of Palamau. Even in the best of years Palamau was not self-sufficient in foodgrains, the annual deficit being about 8,484 maunds. Stocks were further depleted due to successive crop-failures in 1895-96 and 1896-97. The crisis deepened into famine, with the closure of the normal sources of supply. Lohardaga sent about 43,000 maunds of rice to Palamau till mid-January 1897, and another 10,877 maunds till June. Supplies ceased since then, 4,500 pack-bullocks being sent back empty from Lohardaga. The Tributary states of Sirguja, Udaipur, Gangpur and Jashpur prohibited grain exports during the crisis. The only hope for Palamau now lay in importing grain into its north-eastern corner from Shahabad and Gaya, which, however, were also suffering from the effects of scarcity, and hence could not spare any large consignments.

44. FRFRD, Champaran 1896-97, by D.J. Macpherson, Magistrate and Collector, Ch. I, para 17.
But the difficulty in transport and communication was the primary problem in Palamau, which persisted throughout and upset all calculations regarding the supply of foodgrains in the district during the year under review. R. H. Renny, Deputy Commissioner of Palamau, noted: "We may be likened unto a ship at sea with provisions running short - so serious is our situation and so helpless." (45) Palamau was bounded on the west by Mirzapur, the NWP and Sirguja, on the south by Lohardaga, on the north by the Sone in Shahabad and on the east by Hazaribagh and Gaya. It was at a distinct disadvantage with the districts of Bihar, in having no connection with the railway system of Bengal. The distance from Daltonganj in Palamau by the Maharajganj Road was 101 miles from Gaya, the nearest railway station, and 73 miles from Barun, at the end of the Sone Canal. In internal communications, too, Palamau was worse off. This entire stretch of 101 miles, and 59 of the 73 miles, were 'Kutcha' roads, while the 42 miles from Maharajganj to Daltonganj lay through a hilly and difficult country. In bullock carts it took 8 days from Gaya and 6 from Barun to carry grain to Palamau in dry weather, and from 12 to 20 days during the rains. It was very difficult and expensive to procure carts and pack bullocks, which alone could traverse these roads. They were normally scarce, and during the monsoon the rate of cart-hire rose to 12 annas per day. There was this year an unusual demand after a lean season for drought cattle of every description for agricultural purposes, especially after the first rains fell. (46) In the early months, combinations of the "Thakurs" or cart-owners in the trade marts further held up imports. Even Lohardaga, an isolated district, was better situated than Palamau, for it had a metalled road to Purulia, from where supplies could be drawn and, once the prohibitive freight rates were met by the government bounty of Rs. 1 per maund, carts were forthcoming from Manbhum and the Burdwan Division. During the rains, the roads became impassable in Palamau. River traffic was now the only recourse, but due to deficient rains the Sone and Koel ran dry. Small boats which alone could carry grain across the rivers this season could not be had in sufficient numbers unless they were impressed on the Ganges and brought to Barun. (47) At the height of the crisis, private traders who had taken advances for importing rice could not get carts or boats in time to avail of the bounty, since practically all of them had been impressed for the transport of government rice. (48) Another great obstacle in importing grain from outside, especially from Calcutta, was the absence of telegraphic communication between Daltonganj and that city, so that local dealers could not get current quotations from the Calcutta market.

46. Ibid. Vol. XII, p. 344.
There were no big grain-merchants in Palamau who could face such a challenge in the midst of a crisis. The bazar banias were accustomed only to deal in bullock loads with the surrounding villages. The bullock drivers were practically the real traders, picking up and carrying supplies from one bania to another, till they could dispose of the stock at a small profit. The dealers at Maharajganj were equally humble, buying paddy by the bullock-load from the 'beparis' and retailing their purchases in the form of rice. In normal years they carried on a petty, barter trade in foodgrains in exchange for non-edible products with adjacent areas in the Lohardaga plateau, the Tributary States and, occasionally, with Gaya and Shahabad. These, however, were purely local ventures, involving little capital or knowledge of commercial business, and having no connection with Calcutta or any other important trade-centre.

As A. Forbes, the Commissioner of Chotanagpur, reported early in February 1897, Palamau was particularly unfortunate as regards commercial activity and enterprise, so that it would have to "import the contractors as well as the rice." (49) Hazaribagh presented a marked contrast to Palamau in this respect. Both districts were on a par as to the stock position and soaring prices, Hazaribagh being perhaps the worse off. Yet it had the great advantage of having several firms of wealthy Marwaris trading directly with Calcutta. They were fully alive to the situation, and traded briskly despite transport problems. Although the railway station at Giridih was over 70 miles from the Sadar by road, these men imported about 2.1/2 lakh maunds of rice from Calcutta and other places, between January and October last. To tide over the crisis in Palamau, the Commissioner suggested making import contracts with reliable agencies like Messrs. Jardine, Skinner and Company (who had large lac dealings in the district), and strongly deprecated "a first experiment being tried with a body of inexperienced petty dealers in a matter of such vital importance." (50)

The level of purchasing power in Palamau, however, was not such as to induce outsiders to invest in such expensive and risky ventures. The lack of local resources became more evident as the months passed. Enquiries in distress areas such as the Tori pargana and the villages to the north of Daltonganj showed a very uneven distribution of foodstocks. The bulk of the population in these parts were the labouring classes, such as the Ahirs, Dusadhs, Chamars, Kherwars, Bhuiyas, Kahars, Gareris and others of the Kamia class, who in normal years depended on the help given by zamindars and other landowners during the slack season. Demand for foodgrains was real and acute. While section 2 of the Famine Code required officials to be on the alert when prices rose over the normal by 20%, the rise in Palamau by January 1897 varied from 40 to 67%. In January, prices had gone upto 8/8.1/2 seers per rupee, yet every ounce was eagerly snapped up even at

these high rates. But, already at the end of the month the NWP traders carried off rice from the Garhwa market, outbidding the locals, who returned empty-handed. By the end of February Palamau was obviously running short of cash, having gone through a long period of scarcity and price-rise. Hence, despite acute shortage and an abnormal escalation of rates, importers could not be sure of an effective demand, once prices went beyond a certain level. For example, while entire stocks of rice were bought up at 9 seers or more a rupee, large quantities were left unsold when offered at less than 9 seers. (51)

The Commissioner's suggestion of 21st January 1897, that government should import a lakh of maunds of rice, and the Deputy Commissioner's plea later on (20th May, 1897) for direct import of 1/2 lakh maunds, were ignored for fear of dislocating the local trade in foodgrains. It was felt that private trade would feel the pulse of the market better. Hence, the task of supplying foodgrains for the local market and relief works were left to private traders, mainly from Gaya.

The Commissioner then proposed indirect measures to stimulate private trade. Traders were repeatedly informed of the market situation. When they failed to respond, government tried to induce the larger Gaya dealers to bring in Burma rice to Daltonganj at a bounty of 8 annas per maund to cover the cost of carriage from Gaya to Daltonganj till the end of March. The trade still flagged, mainly due to the difficulty in procuring carts. The Commissioner now suggested extending the bounty to "all rice" instead of Burma rice alone, for country rice outside Palamau might in the near future become cheaper than the latter, in which case the trade in Burma rice would become unprofitable. Moreover, this measure would also place the import trade within the reach of the petty dealers, and bring into play the local system of carts and pack bullocks which could carry across small supplies from Nasirganj, Daudnagar, the irrigated tracts along the Sone Canal and elsewhere. The suggestion was complied with, and the bounty was extended up to a limit of Rs. 25,000 on all rice imported into Palamau till the end of April. A Gaya trader, Ghanshyam Das, was the first to avail of this opportunity. Yet the problems and cost of carriage proved a major constraint, and prices remained high due to lack of competition.

In April, loans upto Rs. 25,000 at 6.1/4% interest were sanctioned by government to enable traders, mainly mahajans, of Daltonganj, Chainpur and Garhwa to import rice into Palamau. The bounty was extended for a longer period till the roads were open to traffic, and lasted in effect till early September. The amount sanctioned for advances was increased to Rs. 75,000. Further, two new routes - one via Manatu to Daltonganj, the other via Dungwar to Garhwa - were thrown open to importers claiming the bounty. Yet imports were not sufficient, and the price rose to the unrealistic level of 6 seers and less per rupee.

51. Ibid. VI, p. 278.
By 21st May, only 7,516 maunds of rice had been imported into Palamau over the last three months, while Hazaribagh and Manbhum imported 1,25,000 and 91,000 maunds respectively by rail during the same period. Of the Rs. 75,000 sanctioned for advances, only 52,500 could be expended, while only Rs. 9,893-10 annas - 10 paise could be spent from the Rs. 25,000 authorised for payment of the "bounty". (52) Importers in Palamau found themselves crippled by the non-availability of carts from Gaya and Barun to Daltonganj, to see to which a special officer was sent to Barun. As the rains set in, however, the roads became impassable and imports blocked still further. On the whole, by September only 13,687 maunds of Burma rice and 5,367 maunds of county rice had been imported into Palamau since the introduction of the bounty system in February 1897.

Thus, private trade failed to operate effectively in Palamau in 1896-97 despite government bounties and advances mainly due to transport difficulties, the absence of big grain merchants and the great imbalance between prices and purchasing power. Finally, government decided to directly import 15,440 maunds of rice for the relief works, but as the rivers had now become un navigable, half of the government grain arrived too late. By then the bhadoi and winter crops were practically assured, and it was difficult to dispose of the grain in the local market. The Commissioner of Chotanagpur was sharply critical of the government for carrying its policy of non-interference too far. The entire problem, according to him, could have been solved had it complied with his earlier suggestion to directly import 1,00,000 maunds of foodgrains into Palamau in January, 1897.

(iv) Orissa compared most unfavourably with other parts of the Province, in having "absolutely no machinery for imports." (53) In Cuttack, for instance, there was little or no internal trade, the villagers normally bartering paddy for other necessities. The traders were unaccustomed to importing from outside the district, or even carrying supplies from one part of it to another. Hence, due to the extensive crop-failure this year, there was very little rice available for sale in the local markets, the stocks being neither large, nor easily mobilised. The affected regions of the Chilka tract in Puri were even worse off, as regards trade and communications. The few sarbarahakars, jagirdars and zamindars of the region cornered large stocks and refused to sell locally. The people in normal years were self-sufficient in grain, and unused to trade transactions. The Collector notes: "There are no traders here, and trade will not bring the rice." (54) Stocks of grain in a few "maths" of Chaubiskud and

53. Fam. Sel. IV, p. 419.
54. Ibid. IV, p. 421.
392
Serai had already been sold to the Ganjam and Bombay traders at high prices. (55)

The parganas of Malud, Parikud and Bajrakote on the southern or sea-face of the lake consisted of a number of islands intersected by inlets and creeks. During the summer and the rains they were cut off for days at a stretch, as the lake was either too dry or too rough for boats to cross over. These, together with Manikpatna and Satpara, were the "salt parganas" liable to saline floods. Chaubiskud and Serai on the east and north were subjected to the floods of the Daya river, and the brackish waters of the Ghilka when the southerly high winds blew. There were no roads, communications being difficult throughout the year. During the rains each village became an island, unapproachable except occasionally by canoes.

Being thus difficult of access and liable to floods and famine, the single-crop region of the Chilka did not naturally have the resources necessary to attract trade. As Mr. W. H. Lee, the Collector of Puri, notes in March 1897: "The people being generally poor, and their purchasing power limited, trade does but little in the way of supplying grains to them even in ordinary times." (56) Due to the low level of local resources and abundance of the rice crop in normal years, prices were habitually low in Orissa.

But, though prices were not competitive enough to draw in supplies from without, they were sufficiently high to create pressure on the local population. Yet there was less of an exchange crisis, the real problem being a decline in foodgrain availability in absolute terms, as in the famine year of 1866. Remarking on the relief works in progress in the Nayapara region in Satpara, Mr. Lee writes: "The men already employed there want paddy for pay, and say that money at present is of no value to them." Tanks and wells were being dug and cleaned in Manikpatna, Gopalpur, Deulpara, Sepia, etc. and a road was sanctioned in Parikud. "But all this will not save life, unless paddy is brought here .... the people here can buy any quantity of paddy. It is only a few of the very poorest who are out of money." (57)

As the crisis deepened, the Collector felt the urgency of importing and storing rice in the Chilka region. "I am decidedly of opinion that, in order that terrible scenes may be avoided, it is necessary that rice must be brought here in large quantities, as private trade fails to

55. FRFRO, Puri, 1896-97 and 1897-98; No. 2652, Puri, 2nd Dec. 1897. From W. H. Lee, Offg. Collector, Puri, to the Commissioner, Orissa Division, Ch. I, para 4; Ch. III, para 3.
supply local wants." (38) He, therefore, advanced small sums of money to respectable persons willing to import paddy into the famine zone. The grain was to be stored in godowns in parts of the distressed tracts at their own risk and expense, without government intervention. The receivers of loans were to pay interest at 6.1/4% per annum, and furnish adequate security for repayment of the loans before 1st January, 1898. Some of the contractors were purchasing grain in Khurda and Rambha, where circumstances were better than in the Sadar. The Collector also ordered 10 cartloads of paddy to be purchased at the town and sent to Satpara every week for sale in small quantities and at cost price to needy persons, till the working of the godowns by persons receiving loans began in full swing.

As scarcity had by now extended to the whole of India, a strict adherence to the provisions of the Government Resolution would necessitate the importation of grain from outside India. But, as it was impossible in this region to secure local contractors who had the enterprise or resources necessary to undertake importation of grain from without the country, exemption was sought "in consideration of the special local circumstances." There was hardly any stock of grain or active import trader in Malud, Parikud, Bajrakote or Chabiskud. Yet these measures of the Collector helped to keep prices down at 10 seers a rupee at the highest. The Lieutenant Governor, however, disapproved of the Collector's "precipitate" action in importing and selling grain, and maintained that it should in no case have been undertaken before receiving government sanction. (59)

3. Manipulation of the market by speculative traders:

The related problems of an excessive outflow of grain from the distressed tracts and a lack of corresponding imports, have been discussed above at some length. A third and major constraint on the smooth flow of trade in the famine zone lay in the manipulation of the market by the local traders, in several different ways. Though the Famine Commission Report of 1898 insisted that there were no combinations by traders worthy of mention during 1896-97, complaints of this were common, especially in Bihar in the early months of the famine. Perhaps there was no large-scale or organised attempt as the millers' combines in Burma in 1882 or 1893, but local manoeuvres were nonetheless effective.

3(a) Hoarding and exportation of foodgrains from affected tracts:

From the beginning of October 1896, reports poured in of hoardings by grain-dealers and their refusal to sell retail in distressed areas. In most districts, especially in bhaoli regions, local zamindars and rich

peasants withheld large stocks. A section of the grain-dealers in their capacity as mahajans often received their interest in kind. They also secured the crops on the ground by advance payments, the peasant invariably losing out in the bargain. The Mughalbandi dealers in Angul provide an instance in point. In Sathkhira in Khulna, too, the raiyats had borrowed money on the security of their aus and jute crops in 1896-97. The rabi foodgrains brought little relief to Champaran this year, as they went almost entirely into the hands of the dealers, due to extensive prior hypothecation. The pressure of rent and interest payments in Banela, Hitampur, Pabia and Gidhour in the Santhal Parganas likewise forced grain out of the peasants' home and into the mahajans' 'gola', whence it flowed out of the district altogether.

Tension mounted against such cornering and exportation of grain from famine zones. Yet government refused to act, on the ground of its much publicised policy of "laissez faire." For instance, in November 1896, "demonstrations" in Hazaribagh calling upon the district authorities to stop exports and reduce the price of food drew no response, and quickly fell through. Local merchants bought up all available stocks at prices slightly higher than the market rate, thus cornering supplies and simultaneously raising their own rates. (60) Once prices began to fall in Hazaribagh in August 1897, the mahajans bitterly complained of a loss on the sale of their reserves, confirming once again the existence of hoarded stocks. (61) The Patna Division provides typical examples of hoarding by grain-dealers. The goladars in many places refused to sell below Re.1 worth of rice at a time. At Naubatpur a number of people had to starve for a day for this reason. Goladars were refusing to sell retail in Phulwari. Similar complaints came from Khagole on 4th October, 1896, against several Marwaris, and riot was apprehended. Reports were also received from Barh, Maner and Bihar in Patna district. In Dinapore 4 or 5 golas were looted for this reason on 3rd October. Goladars in Saran were said to be changing rates 2/3 times a day, and unduly inflating prices - they did not actually sell at the rates quoted. The incidents in Patna Division grew more scarce and isolated in November-December, but the problem persisted throughout on a smaller scale. Instances of hoarding were also common in September - October 1896 in Cuttack and Puri, and continued well into 1897. In Angul, there was great difficulty in procuring rice in the market in November. Finally, on receiving complaints from the police and the postal departments, the Deputy Commissioner persuaded the "sarbarahakars" to sell small quantities to meet pressing demands. Hoarding by local banias also led to grain riots in Rampur-Boalia in Rajshahi in June/July, and in Lohardaga in April, 1897:

3(b) Rigging of the market:

Rigging of the market was a common feature during this famine. In Palamau, for instance, rice was selling in Manatu at 7 seers or less per rupee in February 1897 while at Hariharganj, only about 30 miles away, it sold at 9.1/2 seers, the difference being attributed to manipulation of the market by local traders. H. C. Streatfield, Deputy Commissioner of Lohardaga, noted certain "suggestive facts" in this context: when the price of rice in Lohardaga rose as high as 5 seers to the rupee, a zamindar opened his granaries and started selling at lower rates. The local merchants promptly contacted and dissuaded him from doing so, thus proving that they had stocks to dispose of. The effectiveness of their control over the market was further seen in August 1897 when some Ranchi merchants, fearing a loss on rice imports before the grant of the government bounty, sent part of it out to Lohardaga: prices in Lohardaga fell by 2 seers to the rupee, even before the consignments arrived. (62)

3(c) Carters' combines:

Not content with rigging the market, the merchants exploited the problems of transport and communication by organising carters' combine to further push up prices. Mr. W. H. Lee, the Collector of Puri writes in January 1897: "..... the export merchants have established such a boycott among the carters, that no carter will fetch paddy from Khurda, where rice is 23 seers (to the rupee), to relieve the townspeople who cannot get more than 13. If allowed, I will break through this." (63) In July 1897, the difficulties of cartage from Purulia to Ranchi raised the freight charge to 1 rupee and 6 annas per maund, against the normal monsoon rate of 13 annas. Grain prices rose sharply in consequence, the Ranchi merchants being able to re-import at profit from Hazaribagh. In Palamau, independent combinations of the "thakurs" or cart-owners in the trade marts held up imports. Th Chaudharies, taking advantage of the great demand for drought cattle on the fields this year after the first showers fell, insisted on "dastooree" of 1 to 2 annas a cart from each trader, before arranging to provide for them. (64)

3(d) Exploitation by middlemen and retailers:

The middlemen and retailers exploited both the seller-producer and the consumer, by the arbitrary fixing of rates and fraudulent weight measures. In Nadia the zamindars acted as landlord, indigo planter and


396
mahajan, leaving little freedom to the raiyats. The novel manner in which rice was sold in parts of Nadia, such as Tehatta and Gotpara, was anything but free bargain. At each hat there was a middleman appointed by the zamindar, and paying rent to him for the privilege of collecting a small tax on each bargain. He was called the mahaldar; he was also the licensed measurer and, as such, was known as the 'Kayali.' Every ounce of rice sold was measured by him, the price being calculated by him at rates he alone had the power to fix, and both the seller and buyer had to act through him. Kayalis or privileged measurers were also met with elsewhere in Bengal; but it was unique for them to fix the rates as well. This local custom might have arisen from the fact that the sellers here were all ignorant women who had to depend on others to do the calculations, and were likewise apt to be cheated. The two mahaldars in Tehatta vied with each other in increasing the rates, to attract the women sellers to their respective parts of the bazar. Despite rigid government adherence to the policy of non-interference, the police had ultimately to intervene and set the price. In February 1897 Babu Rajendra Narain Mojumdar, Overseer in Midnapur, reported that the local grain-dealers kept two sets of weight-measures (pai and kona). They purchased with the correct ones and sold with the others, thus cheating the poor people both ways. In every pai of rice (1.1/2 seers) they were cheated of 3 chitaks. The dealers also sold wet grain, which would swell and weigh more. (65) Referring to the activities of the shopkeepers and dealers in the crisis year of 1896-97, the Famine Report of Shahabad states: "The baniya alone thrives at such a time." (66) They profiteered without scruple even on government relief contracts. In Saran, for instance, "they were constantly using short weights, issuing short doles, or doles of grain mixed with earth." (67)

On the whole, the agrarian crisis of 1896 in Bengal forced a distinct change in the direction and flow of the grain-trade, creating new problems and new opportunities in the process. However, the market mostly failed to grasp this opportunity and to respond to the price-stimulus in the way expected, due to the variety of reasons recounted above.

66. FRFRO, Shahabad, Ch. IV, para 12.
67. FRFRO, Saran, Ch. V, para 83. Note on Difficulties in the Administration of Gratuitous Relief, point 6.
The role of theory in policy - failures

The official approach to famines was not based on a proper understanding of the problems, either of foodgrain availability or entitlement. (i) Exaggerated notions of a surplus often underlay bureaucratic thoughts and action on the subject. (ii) However, a shortfall in aggregate production in lean years would directly result in shortage and starvation. This point is repeatedly stressed in the Famine Commission Reports and policy discussions of the British Indian Government throughout the 19th century. Contemporary official policies, relying on the political economy of Malthus, Adam Smith and Mill, advocated the simple formula that foodgrain prices inflated by crop-failure would inevitably attract supplies from surplus to scarcity, and scarcity to famine tracts. Hence, a free private trade in foodgrains, regulated by the price-differential, was looked upon as the only effective remedy in a famine situation, and a policy of 'laissez-faire', or non-intervention in grain-trade, was strictly emphasised. (iii) This policy assumed that the speculator played a positive role in society, for by raising grain prices in times of scarcity, he helped to control demand and so adjust it to the reduced level of supply.

(i) Official belief in the self-sufficiency in food was, however, based on exaggerated estimates of the surplus. A surplus of 3,306,000 tons was estimated for Bengal in 1898, for instance, though the average annual export from this Province in years preceding the famine of 1896-97 amounted only to 305,000 tons. Again, by identifying exports with the surplus, officials like the Collector of Patna in this year of famine ignored the vital role of purchasing power in determining the flow of trade.

(ii) The laissez-faire theory, too, suffered from an over-emphasis on the physical aspect of food supply, without considering the shift in entitlement patterns. It believed that high prices in the famine zone would naturally attract a free flow of foodgrains and, when the volume of this import trade fell far short of expectations, the explanation was sought in the physical problems of transport and communication, rather than in the more fundamental one of market-based entitlements and purchasing power. Adam Smith's political economy was thus concerned with the operation of market forces in meeting a growing demand for food, but ignored a situation when this demand could not be made effective.

(iii) The beneficial effects of speculation in reducing the intensity of the crisis are also open to question. In fact, this view, based on the arguments of Malthus and J. S. Mill, tends to oversimplify the working of market forces. In a famine or scarcity aggravated by speculative hoarding prices are not depressed even by the release of withheld stocks, for panic creates an abnormal demand. As the Deputy Commissioner of Chotonagpur comments at the end of August, 1897: "...
it is evident much greater pressure is required to lower prices than to raise them". (68) A price rise may be of two types, to each of which the market reacts differently. When a long period of scarcity is apprehended, the tendency to hoard is universal. This further diminishes supply and the psychosis of greed and fear, thus reinforced, pushes up prices to unprecedented heights, as happened in Bengal in 1943. On the other hand, when the shortfall is expected to have only a temporary effect, producers and dealers try to sell their stocks while prices remain high. According to the Lyall Commission, this attitude prevailed in Bengal in 1896 - 97, there being hardly any large-scale speculation or combination of grain dealers to keep up prices. Yet, complaints against local bajas were not uncommon this year. There were numerous instances of hoarding and rigging of the market by traders in Patna, Palamau, Lohardaga, etc., as noted earlier in this chapter. This led to widespread grain riots and intensified local distress, as seen in Patna in October 1896, and in Lohardaga and Rajshahi in 1897.

Due to these misconceptions in official policy, the market did not respond to the price-stimulus in the way expected. Grain flowed out of acutely affected areas, though famine prices prevailed. Again, prices in surplus districts often rose higher than in famine tracts, as seen in the case of Tippera, Bogra and Gaya. Private trade failed to cater to the needs of remote tracts like Ramnagar in Champaran, Palamau in Chotanagpur, the Chilka region in Puri and the Kalantar in Nadia. An enormous export trade went on in the Patna Division despite acute local scarcity in Bhahua in Shahabad, Siwan and Gopalganj in Saran, Ramnagar-Madhuban-Araraj in Champaran, Muzaffarpur-Bitamarhi in Muzaffarpur, and Madhubani in Darbhanga; grain flowed out of Bhagalpur but did not enter local distress areas like Supaul-Madhupura in Bhagalpur district and Jantara-Godda in the Santhal Parganas; Nadia and Khulna exported grain as usual, though there were no stocks in the Kalantar tract and Satkhira; Orissa sent grain to Bombay, Madras, Mauritius and Colombo, while parts of Cuttack and the Chilka region in Puri received no supplies, despite acute distress and soaring prices.

Local deviations from the official policy in such special cases make interesting reading. For instance Egerton, Collector of Shahabad, forbade grain exports from the district by an order under section 144, Criminal Procedure Code. Bourdillon, the Commissioner, rebuked him and immediately cancelled his order by wire on the ground that "no direct interference with trade can possibly allowed." In Champaran government loans for grain import were allowed after initial reluctance and much haggling with the local officials. In February 1897 Macpherson, Collector of Champaran, noted that the N. W. Railways charged a special reduced rate of 6 annas a maund for downward traffic to, but not for upward traffic from, Howrah. As he observed, "It seems an anomaly

under present circumstances to give a bounty like this on exports from Bihar". (69)

In Palamau, suggestions by the Commissioner and Deputy Commissioner for direct importation of a lakh and 1/2 lakh maunds of rice respectively were brusquely brushed aside, with dire consequences. Local dealers were expected to meet the needs of the district, though A. Forbes, the Commissioner, mentioned in clear terms their inability to do so: I can assure Government that it is perfectly useless to look for any material help in the present circumstances from the Palamau dealers. " (70) His suggestion for an import contract with a reliable Calcutta-based firm like Messrs. Jardine, Skinner and Company was also negatived. He was finally allowed to negotiate imports with the Gaya dealers, only one of whom responded initially, and was quite unable to meet the demands of the district. R. H. Renny, the Deputy Commissioner, warned in March 1897: "It appears to me that Government should come to our assistance before it is too late." (71) Even the grain-dealers of Hazaribagh could not function effectively in a crisis year like this without government assistance. The Deputy Commissioner notes: "I consider this is one of the districts to which the limitation of the principles laid down by the Famine Commission would expressly apply, that is, a district which cannot be safely left to private enterprise for its food-supplies in time of scarcity." (72)

Similarly, as supplies failed in the Kalantar tract in Nadia, the Collector, J. H. E. Garrett, proposed to grant Rs.50,000 in advances to Gregson, an agent of Watson and Company, who alone could import grain in large quantities into the region. This, however, was refused, lest Gregson should undersell other grain-dealers and dislocate private trade. Garrett writes in exasperation to E. V. Westmacott, Commissioner of the Presidency Division, on 23rd April, 1897: "As regards the purchasing public generally, I am afraid nothing can be done beyond endeavouring to stimulate banias into importing from Calcutta by showing them the profit they can make out of it." (73) The Collector was, however, persistent in his attempts to convince the government of the need to finance Gregson, as there were no other local traders big or resourceful enough to undertake imports on this scale. On 8th June, he again wrote to Westmacott: "As already reported, the whole of the northern portions of the Karimpur and Daulatpur thanas are now entirely dependent on Mr. Gregson, and should the capital which has been placed at his disposal by his firm prove inadequate to meet the drain upon it, -- and there is every reason to suppose that it will, -- the inevitable

69. Ibid, IV, p. 174; No. 246F., 4th Feb., 1897.
70. Ibid, IV, p. 335; 8th Feb., 1897.
71. Ibid, IV, p. 344; No. 2037 R., 12th March 1897.
73. Ibid, VIII, p. 370. Krishnagar, 23rd April, 1897.
result will be that large numbers of persons will be forced to the
Government relief works through sheer inability to obtain rice in any
other way, and further it is not improbable that deaths from starvation
will ensue. Consequently, I beg to request that you will be good enough
to move Government to reconsider their decision and accept my proposal,
... or else absolve me from all further responsibility in the matter." (74)
Mr. Finucane, Revenue Secretary to the Government of Bengal, wrote
back on 17th June: "... I am directed to say that the Lieutenant
Governor ... is not convinced that the risk of a failure of supplies is
so great as it is believed by you to be ... His Honour cannot therefore
sanction your proposal to grant a loan to Mr. Gregson." (75)
Garrett's stand was vindicated within a month by the intensity of
distress in the Kalantar, and the proportion of relief required. Stocks
were 'non-existent', approximately 1,09,222 people, i.e. nearly 20% out
of a total population of 5,58,000 in the affected tracts, subsisting on
government relief. (76)
In Orissa, the Collector of Puri was pulled up for giving out loans to
grain contractors for importing rice into the Chilka tract. The
Collector of Cuttack noted with regret: "Exports must go on and the
government forbids interference! At the same time, there is absolutely
no machinery for imports."
Too rigid an application of the principle of laissez-faire,
irrespective of such special circumstances, led to controversies even at
the highest level. In paragraph 13 of the Bengal Government Resolution
No. 5133 of 10th December, 1896, the Lieutenant Governor, Sir Alexander
Mackenzie, applied to the Government of India for a sanction of
advances to reliable persons at a reasonable rate of interest (about
6%) for the purchase in Calcutta of grain from overseas. These were to
be sold in remote and inaccessible tracts at their own risk and
discretion, subject to the occasional inspection of invoices by
government officials. This, according to him, was a "question ... more
... of finance than of interference with trade." The Governor-General
in Council, however, negatived the proposal as being "rather in the
nature of a blank cheque presented for his signature," and insisted on
a more "localised" scheme of grain advances for remote or inaccessible
tracts where local trade was inactive, or unable to cope with the
problems of transportation.
Sir Alexander objected to this description of his proposal, and
criticised paragraph 8 of the Government of India's letter providing
for contracts with grain-dealers in "exceptional cases" for the
supply of provisions on relief works. As he pointed out, action of this

74. Ibid, VIII, p. 372. No. 491 F., Krishnagar 8th June, 1897.
75. No. 624 TR./Fam., Darjeeling, 17th June, 1897.
76. Fam. Sel, IX, pp. 353, 384.
kind was painfully inadequate to meet an emergency of such dimensions, for it did not allow for cases where supplies failed in the local markets as well. There was no difference in principle between advancing money to a contractor whether for selling grain at relief works, or in areas where private trade had failed to cater to local demands. The lengthy correspondence on the subject was finally brought to a close by the sanction of advances only in most exceptional cases, with a firm rejoinder that "the Government of India still adhere emphatically to the general policy of non-interference with private trade." (77)

The principle of 'laissez-faire' was thus carried too far, without considering even such special cases as had been noted and provided for in the Famine Commission Report of 1880, which was said to form the very basis of this policy. Though some local officials like J.H.E. Garrett of Nadia, W.H. Lee of Puri, Macpherson of Champaran and H.C. Streatfeild of Lohardaga questioned the rigidity of the laissez-faire policy, their dissent was not based on an accurate assessment of the situation. Thus, when importations into the famine zone fell far short of expectations, the answer was sought in the physical problems of transport and communications, rather than in those of purchasing power and entitlements. For instance, it was a "mystery" to Garrett that grain flowed out of Nadia, instead of being drawn by the famine prices ruling in the Kalantar; he did not enquire whether the local people could afford these prices. Similarly, when rice lay unsold in the most distressed tracts of Govindpur in Lohardaga, Streatfeild attributed it to popular superstition rather than the lack of effective demand. (78)

The Collector of Patna made the same mistake, in identifying exports with the surplus.

Thus, while the "pull failure" reflected the entitlement problems in 1896-97, the "response failure" occurred due to the inability of the market or the government to react positively to this abnormal situation, by increasing the availability of foodgrains.

The unprecedented scope and extent of the famine forced distinct changes in the direction of grain-trade. The flow of grain from the normal sources of supply became uncertain and erratic, as surplus districts in Dacca, Rajshahi, Chittagong, the NWP and Nepal not only held back in apprehension of scarcity, but also began to import. Meanwhile, the outflow persisted from affected areas like Bhagalpur, Orissa and north Bihar, which already had an organised trade-base in foodgrain exports. The enlargement and diversion of this flow from

77. Ibid. III, p. 304. No. 298/45-22 F., Cal. 20th Jan., 1897. From T. W. Holderness, Dept. Sec. to the Govt. of India, Rev. Dept., to the sec. to the Govt. of Bengal, Rev. Dept., para 5.
local scarcity tracts into regions with greater resources was no
difficult proposition for agents of big trading firms as in the NWP, Bombay, Mauritius or Dacca-Chittagong. To move against the existing currents of trade and find new sources of supply in the midst of this crisis, the famine-hit districts would require free access, adequate purchasing power, an import network in foodgrains, and traders rich and resourceful enough to expand on this basis. As analysed earlier, hardly any of these preconditions could be fulfilled in the worst affected tracts. The market failed to respond effectively to these problems due to dysfunctions arising from manipulation by traders, and the mistaken emphasis by government on 'laissez-faire', irrespective of the local context.