

ECONOMIC RESULTS OF PROHIBITION IN THE SALEM DISTRICT

(OCT. 1937—SEPT. 1938)

BY

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A SURVEY OF THE ECONOMIC RESULTS OF PROHIBITION IN THE SALEM DISTRICT

DURING THE TWELVE MONTHS OCT. 1937—SEPT. 1938.

REPORT.

1. INTRODUCTORY

Genesis of the Survey.—As total prohibition is being tried in a whole district of British India for the first time, it was felt that the experiment must be carefully watched and its results patiently recorded for the guidance not only of this Province but of all India. This point of view was urged in the course of the debate on the Prohibition Bill in the Legislative Council,* and at a meeting of the Madras Economic Association. When, subsequently, the Prime Minister wrote to the Vice-Chancellor of the Madras University suggesting that an economic survey may be conducted in the Salem District by the University, the Department of Economics readily took up the suggestion and a scheme for an economic survey of Salem was placed before the Syndicate. The scheme was soon approved and six investigators (two being ladies) were immediately deputed to Salem at the expense of the University.

Plan of the Survey.—It was at the outset clear that as the object of the survey was the examination of the economic effects of prohibition on the different sections of people in the district, both urban and rural areas must be surveyed and that no part of the district must be left out. However, it was not possible to survey all areas; it was necessary to select some urban and rural areas for special study. Eventually, one town (Salem) and four villages were selected. In Salem town, representative groups of unorganised and organised industries were selected for study. For the former, handloom weavers, and for the latter the workers of Rajendra Mills and Mysindia Factory were selected. In addition, two smaller groups—municipal labourers (men and women) and the stone-workers of Dadagapatti were also studied. Enquiries were also made among the labourers of the Magnesite Syndicate

Ltd., but owing to some changes in employment, many of the workers selected for study had left the place by the time the second survey was made. Of the villages selected, two—Kadathur and Kelamangalam—are in the interior, and the other two—Kumarapalayam and Palapatti¹—are on the borders of the district. Apart from carrying out enquiries of a more or less intensive character in these areas, studies of a general nature were made in regard to certain other areas also. This report is based chiefly on these intensive enquiries. However as the conditions of the areas studied are more or less the same as those obtaining in other rural and urban areas, the conclusions reached may be considered to apply in a general way to the whole District.

The two lady Investigators were deputed to Salem town and the other four Investigators went to the villages.² Nearly all these six students had had previous training in research, and one of them is a Ph.D., of this University. But they did not stay in those localities during the whole year; nor was it necessary under the plan proposed. It was decided to watch the results of prohibition for a year, and, in order to study the short-period trends during the year, it was thought necessary to repeat the survey more than once, at an interval of some months. In all the rural areas, two successive surveys have been conducted and in Salem town, the handloom weavers' condition was studied three times. Therefore the investigators had to visit their respective fields of survey several times during the twelve months, spending each time a month, six weeks or two months at a stretch.

In order to measure accurately the results of prohibition, the areas should have been accurately surveyed before prohibition was introduced, but this not having been done, the first survey was intended for studying the pre-prohibition conditions as well as the immediate reactions of prohibition. As the first surveys were conducted soon after prohibition started, it was not difficult to obtain a fairly accurate picture of economic conditions before prohibition.

1. In the revenue village of Kumarapalayam.

2. The investigators appointed were :—

Salem Town—Organised industries—Dr. A. Sarada.

Unorganised industries—Miss C. A. Radha Bai.

Palapatti—S. Thirumalai.

Kadathur—A. K. Veeraraghavan.

Kelamangalam—K. Ramagopala Rao.

Kumarapalayam—A. Krishnamurthi.

As is well known, the study of family budgets is the most suitable method of conducting an intensive survey. It was not possible to study all the families; nor was it necessary, because recent statistical enquiries in the West have demonstrated that nearly as accurate results could be obtained by studying families selected on a random sampling basis. In respect of the villages selected, case studies of a large number of addicts were made; in the case of Salem town with its many thousands of workers it was found necessary to resort to the sampling method. That is, a certain number of families were selected either on a 'random' or 'purposive' basis. An adequate sample would depend on the extent of uniformity in social and economic conditions among the families to be studied. In the case of the Rajendra Mills, one out of every 8 families has been studied. A similar survey of the Mysindia Factory was planned, but the factory being somewhat of a seasonal character, it was not working during the latter half of the period covered and a complete final survey was not possible among its labourers. Abundant samples have been collected also for the municipal labourers (one out of ten) and the stone-workers of Dadagapatti (one out of eight). In the case of the numerous class of handloom weavers, it was only possible to take one out of every 40 families. However, it may be noted that unlike the factory workers who are a more heterogeneous lot—some are town dwellers and others seasonal emigrants—the handloom weavers belong to certain definite castes and conditions within each caste and grade are fairly uniform. Altogether 380 family budgets were collected in Salem town, but information of a general nature has been gathered about many more families.

Some difficulties.—There are serious difficulties in the study of social policies like prohibition. Firstly, the effects of the policy vary from time to time. A distinction must be made between immediate reactions, short-period results and long-period results. The immediate reactions of such a measure are bound to be somewhat unfavourable on habitual drunkards and even during the short-period, say a year, the results may not be pronounced, but after some years, the effects, both favourable and unfavourable, can be definitely evaluated.

Secondly, social experiments like prohibition cannot be conducted under a bell-jar; we cannot segregate the results of social legislation, as several conflicting influences operate on society at the same time. This has been the greatest difficulty in regard to the present study. During the period under survey, the handloom

weavers have been passing through a severe depression, and this has had devastating results on their employment and earnings. Thus a good deal of the beneficial effects of prohibition was drowned in this depression. Similarly, the abnormalities of the agricultural season have also affected the district adversely, and have undermined the beneficial effects of prohibition. According to the reports of the Agricultural Department, the kar paddy crop (April-May, 1937) was 5 to 10% below normal owing to insufficient water supply. The gingelly crop (February-March) suffered much more, and this affected the northern taluks rather badly. Cambodia cotton crop was not good. As for groundnut, the May-July crop was 20 to 25% below normal, and the slight improvement in acreage and prices was not enough to make up the loss.

Thirdly, conclusions on the results of a policy like prohibition are liable to serious fallacies. When several causes are operating on society, enthusiasts are likely to attribute improvements to one of them. The use of the *post hoc ergo propter hoc* argument is also to be guarded against. For instance, some writers on American prosperity between 1925 and 1929 attributed it to prohibition, but when the slump came in 1929, the fallacy of their position became patent. We must be careful not to connect all the economic tendencies of the year with prohibition. Prohibition was only one of the forces operating on economic life, although a rather potent one, and even the most careful statistical analysis will not enable us to segregate its results.

Further, some of the physiological and psychological reactions generated by prohibition take a fairly long time to work themselves out. This has been the experience of other countries which have tried the policy. Therefore a proper balance-sheet of prohibition cannot be drawn up within a year; it must wait for a few (say five) years, and during this period, the survey must be repeated at intervals.

In this report, the results of urban surveys have been given greater prominence. This is because the results of social policies like prohibition come out more quickly among urban labourers, especially factory labourers, obtaining regular wages, than among agricultural workers whose incomes are more meagre, uncertain and irregular. Economic life moves slowly in rural areas, and naturally social policies will take longer to work their results out. A year is too short a time for the proper study of the results in rural areas. However, the information so far gathered has been utilised in this report.

2. NATURE OF THE DRINK PROBLEM IN SALEM

The District of Salem has a population of about 2½ millions, spread over 1,827 villages and numerous hamlets. Its area is 7,058 square miles, comprising both low country and uplands. It has had the distinction of being a pioneer in many ways. The ryotwari settlement was first introduced in Baramahal (northern Salem) in 1792 by Colonel Read and Captain (afterwards Sir) Thomas Munro. Even prohibition is not new to the district. In the days when it formed part of Mysore, Tippu Sultan introduced prohibition of some kind in this as in other parts of his dominions, about the year 1780. Long afterwards, in 1875, the Salem District was selected by the Board of Revenue for the introduction of the improved excise system based on the principle of maximum revenue and minimum consumption. Local option was also tried in Salem, in 1918. Subsequently, in 1929, an experiment in prohibition was tried in three taluks of Salem, and this continued till 1933. It was therefore fitting that Salem should have been chosen as the first district in British India to be placed under total prohibition.

Before proceeding to deal with the results of prohibition, it may be useful to enquire into the extent of liquor consumption in Salem before prohibition and the nature and magnitude of the problem that it presented. It is true that the consumption of alcohol per head is much lower in India than in any Western country. But *per capita* comparisons give no real clue to the drink problem for India; for, while the great majority of adults, men and women, in Western countries habitually take drink, a much smaller proportion of the people of India are addicted to drink, and within this small group consumption per head is high and a large part of the income is spent on drink, with the result that their families are in the slough of poverty and misery. According to one estimate, 30% of the people of Salem (i.e. 750,000 persons) habitually resorted to drink before prohibition. But our enquiries show that this is too high an estimate. Drink was widely prevalent among the artisans and working classes, especially handloom weavers, factory workers, stone and earth workers, railway and municipal coolies and some farm labourers. A large proportion among these classes habitually resorted to drink, but they formed only a very small proportion of the total population. Among certain classes of urban labourers, women also used to drink, but their rural sisters were generally more sober.

It is estimated that there are about 7,500 workers in organised industries in Salem. There is one textile spinning factory (Salem

Rajendra Mills, Ltd.), one magnesite works (Magnesite Syndicate Ltd.), two carpet factories, 10 rice mills, 3 cotton ginneries and several workshops engaged in dyeing, making vests, etc. The municipal labourers (mostly scavengers) and the stone workers of Dadagapatti (working for a single employer) come under this category, although with peculiar features of their own. Among unorganised industries, much the biggest is handloom weaving (mostly cotton) which according to the Census of 1931 accounts for about 9,000 earners (men). The number of weaver families is about 6370, but the number of adult male workers is larger. The stone workers and scavengers were the heaviest drinkers, and especially among the latter, women also used to drink habitually. In the table below, the average annual expenditure on drink of the various classes of labourers and their total annual drink bill are estimated, on the basis of information contained in the family budgets.

THE DRINK BILL OF LABOURERS IN SALEM TOWN

(Averages of drinking families.)

Class of workers.	Annual expenditure on drink per head.		Percentage of total expenditure.	Total Number of labourers.	Percentage of addicts.	Total estimated drink bill (in 1000's)
	Rs.	A. P.				Rs.
Handloom weavers ..	58	9 0	29.1	7,000	50	205
Rajendra Mills ..	79	0 0	24.8	1,000	65	51
Magnesite Works ¹ ..	67	0 0	23.9	2,000	85	114
Mysindia Factory ..	77	0 0	25.2	2,000	79	122
Municipal Labourers (menials) ..	101	4 0	30.7	415	83	35
Stone Workers (Dadagapatti) ..	146	4 0	32.4	300	95	42
All classes ..	88	2 6	27.3	12,715	63	569

Thus the annual drink expense of about 8,000 labourers came to Rs. 5.6 lakhs (about Rs. 88 per head) ; and it follows that some

1. Figures for this factory are based on general inquiries and case studies, and not on a sample study.

ten or twelve thousand labourers (forming about 10% of the population of Salem town) paid the bulk of the drink bill of the town, which amounted annually to about Rs. 7.4 lakhs.²

The percentage of people addicted to drink was perhaps even smaller in the villages, but some classes drank nearly as heavily and their expenditure per head on drink was not low, as may be seen from the table below. The Oddars of Palapatti earned As. 12 to Re. 1 daily and spent the greater part of it on drink. The weavers of Kumarapalayam spent about 50% of the daily earnings on drink. The family needs of these people were met by the scanty earnings of their wives and children from menial and other labour.

DRINK EXPENDITURE IN FOUR VILLAGES OF SALEM DISTRICT

	Pala- patti ⁴	Kumara- palayam.	Kada- thur	Kela- mangalam.
(1) Population (1937) ..	1,927	5,676	2,239	2,460
(2) Addicts ..	250	600	48	84
(3) Percentage of (2) to (1) ..	13	10	2.1	3.4
(4) Average income per week of the addict's family (in Rs.) ..	2-6-4	2-13-7	3-0-8	1-15-10
(5) Average expenditure on drink per addict (in Rs.) ..	1-7-3	1- 8-0	1-9-4	1- 1- 7
(6) Percentage of (5) to (4) ..	68	50	52	56
(7) Total expenditure on drink per annum (Rs.) ..	19,000 ³	46,800	4,183	4,784
(8) Expenditure per addict (per annum—Rs.) ..	76	78	87	57

Thus in the villages, less than 10% of the people habitually resorted to drink. We may put it at about 7 to 8%. These drank heavily indeed and ruined themselves and their families. The total liquor sales of the Salem District must have been above

2. This is based on the accounts of 5 toddy shops and 3 arrack shops in Salem town. Their total annual sales amounted to Rs. 7.4 lakhs in 1936-37 and they paid a revenue of Rs. 3.4 lakhs.

3. Rs. 300 in addition was spent on imported drink by three well-to-do persons. This is excluded.

4. The figures taken are for the revenue village of Kumarapalayam, of which Palapatti forms part.

Rs. 52 lakhs (i.e., double the liquor excise revenue of Rs. 26 lakhs). The burden per head came to only two rupees, but this mode of computation gives no clear idea of the real incidence, because the bulk of this heavy bill was met by about 200,000 persons forming about 8 per cent of the total population of $2\frac{1}{2}$ millions, and the burden per head on them must have been high. Perhaps another 300,000 persons paid a few rupees each, and the remaining 2,000,000 persons, forming 80% of the population, contributed practically nothing. This is a rough estimate, but it gives a general indication of the incidence of the liquor excise revenue.

Although the incidence of the excise revenue was on a small number of persons, the burden of drink expenditure was on a much larger number. The 200,000 addicts who paid nearly the whole drink bill did so by plunging themselves and their families into misery, and therefore those affected by it were about one million persons, chiefly children and women. Thus more than a third of the population of the District paid the penalty for drink. These 200,000 persons were engaged in various productive occupations and drink affected their efficiency as producers and curtailed their wants as consumers. In these two ways, drink undermined the economic welfare of the whole district. Nor was this all. Had those 200,000 persons come of a higher social stratum, the evil consequences might have been much less. It is true that in Western countries also, the highest expenditure on drink is among the lowest paid workers. But the expenditure on drink there forms comparatively a smaller percentage of the income of even the poorer classes. According to the estimates made by the Colwyn Committee and others, the proportion of income spent on drink by working classes in Great Britain was about 15 to 16 per cent.⁵ But the urban workers of Salem spent from 25 to 30 per cent of their income on drink (see Table above). Certain classes of unskilled workers in England also spent heavily on drink, but they cannot beat the Oddars of Palapatti who spent Rs. 2-13-0 (4s. 1d.) per week (70% of their income) and the weavers of Kumarapalayam Rs. 1-12-0 (50% of their income). The position of the Salem workers was even worse than indicated by these figures, because in their case, more than in the case of the English workmen, drink was taken at the expense of food and clothing for the family. X

5. New Survey of London Life and Labour, Vol. IX, pp. 263-4.

That drink has always been a potent cause of poverty is beyond question. According to Charles Booth, 14% of poverty in England in 1900 was due to liquor. In 1931, the "Buckmaster" Committee found that "from 25 to 30% of the whole of the poverty of a typical working class district was caused wholly or in part by drink." Similar studies have not been made in any part of India; it would have been wiser to legislate for social amelioration after undertaking such studies. From the sidelights thrown by certain general economic surveys, it is clear that although drink is not the principal cause of poverty it is an important aggravating cause, at least among the working classes, and this is borne out by our survey in Salem. The influence of drink is partly direct, partly indirect. The incomes of the working classes are too meagre and this is the primary cause of poverty, but this meagreness is partly due to drink, and, more than that, their meagre incomes are further attenuated—halved in many cases—by drink, thus leaving a mere pittance for food and other requirements of the family. Drink also breeds debt and disease and litigation; and these in turn affect efficiency and income. Thus drink and poverty react on each other and intersect at many points. It is a vicious circle of the most formidable type: a pernicious development of the ages.

It was the virulence of the drink evil that dissuaded many persons from tackling it. The most malignant diseases can be cured, if only the patient will co-operate with the doctor. In this case, such co-operation is difficult to get. *Video meliora proboque; deteriora sequor*. The drunkard knows that drink is injurious but he lacks the will to give it up; therefore drink has to be kept away from him. This involves heavy cost, especially in a country where the commonest drink is tapped from trees which are found everywhere. With a toddy pot and a knife and a little skill to cut and dress a spathe, 'every man can have (so to speak) his own beer tap in his backgarden and the extensive topos can take the place of the elaborate breweries of Europe'. Nor was illicit distillation difficult. Therefore prohibition, it was feared, would involve too large a burden on the provincial Government. Not only would the Government lose the large excise revenue but might have also to incur a considerable additional expense into the bargain. No doubt some administrators were dissuaded from action by an instinctive aversion to State interference with individual liberty, but the great majority of them were dissuaded by the heavy cost of prohibition. However, when the present Government boldly introduced prohibition in a whole

district, it was welcomed by all those who had been watching the appalling consequences of drunkenness among the working classes. They knew that it was an extremely difficult venture, but one well worth making in the interests of society.

3. THE ENFORCEMENT OF PROHIBITION

The measures taken to implement the Prohibition Act have been fully described in the periodical reports of the Collector of Salem. We are here concerned primarily with the economic and socio-economic results, but as these results depend essentially on stopping the consumption of liquor, it is necessary at the outset to find out whether prohibition has been effectively carried out.

It was not an object of our enquiry to detect cases of illicit tapping and distillation. But the investigators had their eyes and ears open, and the general impression gathered is that very little liquor had been in use in the Salem District between October, 1937 and September 1938. There are, indeed, several exceptions. Firstly, there are those who have taken permits for the use of liquor, but this class of people have not come within the purview of our investigation. Secondly, some people living in the border areas have continued to obtain liquor from shops located in the neighbouring districts. It is true that restrictions on tapping and liquor trade were imposed on the ten-mile belt around Salem, but there was no difficulty in obtaining liquor in the shops round the border. For example, the people of Kumarapalayam crossed over to the liquor shops at Bhavani which is only a mile away, and it is believed that between 200 and 300 of the 600 persons previously accustomed to drink were going over to Bhavani in December 1937. But the significant fact is that the number subsequently diminished. By July 1938, the number of persons frequenting Bhavani had fallen to 50; on festive occasions, however, more than a hundred persons continued to cross the border. In Palapatti all except 33 of the 250 former drinkers have given up drinking, although the nearest shop is not too far. The people from Hosur used to frequent the liquor shops a few miles off at Attibele (Mysore State), and the sales of those shops mounted up, but gradually the numbers resorting and the frequency of such trips have fallen off here also. Even the handloom weavers in Salem town were not daunted by the long distance of the border area, and about a fourth of the erstwhile addicts among them used to go to Erode or Bhavani at a cost of Rs. 5 or 6 per head. But these trips subsequently became less frequent, and only a few now make the trip, and even then only once in two or three months.

Some of the municipal coolies of Salem have been visiting Erode periodically and although such visits have subsequently become few and far between, many still spend Rs. 5 or 6 monthly on liquor. If a five-mile dry belt is established round the Salem District and some arrangements made with the Mysore State, such visits may diminish still further.

When the Prohibition Bill was discussed in the Legislature, several persons expressed their fear that prohibition would be frustrated by illicit tapping and distillation, and by the increased use of injurious drugs and spirits. This perhaps would have happened had it not been for the active vigilance of the police. In some places, prohibition committees also did useful work. Owing to such active steps, very little illicit tapping seems to have taken place. Palmyra trees are even now being tapped for jaggery making, but palmyra toddy has never been popular in Salem. The tapping of coconut trees for sweet toddy is only permitted where there are co-operative societies for this purpose. As for illicit distillation, vague rumours of such practice, chiefly among hill tribes, have reached the ears of our investigators. There has perhaps been some illicit distillation, but the quantity of arrack thus produced must be so small that its economic effect is negligible.

There is evidence especially in towns of the use of denatured spirits. In Salem, some of the handloom weavers and scavengers were suspected of having taken to this injurious drink, but later enquiries show that this habit has weakened. For some months after prohibition began, sales of spirits in Salem recorded an increase, but this has not been kept up subsequently. The use of ganja is perhaps a more prevalent evil, especially among weavers. In Kadathur, Kelamangalam and the northern villages, ganja has been in use, and it is believed that the stuff came from the neighbouring Mysore territory. Lehams and other medicinal preparations containing opium have also become popular in some areas.

No doubt some cases of illicit tapping and distillation did come to light during the period under survey, but it must be recognised that these lapses are so mild when compared to what happened in other countries after the introduction of prohibition. There were indeed apprehensions in this country also that bootlegging of some kind would creep in, but so far these have not materialized. This is partly due to the strong public opinion in the country against drink. The consumption of liquor has always been considered a wrong thing by nearly all classes in the country, and even the day-labourers who resort to it realize this. No wonder that many

habitual drinkers became easy converts to sobriety, and some striking cases of conversion have come to our notice. The wave of political idealism prevailing in the country has also contributed to this result. For instance, the weavers of Salem are devoted to Mahatma Gandhi, whose picture adorns their mud-walls; to them prohibition has come as a command from their spiritual leader and not merely as a statute passed by a powerful Government. In spite of all these favourable influences, it must be admitted that the successful enforcement of prohibition is largely due to the vigilance exercised by the police. For, without a strict watch on their part, illicit tapping might have been more common. The craving for drink and the greed for facile profits cannot be so easily exterminated; continued police vigilance is still necessary for enforcing prohibition. Further, enforcing the law is only the first step in making prohibition a success.

4. PHYSIOLOGICAL AND PSYCHOLOGICAL REACTIONS

For the time being, at any rate, little liquor is consumed in Salem and it reflects great credit on all concerned. We must now proceed to see how this has influenced economic life. First of all, we have to consider the immediate reactions, physiological and psychological, on the people hitherto accustomed to drink. We have next to examine how prohibition has affected the efficiency and earnings of erstwhile drinkers. The effect of prohibition on consumption and standard of living is perhaps the most important question to be dealt with. The reactions on trade and on employment must be considered. We have also to trace the social and moral effects of prohibition, because these have important reactions on economic life. Finally, it is necessary to consider the means of making the results permanent; for after all prohibition cannot be a success unless it leads to the cure of poverty.

X It was feared that the willingness and capacity to work would be greatly undermined by prohibition. This fear was based on certain physiological and psychological factors, which require some explanation. On the one hand, it was feared that as labourers had long been accustomed to drink, their physical capacity would be affected when they were deprived of what was considered an energiser. On the other, it was also apprehended that the lack of a cheering drink at the end of a dismal working day would take away the incentive to work and that under prohibition, the labourer would become less efficient and regular.

Perhaps the physiological factor proved more potent at first, but its effect was comparatively short-lived. The labourers who were long addicted to drink, especially those engaged in hard physical labour, felt the absence of drink very badly, and for many days and perhaps weeks their physical capacity was affected by lack of drink. Hence the difficulties of workers in stone and earth, in particular Oddars, wood-cutters, tank-diggers and other hard workers. They complained of aches and pains and various ailments imaginary or real, and their women folk were also concerned about this for sometime. Earth-workers absented themselves from work for several days or in the afternoons and complained of incapacity to work. This is fairly true of all rural areas, and some landlords of Palapatti (a border village) were dissatisfied with local labourers and employed others from across the border.

It is not necessary to deal here with the effects of alcohol on the physique; nor is it a matter on which students of economics can throw much light. No doubt toddy was to labourers a means of drowning their physical pain after a hard day's work. Perhaps it was a stimulant rather than an opiate; it was to many of them probably the only source of vitamin B₁ getting into their diet. But it may be remarked that for obtaining these results one need not resort to such an economically injurious commodity as liquor. Economically injurious, because, unlike other wants, liquor is 'non-cumulative in its satisfactions' and therefore detrimental to economic activity (see p. 37). The vitamin contained in toddy can perhaps be obtained in a much less injurious manner from other articles, and at less cost. Of course, the immediate reaction, especially on heavy drinkers, was unfavourable, but gradually they got over the inconvenience, and to-day most of them, especially the younger persons, are able to work as hard as before. The fact is that the money hitherto spent on drink is now used for purchasing food.

The effects of these immediate reactions on the labourers of Salem town differed according to the nature of their work. Soon after prohibition came into force, the handloom weavers complained about lack of energy to ply their trade. They imagined that without drink they would never be able to work hard, and actually the older weavers took a longer time than before to finish a given job. The efficiency of labour was thus affected and production suffered. But by the time the third survey was undertaken (August-September) all this had changed. The men found by

experience that the money hitherto spent on drink could be better utilized, and as a result their physical fitness improved and they are now able to turn out better work than before.

The physiological and psychological reactions of prohibition were more pronounced in the case of the stone-workers of Dadagapatti and the municipal labourers of Salem town. The former, being engaged in the hard work of quarrying stones, were more addicted to drink and they felt its absence more keenly. Work became irksome and this told on the quality of their labour. This was even more pronounced in the case of tank-diggers and earth-workers generally. Formerly, they could be induced to perform certain difficult jobs for a wage of 3 or 4 annas, but this wage does not induce them to do such work now. The municipal labourers of Salem, mostly scavengers, present a slightly different problem. Their work does not demand physical exertion of a high order, but being an easy-going people, the lack of drink has undermined their willingness to work. Formerly, they used to do additional jobs in certain houses and thus supplement their municipal wages, but now they have no incentive to such work, and are not anxious to obtain supplementary incomes. The trouble in their case is apparently more psychological than physiological. With a certain number of labourers, even of other classes, the lack of alcohol must have acted as a 'sulkifier.' To them, no hard exertion is worth while unless the habitual drink is forthcoming. This is largely due to a low standard of living. It may be only a temporary phase in the case of some classes of labourers, but it may not be so in the case of all. This matter calls for further study.

On the other hand, among factory labourers, there has been a positive improvement in physical efficiency. In the Rajendra Mills, attendance of labourers was highly irregular, due partly to ill-health, and even after coming to work about 50 persons (out of about 900) used to go away complaining of sickness. Headache was the chief complaint, and a large stock of eucalyptus oil was used up daily. All this has changed. With more wholesome diet, health has improved, attendance is much more regular, and accidents have diminished. Attendance has increased from 63% in 1937 to 91% in 1938 (four months average for both years). In the Magnesite Factory also, absenteeism has fallen, according to all accounts.

The effects of prohibition on health may be studied from the statistics of diseases, accidents, etc. The results cannot be seen in a

year. The Salem Municipality reports a fall in the mortality under fever and diarrhoea—from 397 and 432 respectively in 1936-7 to 185 and 312 respectively in 1937-8. The charges of medical aid have fallen in some of the factories of Salem. Such statistics, however, must be studied over a long period if the conclusions are to be of any value.

5. EFFECTS ON EFFICIENCY AND INCOME

The unfavourable physiological reactions mentioned above have not been very persistent, and even the psychological reactions have affected only a small percentage of workers; but various extraneous causes have intervened to cut down their earnings. In the handloom weaving trade, a severe depression has been going on for some time. This began before prohibition but grew more and more serious during the last twelve months. The demand for handloom products has been rapidly diminishing and employment has been declining. In the first half of 1937, the weavers were able to make an average monthly income of Rs. 14-10-0, but by February the earnings had fallen to Rs. 12. In August-September 1938, the average monthly income was only Rs. 10-8-0. In Kumarapalayam, weavers' earnings are said to be only one-half of what they were a year ago. The depression seemed to have deepened after the recent banking crisis in the Presidency. As a result, some of the Salem weavers have left the town in search of work elsewhere. It must be admitted, however, that but for prohibition, the position of handloom weavers would have been much worse.

In the case of municipal labourers, the wages which they receive from the Municipality have gone up from Rs. 18-10-0 to Rs. 19-8-0 per month owing to the greater regularity of attendance, but their total monthly earnings have declined from Rs. 25 per head in October 1937 to Rs. 24-9-0 in September 1938. This is because of their disinclination to do extra jobs, and this item now brings them only Rs. 4-10-0 per head as against Rs. 6-5-0 formerly. The earnings of stone-workers have also fallen on account of this, the incomes of fifteen per cent of them have diminished slightly. The major cause seems to have been the fall of their income from land resulting from the failure of rains.

On the other hand, efficiency of labour has increased among factory labourers, according to all indications. This has already enabled some of them to earn more wages. The most notable

results in this direction are among the workers of Rajendra Mills. Before prohibition, work was not regular and production was not going on at full capacity. Inadequate supply of card webs and laps from the blow-room and carding departments used to cause a stoppage of several spinning frames and considerable inconvenience was caused by it to reelers. Now with more regular attendance, work is going on at fuller speed and power is economised. Further, not only incompetent work but disorderly behaviour among workers was causing some waste; accidents were common. It is reported that some workers used to quarrel among themselves under the influence of drink even during working hours. The whole atmosphere seems to have changed after prohibition. Absenteeism has diminished by 25 to 30%. The monthly bonus of Rs. 2 for regular attendance was formerly received by only 10% of the workers, but to-day over 75% of the workers are able to obtain it. Consequently it has been possible to introduce three shifts in some sections. Work is now going on in a much more orderly manner, accidents are fewer, and efficiency has increased, with the result that labour costs have come down, supervision charges have diminished and the output of the mill has increased from 10 to 12 bales a day in 1937 to 22 bales in 1938, i.e., by about 100%. Consequently, the management is now keen on adding to the spindles. The effect of prohibition on industrial efficiency deserves to be studied more fully than has been possible here.

It is but fair to note here that these improvements are partly due to the growth of experience among the workers. The Mill began work in January 1937 and many of the labourers were untrained. They have since learnt work and their efficiency has increased. It must be admitted, however, that the pace of progress has been quickened by prohibition.

If prohibition is successful, it will not only save wasteful expenditure, but will also add to the income. Speaking of the U.S.A. in 1927, Irving Fisher says: "Prohibition saves 5% that used to be wasted out of our incomes and adds another 5% into the bargain."⁶ This estimate has been questioned partly on the ground that a large amount of liquor was still used in the U.S.A. As far as Salem is concerned, prohibition has been more complete, and at least in a limited sphere, production has become more efficient, but so far only in the case of some factory labourers has there

6. Fisher, *Prohibition at its worst*.

been any definite increase in earnings. In the Rajendra Mills, the standard wage for skilled labour in certain departments is Rs. 14 a month. Previously, very few of the labourers actually obtained this wage, owing to irregular attendance. At present, this wage is earned by the great majority of skilled workers. The total earnings of many families, however, have only slightly increased, because their incomes from lands have fallen. Many of them come from the villages near by and depend partly on agricultural incomes.

As for agricultural workers, the failure of rains prevented their maintaining their earnings. Even in normal times, agricultural wages respond more slowly to such influences. But in several parts of the district, the year was pretty bad, and both the employment and the income of agricultural workers were adversely affected.

The changes in income of labourers in Salem between 1936-37 and 1937-38 may be seen from the following statement :—

INCOME OF FAMILIES (Averages)

		Pre- Prohibition (monthly) Rs.	Post- Prohibition (monthly) Rs.	Percentage increase or decrease.
Rajendra Mill workers	..	26·7	27·1	+ 1·5
Municipal labourers	..	25·0	24·5	— 2·0
Stone-workers	..	37·6	35·5	— 5·6
Handloom weavers	..	14·6	10·5	—28·1

Thus the mill labourers have been able to obtain a slight increase in their incomes ; but, largely by the influence of extraneous factors, the earnings of most other classes of workers have fallen. However, although their incomes are smaller, they are now able to spend more on food and clothes. Even the handloom weavers, with only about two-thirds of their former income, are now able to spend a little more on food and amusements than previously. The principal point is therefore to see how the money hitherto spent on drink has been utilized after prohibition. This really forms the core of this enquiry.

6. CHANGES IN CONSUMPTION AND STANDARD OF LIVING

It has been shown above that a large proportion of the incomes of certain classes was spent on drink. The men coming out of work got drunk on the way and there was little of it left when they returned home. The women and children earned something by hard labour—and this was all that went to feed and clothe the family. The amount was altogether inadequate. To the drunkard even a fourth glass of toddy has a greater marginal satisfaction than the first glass of milk for his child or buttermilk for the family. But with the closing of drink shops, most, if not all, of the day's wages was brought home and was available for family use. What Feldman says of America is equally true of India: "According to vivid and almost universal testimony, the pay-envelope is first brought home, whether it stays there or not. The worker's wife and family are at least given a chance at it."* This is what happened in Salem also, and was the cause of the universal rejoicings among women in Salem in October 1937. It was a touching scene: no one who travelled in Salem soon after prohibition can forget it.

We will now see how the spending power was utilised. The following tables summarise the change in consumption brought about by prohibition. The same is also shown in the sector-charts 1 to 4. ✕

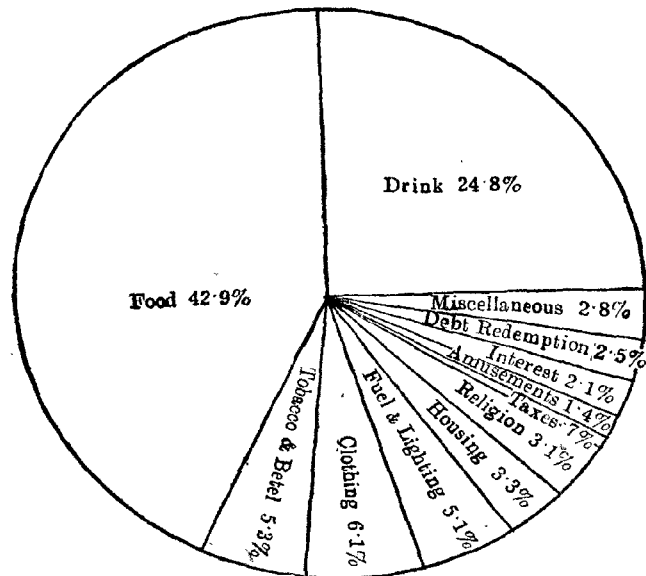
* Feldman: *Prohibition, its Economic and Industrial Aspects*, p. 130.

CHART 1.

DISTRIBUTION OF EXPENDITURE BETWEEN DIFFERENT ITEMS BEFORE AND AFTER PROHIBITION

MILL LABOURERS—Salem Town

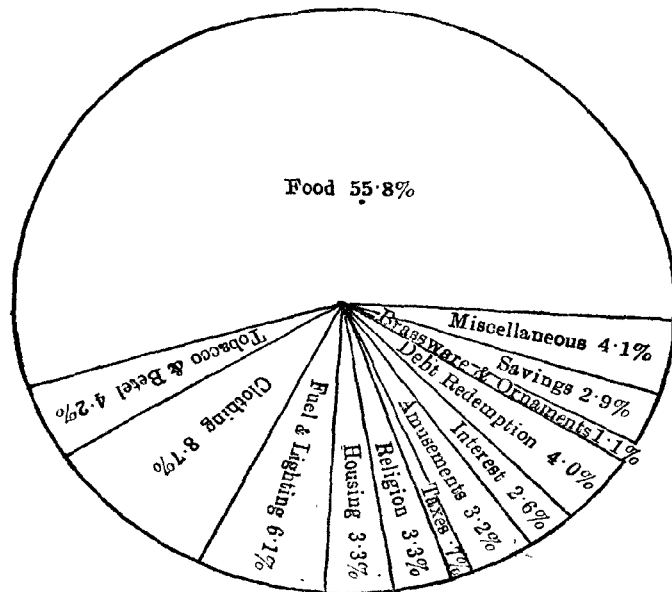
Pre-Prohibition.



Average Monthly Expenditure :

Rs. 26 11 0

Post-Prohibition.



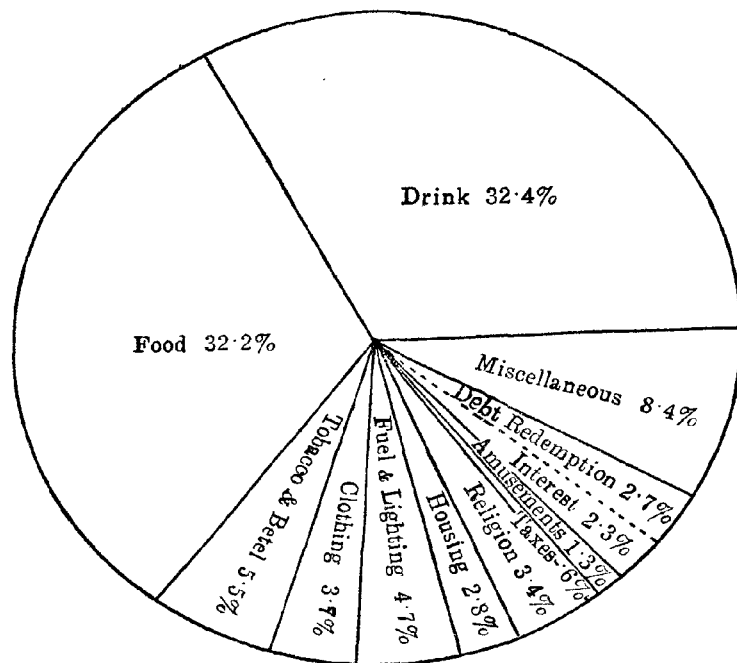
Average Monthly Expenditure :

Rs. 27 2 0

DISTRIBUTION OF EXPENDITURE BETWEEN DIFFERENT ITEMS BEFORE AND AFTER PROHIBITION

STONE WORKERS—Dadugapatti Salem Town

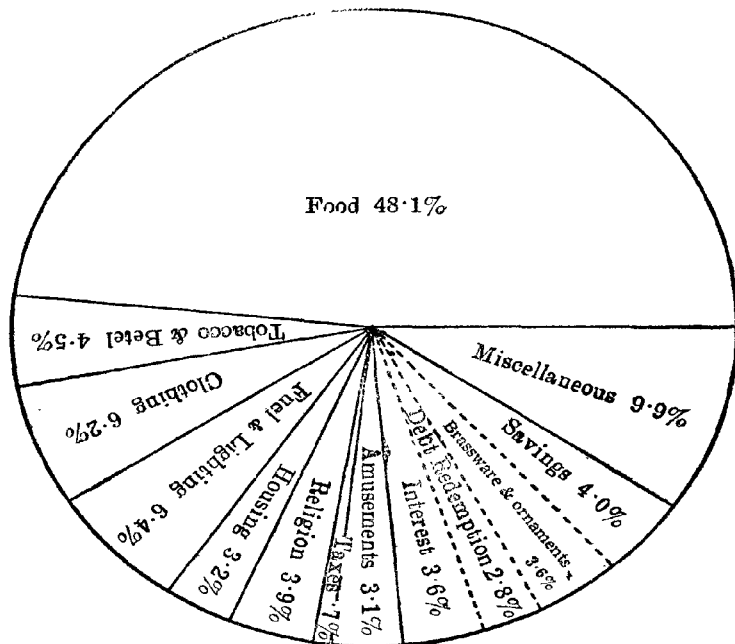
Pre-Prohibition.



Average Monthly Expenditure :

Rs. 37 10 0

Post-Prohibition.



Average Monthly Expenditure :

Rs. 35 9 0

CHANGES IN MONTHLY EXPENDITURE—PRE-PROHIBITION AND POST-PROHIBITION

1. RAJENDRA MILL WORKERS (See Chart 1.)

	Pre-Prohibition.				Post-Prohibition.			
	Amount.	% of total expenditure.	Amount.	% of total expenditure.	Amount.	% of total expenditure.	Percentage increase or decrease.	
Drink	Rs. A. P.	Rs. A. P.	24·8		Rs. A. P.	Rs. A. P.		
Food:								
1. Cereals	6 2 5				6 15 7			13·4
2. Other items	5 4 10				8 2 2			53·4
Total food	.. 11 7 3	42·9			15 1 9	55·8		32·0
Tobacco and betel	.. 1 6 6	5·3			1 2 3	4·2		-18·9
Clothing	.. 1 10 1	6·1			2 5 7	8·7		43·9
Fuel and lighting	.. 1 5 2	5·0			1 10 8	6·1		25·8
Housing	.. 0 14 3	3·3			0 14 3	3·3		—
Religion	.. 0 13 4	3·1			0 14 5	3·3		8·0
Taxes	.. 0 2 11	·7			0 2 11	·7		—
Amusements .. ..	.. 0 6 2	1·4			0 14 0	3·2		128·2
Interest	.. 0 9 1	2·1			0 11 6	2·6		26·5
Debt redemption,					1 1 6	4·0		
Brassware & Ornaments, Savings.	0 10 8	2·5			0 4 3	1·0		
					0 12 9	2·9		
Miscellaneous ..	.. 0 11 10	2·8			1 2 2	4·2		52·8
Total	.. 26 10 8	100·0			27 2 0	100·0		1·7

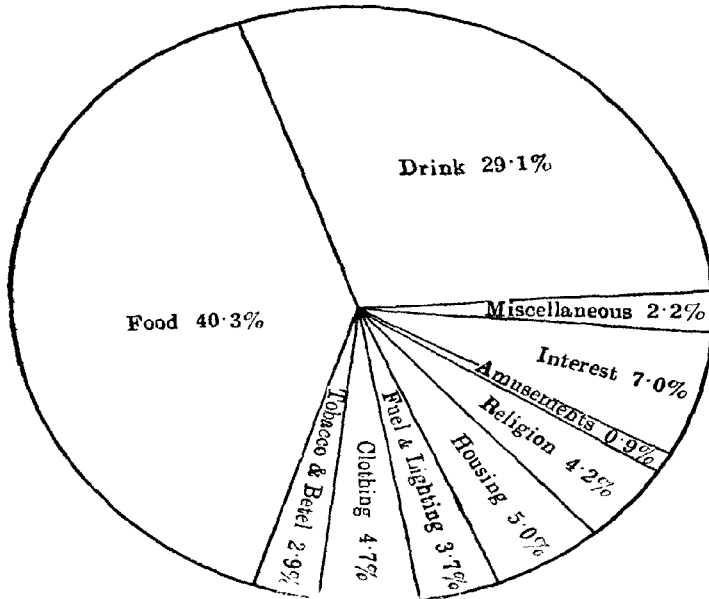
2. STONE-WORKERS OF DADUGAPATTI (See Chart 2.)

	Pre-Prohibition.					Post-Prohibition.						
	Amount.		% of total expenditure.			Amount.		% of total expenditure.		Percentage increase.		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Drink	..	12	3	3	32.4							
Food												
1. Cereals	6	10	8			8	2	8				22.5
2. Other items	5	7	2			8	15	6				65.5
Total food	..	12	1	10	32.2	17	2	2	48.1			41.4
Tobacco, betel, etc.	..	2	1	1	5.5	1	9	4	4.5			-23.4
Clothing	..	1	6	2	3.7	2	3	6	6.2			60.3
Fuel and lighting	..	1	12	6	4.7	2	4	5	6.4			27.6
Housing	..	1	0	8	2.8	1	2	3	3.2			9.6
Religion	..	1	4	3	3.4	1	6	0	3.9			8.5
Taxes	..	0	3	9	.6	0	3	9	.7			—
Amusements	..	0	7	7	1.3	1	1	10	3.1			135.1
Interest	..	0	14	0	2.3	1	4	3	3.6			43.5
Debt redemption,						0	15	9	2.8			
Brassware & Ornaments, Savings.						1	4	3	3.6			
						1	6	6	3	10.6		259.6
Miscellaneous	..	3	2	3	8.4	3	8	6	9.9			12.4
Total	..	37	9	9	100.0	35	8	6	100.0			- 5.5

CHART 3.

DISTRIBUTION OF EXPENDITURE BETWEEN DIFFERENT ITEMS BEFORE AND AFTER PROHIBITION
HAND-LOOM WEAVERS—Salem Town

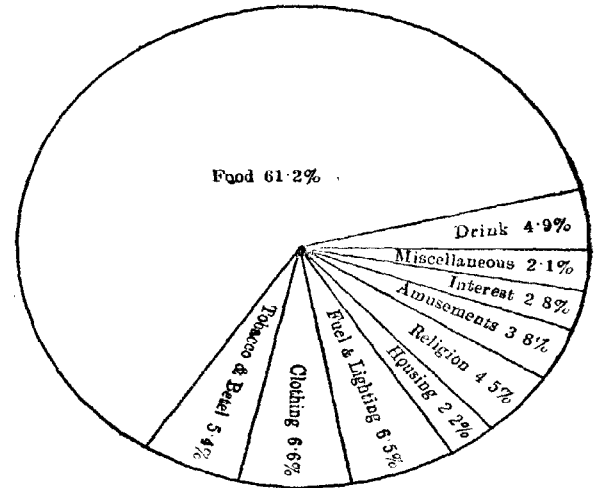
Pre-Prohibition.



Average Monthly Expenditure :

Rs. 16 12 0

Post-Prohibition.



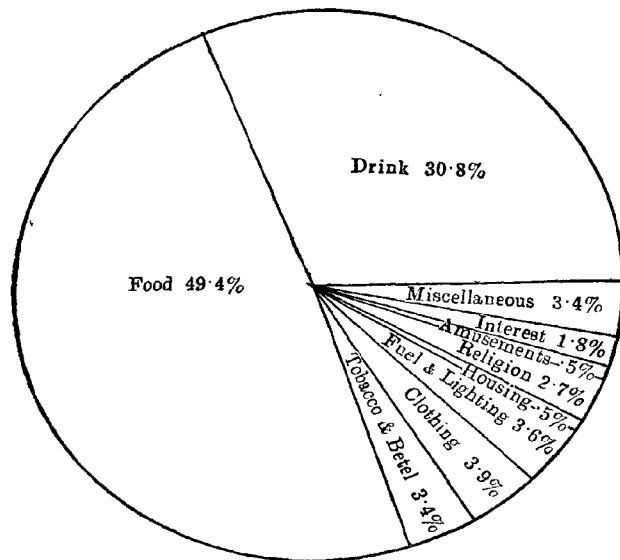
Average Monthly Expenditure :

Rs. 11 7 0

CHART 4.

DISTRIBUTION OF EXPENDITURE BETWEEN DIFFERENT ITEMS BEFORE AND AFTER PROHIBITION
MUNICIPAL LABOURERS—Salem Town

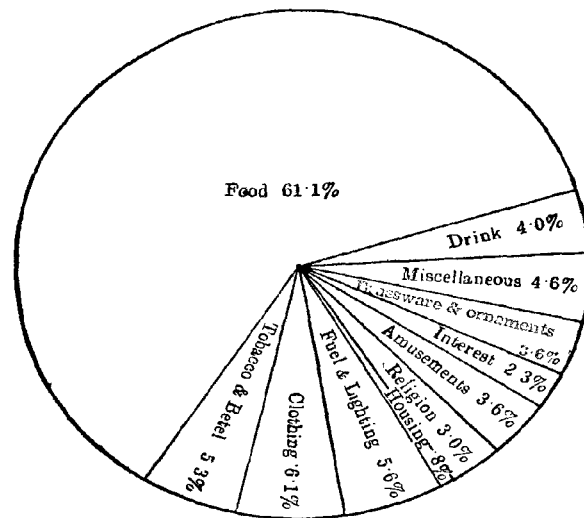
Pre-Prohibition.



Average Monthly Expenditure :

Rs. 27 7 0

Post-Prohibition.



Average Monthly Expenditure :

Rs. 24 4 0

3. HANDLOOM WEAVERS (See Chart 3.)

	Pre-Prohibition.			Post-Prohibition.		
	Amount.	Percentage of total expenditure.		Amount.	Percentage of total expenditure.	Percentage increase or decrease.
	Rs. A. P.			Rs. A. P.		
Food	.. 6 12 0	40.3 *		7 0 0	61.2	3.7
Drink	.. 4 14 0	29.1		0 9 0	4.9	-88.4
Tobacco, beedi, beeda.	0 8 0	2.9		0 10 0	5.4	25.0
Clothing	.. 0 12 0	4.7		0 12 0	6.6	—
Fuel and lighting	.. 0 10 0	3.7		0 12 0	6.5	20
Housing	.. 0 13 6	5.0		0 4 0	2.2	-70.3
Religion	.. 0 11 0	4.2		0 8 0	4.5	-27.2
Taxes	.. —			—		
Amusements	.. 0 2 6	.9		0 7 0	3.8	180
Interest	.. 1 3 0	7.0		0 5 0	2.8	-73.3
Debt redemption,						
Brassware & Ornaments, Savings.	.. —					
Miscellaneous	.. 0 6 0	2.2		0 4 0	2.1	-33.3
Total	.. 16 12 0			11 7 0		-31.7

4. MUNICIPAL LABOURERS (See Chart 4.)

	Pre-Prohibition.			Post-Prohibition.		
	Amount.	Percentage of total expenditure.		Amount.	Percentage of total expenditure.	Percentage increase or decrease.
	Rs. A. P.			Rs. A. P.		
Food	.. 13 9 0	49.4		15 0 0	61.1	10.5
Drink	.. 8 7 0	30.8		1 0 0	4	-88.7
Tobacco, beedi, beeda.	0 15 0	3.4		1 5 0	5.3	40
Clothing	.. 1 1 0	3.9		1 8 0	6.1	41.2
Fuel and lighting	.. 1 0 0	3.6		1 6 0	5.6	37.5
Housing	.. 0 2 0	.5		0 3 0	.8	50
Religion	.. 0 12 0	2.7		0 12 0	3.0	—
Taxes	.. —			—		
Amusements	.. 0 2 0	.5		0 14 0	3.6	600
Interest	.. 0 8 0	1.8		0 9 0	2.3	12.5
Debt redemption,						
Brassware & Ornaments, Savings.	.. —			0 14 0	3.6	
Miscellaneous	.. 0 15 0	3.4		1 2 0	4.6	20
Total	.. 27 7 0			24 9 0		-10.4

Food :—The increased expenditure on food among the working classes in Salem may raise a doubt. In other countries a rise in the standard of living generally involves a fall in the percentage of expenditure spent on food; this has been demonstrated by numerous statistical studies in Europe from the days of Engel. But, it must be remembered that we are here dealing with families which previously had no adequate food or clothing owing to the inordinate share of their income going into liquor. Many of them were below the poverty line, however low we might draw that line in India. Even in the case of these families, a further increase in income may bring about a fall in the proportion spent on food.

The point to be noted is that the diet of the working classes has become more varied as well as adequate. The family budgets collected show a striking change in the articles of food consumed. This is the most noticeable in the case of the factory labourers in Salem town. The percentage increase in the consumption between the pre-prohibition and post-prohibition periods of various food-stuffs among the different groups of workers is shown below :—

INCREASE IN THE CONSUMPTION OF ARTICLES, 1936-7 TO 1937-8
(See Diagram 1)

		Rajendra Mill workers.	Stone- workers.	Scavengers.	Handloom weavers.
		%	%	%	%
Cereals	..	13	22	Rice { 39	111
				Ragi { 9	— 44
Dal	..	25	27	50	0
Condiments	..	26	28	33	20
Salt	..	35	40	6	33
Vegetables	..	63	87	75	100
Sugar	..	47	72	†	†
Oil	..	20	36	131	14
Ghee	..	166		†	†
Milk	..	85	53	*	†
Curds	..	213	518	†	— 88
Meat, fish	..	10	27	35	— 54
Coffee, tea and tiffin	..	316	360	135	68

* A new item of consumption; hence the question of increase does not arise.

0 No increase.

† Not purchased.

DIAGRAMS

1

MILL WORKERS

Pre-Prohibition. Post-Prohibition.

Rs. 11 7 0 Rs. 15 2 0
Per Month Per Month

Ghee

Tea, Coffee etc.
Curd
Milk
Ghee
Oil
Sugar
Salt
Condiments
Vegetables
Dal
Meat
Cereals

Tea, Coffee etc.
Curd
Milk
Ghee
Oil
Sugar
Salt
Condiments
Vegetables
Dal
Meat
Cereals

2

STONE WORKERS

Pre-Prohibition. Post-Prohibition.

Rs. 12 2 0 Rs. 17 2 0
Per Month Per Month

Tea, Coffee etc.
Curd
Milk
Oil
Sugar
Salt
Condiments
Vegetables
Dal
Meat
Cereals

Tea, Coffee etc.
Curd
Milk
Ghee
Oil
Sugar
Salt
Condiments
Vegetables
Dal
Meat
Cereals

X

VARIATIONS IN THE ITEMS OF FOOD AMONG THE MILL WORKERS
(See Diagram 2.)

	Pre-Prohibition.			Post-Prohibition.		
	Amount.		Percentage of total.	Amount.		Percentage of total.
	Rs.	A. P.		Rs.	A. P.	
Cereals	.. 6	2 5	53.6	6	15 7	46.1
Dal	.. 0	9 7	5.2	0	12 0	5.0
Condiments	.. 0	10 8	5.8	0	13 6	5.6
Salt	.. 0	4 11	2.7	0	6 8	2.8
Vegetables	.. 0	8 2	4.4	0	13 4	5.5
Sugar	.. 0	4 0	2.2	0	5 10	2.4
Oil	.. 0	10 5	5.7	0	12 6	5.2
Ghee	.. 0	1 2	0.7	0	3 2	1.3
Milk	.. 0	6 5	3.5	0	11 10	4.9
Curds	.. 0	3 1	1.7	0	9 7	4.0
Mutton	.. 1	6 3	12.2	1	8 6	10.1
Tea, coffee, etc.	.. 0	4 2	2.3	1	1 3	7.1
Total	.. 11	7 3	100.0	15	1 9	100.0

Before prohibition, the average working class family had barely two meals a day. A fresh meal was cooked at night and some of the rice was left over to be eaten in the morning. Not much of the vegetables and meat was consumed, and milk, curds and ghee were luxuries rarely taken. After prohibition, there have been significant changes in all this, especially among factory labourers. Food is now prepared fresh twice a day, and not once as formerly. The expenditure on cereals has increased, but not strikingly; in fact, the proportion of total expenditure spent on cereals has fallen in the case of mill labourers, from 53 per cent to 46 per cent. But great increase has taken place in the consumption of vegetables, ghee, milk and curds. The increase is greatest under curds (213%), ghee (166%) and milk (85%). This is indeed gratifying. Many families which formerly purchased no curds or milk are now going in for them. Some children are now fed on milk. A similar tendency is seen among the stone-workers of Dadagapatti, the increase under curds being 518%. The scavengers do not still go in for milk or curds, but they consume more of pork and beef and vegetables; they seem to have given up the habit of eating carrion. Nor do they beg for food at night, as they formerly used to.

The most striking increase, however, is in regard to tea and coffee, and all classes of workers share in this. The increase has

been 316% and 360% respectively in the case of mill labourers and stone-workers. The Tea Market Expansion Board claims that 80 to 90% of the former drinkers have become regular visitors to their tea-shops in Salem. These shops first distributed free cups of tea; then small tea packets were sold; subsequently, tea-shops became commercial concerns. A large number of tea-hawkers also pursue a brisk trade among the labourers. Most workers get their tea from shops or hawkers, but some of the factory labourers prepare their own tea at home.

The position of cereals in the diet requires some explanation. In the countryside, and even among some classes of urban labourers, ragi and cholam formed the staple food, and rice, being more expensive, was used rather sparingly. When these classes rise in status, the immediate change noticeable is a substitution of rice for ragi. From the nutritional point of view, this is indeed unsatisfactory, but social preference is strongly for rice. This is perhaps largely due to women's choice, based on their own convenience; for, while rice is brought ready for cooking, ragi and cholam have to be pounded by hard physical labour. Children also prefer rice, because rice is served with some tasty dishes while ragi gruel needs only salt and chillies and rarely curds. Therefore when the labourers' families got more money to spend, more rice is purchased and less of the 'inferior' grains.

This tendency is more or less true of all classes, but it is seen most strikingly in the case of the handloom weavers. Their incomes have fallen, but as drink disappeared in the meantime they were able to maintain their expenditure on food. But there has been a reshuffling of the constituents of their diet. The expenditure on rice has increased remarkably (111%) but that on ragi has fallen by 44%. They now also spend less on fish, meat and curds. The fall in the consumption of curds may be due partly to the change-over from ragi to rice. The taste for meat among them has apparently weakened owing to the disappearance of drink. More of vegetables is now consumed. Perhaps the most striking increase is in tea and refreshments bought from street vendors. These changes in the diet of the handloom weavers, however, do not appear quite satisfactory from the nutritional point of view.

There is also a caste basis in the choice of food-stuffs. Many of the mill labourers and stone-workers belong to 'higher' castes. They preferred to buy more of curds, ghee and vegetables, but the scavengers, being of a back-

ward caste, have largely increased their consumption of beef and pork, which other classes dislike. Thus the rise in the standard of living in India means different things to different classes of workers. In all cases, however, the importance of cereals is bound to fall with a rise in the standard of living, and this will eventually come about in the case of handloom weavers and scavengers also.

Tobacco and betel-nut.—It was generally assumed that after prohibition the consumption of tobacco in all forms would increase, but this has not materialized. On the other hand, the consumption of tobacco has diminished among some classes of urban workers (e.g., mill labourers, stone workers). The explanation is that the mill workers formerly used to go out to smoke beedies even during working hours and chewed betel and tobacco in order to stifle the smell. Some among the stone-workers smoked a great deal formerly (chiefly beedis), but they now feel little need for it. In America also, the consumption of chewing tobacco and cigars diminished after prohibition. Liquor and tobacco are articles of 'joint demand' among certain class of drinkers.

Clothing and Apparel.—The expenditure on clothing has also increased among most classes of labourers (see Table on pp. 19-21 and the charts). Evidently the wives and children of the working classes were ill-clad, and with an increase in income they have naturally bought more and better clothes. Formerly labourers and their wives had only one or two sets of clothes; now they are able to have 3 or 4 sets and only a few are in rags. Men and women wear cleaner clothing in the evenings after work. Men wear more vests and shirts, and women's sarees are of finer stuff. Fewer children are now in rags. They now bathe more frequently and wash their clothes like upper classes, with the result that their appearance has distinctly improved. All this is more or less true not only of Salem town but of the rural areas. The most casual visitor will be able to verify all this.

There has also been an increase in the use of shoes and slippers, soaps, soap-nut powder, etc. This is particularly noticeable among the scavengers, who pursue an occupation which exposes them to skin diseases.

House Equipment, ornaments, etc.—Not only have the working classes more food and clothing now; they have also purchased better domestic utensils. Old earthenware pots are being replaced by brass vessels. This is another of the indications of a rise in the standard of living in South India. They can now afford some furniture. Some of the labourers' huts have been repaired. Cots are

being purchased and some have quilt beds now. Several women have bought little jewels for themselves and their daughters. Seven families among the Rajendra Mill workers have bought ornaments worth Rs. 152. A new item has made its appearance in some scavengers' budgets, namely books. Nine families purchased books—chiefly stories—and the total amount came to Rs. 32. This item is now small, but has immense possibilities for expansion.

Amusements.—An increase in the visits to the cinemas is perhaps the most noticeable change in the habit of labouring classes in the district. In Salem town, the number of cinemas has increased from 4 to 6 and the daily collection is said to have increased from Rs. 200 to Rs. 500 per day. A large crowd usually gathers round the cinema halls to listen to the loud speakers installed outside. This item of expenditure has increased most among municipal labourers (600%) but large increases have taken place among other classes of workers also.

Debt Clearance and Prevention.—Nor have the workers spent all their extra income on food, clothing and amusements. Some have saved for repayment of debt and more have paid interest regularly. Most of the workers, both in town and country, have been in debt, and this affected their economic life adversely in many ways. Among the factory workers much money was spent in clearing off old debts or redeeming jewels or other valuables pledged with moneylenders. Out of the 65 Rajendra Mill workers addicted to drink, 48 were indebted, the total amount of outstanding loans being Rs. 5,519. By September, seven had freed themselves from debt, and the total debt now is Rs. 4,667. The handloom weavers have not repaid their debt, and have not even paid their interest regularly; nor has it been their custom to meet debt charges in times of depression. The capitalist middleman who finances them knows how and when to extract his pound of flesh. The scavengers too have not troubled to repay debts. But both weavers and scavengers have incurred little debt this year.

In rural areas, however, the erstwhile drinkers have spent more on repayment of debt. In those areas, expenditure on food and amusement has not increased tangibly. They have cared for more permanent assets—buying cattle or repaying debts. In Palapatti, 56 of them (25%) have repaid debts amounting to Rs. 935, and 48 of them have completely wiped off their debts. One of them was able to pay Rs. 100 out of his savings. In the other villages also, savings by ex-drinkers have been used for repayment of debts. All this would have been impossible without prohibition.

Repayment of accumulated debt will take time. A more reasonable test is the extent to which future debt has been avoided. It must be remembered in this connection that an important cause of indebtedness among the working classes is the celebration of marriages and certain religious festivals; for, at such functions liquor was the chief item of expenditure among the lower classes. With the banishment of drink, expenditure on marriages and on festive occasions has substantially diminished and day-to-day maintenance (another potent cause of debt) has become an easier matter. This has obviated the need for borrowings among the working classes, both in town and country. Some of the factory labourers in Salem town had been borrowing daily for maintenance, as their wages were not even paid monthly, but after prohibition the need for such borrowing partly disappeared. Such borrowings have always been common in rural areas, but this year ryots had no need to borrow much, as they had savings of their own to spend. In Palapatti, fifteen of the former drinkers have purchased cattle worth Rs. 280, and one of them—a barber heavily addicted to drink—was able to construct two new huts at a cost of Rs. 60. Others have repaired their huts. Previously these persons would have borrowed money for such purposes and thus mortgaged their land or crop. In Kadathur, ryots have not only made their interest payments regularly and repaid part of their debt, but they have refrained from the usual borrowings. In Kelamangalam, in spite of the failure of the gingelly crop, land revenue has been regularly paid. Perhaps the fall in borrowings is partly due to the Agriculturists' Relief Act, but this cannot be the chief cause, seeing that the ryots' requirements have been met. Formerly, agriculturists used to raise loans on standing crops, with the result that they had little grain to carry home from the threshing floor; this year such mortgaging of crops has not been common, and they are able to enjoy the fruits of their labour.

Another cause of debt among the working classes is the purchase of provisions on credit in small quantities. Not only do they pay high prices for bad stuff; they get into debt for small sums which become big in no time at compound interest. There is no evidence that this habit is weakening; on the contrary, tea-sales among the municipal labourers are still reported to be on credit. Travelling pedlars also ply a profitable trade among these people by giving them clothes and other articles on credit. It is necessary to guard against such abuses of credit and only a carefully devised system of co-operative credit and purchase can solve this problem effectively.

Cash Savings.—A people steeped in poverty and debt cannot be expected to save much money from their scanty incomes. The labourers of Salem therefore used the bulk of their new spending power for food and clothing which they sorely needed, and for amusements which soothed their tired nerves; they also paid what they could to their creditors. But few of them were able to put by any money in the form of cash savings. Perhaps the hundi boxes supplied by the Co-operative Department attracted some of them and they might have contributed some part of Rs. 22,000 collected in the boxes. Whatever they could spare after meeting their essential needs was used by the great majority of them for purchasing brassware and jewels and trinkets dear to their wives. The age-old habits of the Indian masses cannot be changed in a day.

We may now see how the money previously spent on drink has been distributed between the various items of expenditure. The following table will make this clear :—

STATEMENT SHOWING HOW THE MONEY FORMERLY SPENT
ON DRINK WAS DISTRIBUTED IN 1937-38.

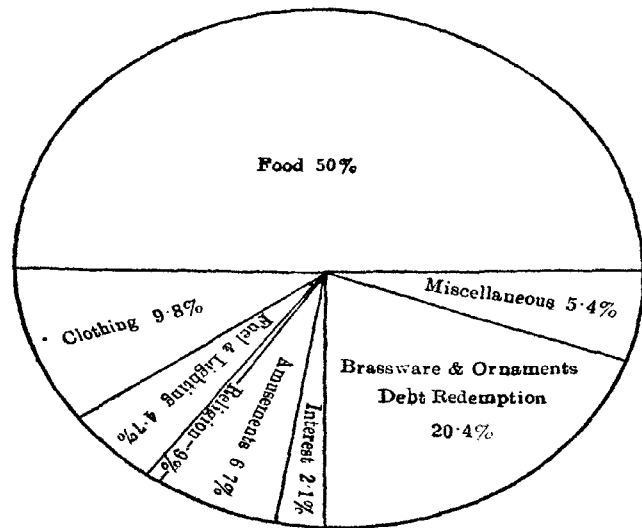
		Rajendra Mill workers.			Stone- workers.
Annual.					
		Rs.		Rs.	
Drink (average)	..	79.0		146.4	
Increase in income	..	5.5		— 24.9 (decrease)	
		84.5		121.5	
Decrease in tobacco	..	3.2		5.8	
		87.7		127.3	
		amount spent	% of Total.	amount spent	% of Total.
Food	..	43.9	50.0	60.2	47.4
Tobacco	..	Nil		Nil	
Clothing	..	8.6	9.8	10.0	7.9
Fuel and Lighting	..	4.1	4.7	5.9	4.6
Housing	..	—		1.2	0.9
Religious observances	..	0.8	0.9	1.3	1.0
Taxes	..	—		—	
Amusements	..	5.9	6.7	7.7	6.0
Interest charges	..	1.8	2.1	4.6	3.6
Debt Repayment; Brass vessels and jewels; Cash savings	..	17.9	20.4	31.7	24.9
Miscellaneous	..	4.7	5.4	4.7	3.7

(See also Chart 5.)

CHART 5.

HOW THE MONEY PREVIOUSLY SPENT ON DRINK WAS UTILIZED IN 1937-38.

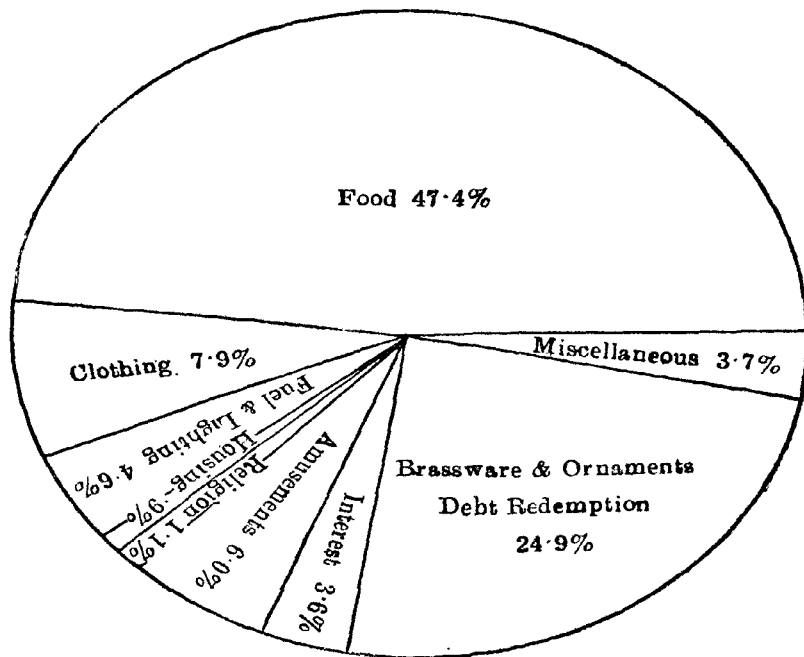
MILL WORKERS



Total Per Month

Rs. 7 4 11

STONE WORKERS



Total Per Month

Rs. 10 9 8

The striking thing disclosed by this survey is that, among the larger groups of labourers whether in town or country, the spending power liberated by prohibition was not frittered away on stimulants, narcotics and amusements. No part of it has gone into tobacco, so far as the mill labourers and stone-workers are concerned. The cinema has indeed received some share of the money previously going to toddy shops, but this represents only a small proportion of the total. For Rs. 5-6 spent on this item, Rs. 43-14 has gone into food, Rs. 8-10 into clothing and Rs. 17-14 into items of lasting value like the purchase of jewels and brassware or to the repayment of debt.

The position is somewhat different with the scavengers; they have spent their money largely on food and amusements, but it might be remembered that their standard of living is too low.

We are now in a position to form some idea of the possible shift of expenditure in an area under prohibition. In more prosperous countries, prohibition created a demand, not so much for necessities as for refined goods and luxuries. Judging from the experience of Salem, the trend will be different in India. Even as in America, prohibition will bring about a great increase in the demand for tea, coffee and other beverages; but next to these, the increased demand will be for ordinary foodstuffs, even cereals, especially rice, and more prominently for milk, curds, ghee and vegetables in the case of some classes, and for meat, fish and eggs among others. There will also be a keen demand for dhoties, shirtings, vests and finer sarees. The demand for soaps, shoes, bedding and brassware will also increase. There will be an increased demand for most consumption goods, and later, for production goods also. These facts cannot escape the notice of those engaged in trade, industry and agriculture.

7. EXPANSION OF TRADE

It was expected that trade and business in the district would increase as a result of prohibition. One estimate was that the total drink bill of the district was a crore of rupees (four times the excise revenue), and that all this would be used for the consumption of goods. It was also thought that apart from trade expanding by an increase of demand, some part of the increased resources would find its way into the Government treasury. This was indeed too optimistic. First of all, the total drink bill of the district could not have been much more than Rs. 52 lakhs (i.e. double the excise revenue). Secondly, whatever might have been the amount of

spending power liberated by prohibition, it is partly of the nature of a transfer. Previously, the classes engaged in the liquor trade had a gross income of Rs. 52 lakhs, of which Government received only half, and the rest was the income of liquor renters, shop assistants, toddy tappers, etc. This income, or that part of it which is still earned, has been transferred to the classes hitherto given to drink. Therefore the total spending power in the district has only increased to the extent of the Government's excise revenue (Rs. 26 lakhs) *minus* the expenditure of the Excise staff in the district, or the difference between the cost of the excise staff and that of the present vigilance staff; although to the classes previously drinking, the spending power available for other things was nearly double that amount. Thirdly, this is only a fraction of the total income of the district and its effects cannot be so large as is often assumed, and in any case those effects have been counteracted by more potent influences. As already shown, the total income of Salem has been affected by the fall in agricultural production and by the depression in the handloom trade. At the flat rate of Rs. 50 per head, the annual income of the district must be about Rs. 12 crores. Assuming that the total income has fallen about 10% owing to bad crops and depression in the weaving trade, the total fall in income must be about Rs. 1,20 lakhs. Therefore the gain of about 26 lakhs must be off-set by the larger amount lost by the district as a whole due to extraneous factors, and in result the net spending power has only fallen. Evidently, the district would have been in a much worse condition had it not been for prohibition.

Nevertheless, the diversion of spending power among the working classes has had its effect, however small it may be. As already shown, they used their money for the purchase of food and clothing, and their purchases are bound to influence economic life more than the dealings of liquor renters and others who previously had this money. Their increased purchases have benefited trade and business in Salem and this was particularly useful in a period of depression. Traders were generally unwilling to show their accounts, but it is admitted on all hands that sales of goods, not only in shandies but in shops, have increased. In Salem town, some grocers stated that their sales had improved 20 to 30% over the previous year. It is also reported that new brassware shops were opened to meet the growing demand for brass vessels. Enquiries in smaller towns like Dharmapuri and Hosur showed that shops were frequented in the last few months by a new set of customers, persons who never went into a shop previously but made

all their meagre purchases from travelling pedlars who made large profits on such transactions. Information has already been given about the tea and coffee shops and cinema houses springing up all over the district.

The effects of all this on trade and business cannot be so pronounced, especially in a period of depression. But these effects are cumulative and they gather momentum as time goes on. Prohibition has set in motion forces which will surely lead to increased production and trade. This statement is based on economic facts observed in the past. Wants are the motive to economic activity ; they sow the seeds of economic progress. Most wants are cumulative : when a man can read he needs books and newspapers and stationary ; if he cannot, he needs none of them. "Consumption is all interrelated, feeding upon itself and stupendously growing by that it feeds on."⁷ Nearly all wants stimulate the appetite for more things and create an incentive for productive activity. There is one exception : alcohol. "The more drink men have the less things they need." In the words of Feldman : "While drink ended in drink, buying something else awakens desires for other things and sends out ripples of purchasing power over a large number of industries..... Satisfactions found in liquor began and ended in the saloon ; often they stultified the desire for other things. They took people out of the ranks of consumers of goods in general and confined their demand to a specialized deceptive satisfaction which often only led them further and further away from their wants. And the more effect this had, the less possible did it become for a man to own other things, the less confidence did he have in himself or others have in him, that he could be trusted with those things."⁸ Or, in the striking words of Lord Stamp, "the expenditure on alcohol is non-cumulative in its satisfactions, but not infrequently accumulative in its drawbacks. But the expenditure on the substituted assets is in the main cumulative."⁹

The above analysis, made primarily in respect of America, is much more true of India, because the drinking classes here, unlike those in America, are so little supplied with their essential needs that any increase in spending power in their hands will all be used,

7. Strauss, in the *Atlantic Monthly* (quoted by Feldman).

8. H. Feldman, *Prohibition, Its Economic and industrial Aspects*, pp. 159, 385.

9. Stamp : *National Capital and other Statistical Studies*, p. 214.

at least in the initial stages, for articles of ordinary consumption. And it is the enhanced demand for such articles (and not for luxuries) that increases production and employment. For, when the liquor trade had all this income, most of it was in the pockets of a few liquor renters, but to-day it is distributed among a numerous class of hard-working persons. Evidently this has effected a commendable redistribution of spending power in the district. For it was the failure to distribute spending power properly among the classes immediately connected with production that has kept India in poverty and want.¹⁰

The cumulative nature of the wants which a redirection of expenditure will produce could be analysed mathematically with the help of a suitable Multiplier, as has been done by J. M. Keynes and R. F. Kahn in the case of public works expenditure. First comes the increase in demand for goods and its immediate effect on the volume of trade. Then come the second-line effects, increase of employment in trade, industry and agriculture. In India, owing to the circumstances noted above, the demand for food is bound to be kept up until a later stage and therefore agricultural produce may appreciate in value and farm employment and wages may also increase. The demand will then be more for refined goods, and industry will thus get a fillip. If somehow the spending power of the masses can be raised even a little, the existing mills and other factories of India, which are now liable to overproduction, may become inadequate to cope with the demand for consumable goods. There will then be room not only for increased production at home but for imports from abroad in exchange for our exports. This is the fundamental economic problem of India, and although it may be tackled at many ends, the drink-end is not the least prospective of them; by curing the drink habit, we can set in motion an upward spiral of economic activity which may pave the way for lasting economic progress.

Viewed in the light of the above, the financial loss from prohibition cannot be so formidable a factor as is feared. Prohibition creates new assets, and the burden can ultimately be shifted on these assets. Dr. Warburton, whose conclusions on American prohibition are by no means favourable, wrote: "The cost of Government must be borne by the tax-payers in one form or another; and while the replacement of one tax by another may raise serious

10. See Thomas, *The Central Problem of Indian Economy*.

questions regarding the justice of tax incidence, the elimination of taxes upon alcoholic beverages is not of itself an economic loss."¹¹ Feldman is even more emphatic and says that the word "loss" is a misnomer when spoken in connection with the liquor revenue.¹² No doubt the revenue from liquor excise in some provinces of India bears a large proportion to total revenue than similar revenue in America. But even here, a gradual introduction of prohibition would enable the Government to tap enough revenue to replace the loss. The question is one of shifting tax-burdens from one class to others, but it will not be a great injustice if the burden now borne almost entirely by the working classes can be transferred to the shoulders of the whole community by means of fresh taxes, especially as this transfer would bring about a steady expansion of trade and business in the country. The incidence of the present liquor excise is notoriously regressive, and its reform, in any case, is a matter of time.

8. MORAL AND SOCIAL EFFECTS

No mention has been made so far about the great social improvement that prohibition has brought about in Salem. This is partly because such matters have been dealt with exhaustively by others. Further, social and moral effects have only an indirect bearing on economic life. But there is no doubt that moral and social forces have important economic reactions. For instance, if crime diminishes as a result of prohibition, it would certainly be a great economic benefit to society. Apart from the moral degradation of crime, its economic cost is high and any abatement in this respect must be a great financial as well as social gain. That there has been some fall in crime is clear from published statistics: police crime has fallen from the five-year average of 938 per annum to 836 per annum—a fall of 12%. Private complaints of hurts have fallen from 653 for nine months in 1936-7 to 501 in the same period in 1937-8—a fall of 23%. Such effects must, however, be watched over a longer period if any reliable conclusion is to be reached, but even now there are indications of some improvement.

That peace and order have increased in the homes of labourers is admitted on all hands. All published accounts of prohibition narrate the disappearance of street brawls. In certain villages, many men used to spend their evenings quarrelling with their

11. Warburton, *Economic Results of Prohibition*, p. 248.

12. Feldman, *op. cit.*

neighbours or beating their wives and children ; to-day in the worst of these villages peace and calm prevail. Not only social workers but ministers of religion have borne testimony to the peaceful atmosphere that prohibition has brought about ; in fact this has been more effective than all their earnest discourses. The investigators' reports are replete with information on these points.

Social life has everywhere risen to a higher plane, and this has benefited women and children most. Women, especially among the working classes, were having a miserable time in every way ; to-day they are happier and more hopeful of the future. It was possible for our town investigators—themselves women—to write with intimate knowledge about the striking improvement in the condition of women after prohibition. As for children they are now better fed and clothed, and the attendance of children at schools has distinctly improved in the villages surveyed.

. 9. PROHIBITION AND UNEMPLOYMENT

It has been said above that the increase of purchases by the working men will create a progressive increase in the demand for articles of common consumption and thus give employment to more persons than were employed in the liquor trade. In America, ingenious statistical calculations have been made about the comparative employing capacity of different industries and conclusions have been reached that an amount of money spent on liquor industry would employ less persons than if spent on other industries. This may hold good of India also, and will prove true, at least in the long run. But what about the immediate effect on the toddy renters, shop assistants, tappers, and others previously employed in the drink trade in Salem ? Have they found employment ?

When the Prohibition Bill was under discussion, it was pointed out by several persons that prohibition would lead to the unemployment of the numerous toddy tappers and liquor vendors and that alternative employment must be provided for them. The Government therefore gave great attention to this problem from the beginning. In order to employ as many of them as possible in tapping sweet toddy, co-operative societies for the manufacture of coconut and palmyra jaggery were started. Those who wished to migrate from the district were given special facilities to do so. Arrangements were also made for colonization within the district. But not too many flocked to avail themselves of these special facilities. Toddy tappers were not

dependent solely on that occupation ; many of them have land, and they have taken to cultivation. Others work as agricultural labourers. Some of the tappers in Salem came from neighbouring districts, and they returned to their homes. Thus the problem did not turn out as tough as was expected. In a country like India where most workers have some connection with land, urban unemployment means further congestion in the villages.

Prohibition in a district or two may not lead to any serious unemployment, owing to the tendency above noted, but when more districts are taken up, the problem may become important. There were only 5,486 tappers' licenses for fermented toddy granted in Salem, but a neighbouring district, Tanjore, holds about 11,500 licenses. Although when trade and business expand, there would be room for employment, the short-period effects on employment cannot be neglected.

10. ARE THE RESULTS PERMANENT ?

Prohibition has so far produced good results in Salem, but we cannot rest assured that the drink problem has been solved. To prohibit drink is not to cure the craving for drink. Even in the U.S.A., prohibition succeeded in the beginning and alcohol consumption diminished to about 43% of the former level in 1921-22. As a result, there was a welcome change in the patterns of consumption. The expenditure on milk, butter, fruits and leafy vegetables increased and the money previously spent on alcohol was used for a more varied diet rich in vitamins. But after 1925, consumption of alcohol increased to two-thirds of the old level and "prohibition failed to prohibit." By 1929, more spirits than in the pre-prohibition period were consumed and only in the case of beer was consumption still below 70% of the pre-prohibition level.¹³ Then came the world economic crisis, and "the prosperity argument of the 'drys' during the growth of the trade boom became boomerangs in the subsequent depression."¹⁴ Finally, prohibition was abandoned in 1933. The prohibition movement in Finland also followed a similar course.

Although the attitude of India to the use of alcohol is different, the craving for it among the working classes is very powerful. Even in the Western countries where prohibition has been tried, it took some time for illicit trade to organise itself.¹⁵ Unless the

13. Warburton, *op. cit.* p. 260.

14. Stamp, *op. cit.* p. 204.

15. W. Thompson, *Liquor Control in Sweden* (1935), p. 23.

vigilance of the police in Salem continues, illicit tapping and distillation are likely to increase. This evidently will involve a recurring cost to the tax-payer. We must therefore set in motion forces for weakening the craving for liquor among the working classes.

It was with this aim in view that the Government has made provision for various counter-attractions. The Tea Market Extension Board and the Coffee Cess Committee have been carrying on an effective propaganda for the increased use of their respective substitutes. The toddy shop gave to the labourer not merely toddy but the amenities of a club in a crude way. We must replace it and occupy him in his dismal evenings. For carrying out such objects, a Special Development Officer has been appointed and arrangements have been made for street dramas, bhajana parties, katha kalakshepas, Purana readings, gramophone recitals, etc. Sports clubs were also organised in some places, and village games were encouraged. It is hoped that the Rural Uplift Schools lately started will cater for many of these needs. Otherwise the worker will again yearn for the toddy shop and will use all opportunities available to him for circumventing the law.

If the experience of the West is any indication, the raising of the standard of living of the working classes is the only means of keeping the craving for alcohol under permanent check. In England, drunkenness has considerably diminished since the War. The *per capita* consumption of beer in London has fallen from 46 standard gallons in 1891 to 23 standard gallons in 1928, and even this is lighter beer with half the old alcohol content. The consumption of spirits—especially gin—has fallen off steeply. It is generally believed that a chief cause of this is a rise in the standard of living of the working classes. The incomes of the lower strata of labourers have increased and their standard of living has risen.¹⁶

In India also, for a permanent control of the drink evil, the most potent means would be to raise the standard of living of the masses. Better tastes, aesthetic and intellectual, must be inculcated among them by a healthy system of education. Co-operative societies for better living may do a great deal for improving the patterns of consumption. It is necessary to start a large number of such societies in the Salem district. It must be remembered, however, that the urge for a better standard of living cannot come

16. *New Survey of London Life and Labour*, Vol. IX, p. 246.

without an adequate income. Drink is as much the result of poverty as the cause of it. Therefore while the withholding of drink may give a temporary relief to poverty, only the raising of incomes can effect a real cure. Prohibition has enabled many of the working class families to purchase more food and clothing, but has not so far raised incomes, except in the case of some factory labourers. On the other hand, in the case of many families, total monthly incomes have fallen, although due to extraneous causes. Prohibition cannot be deemed successful unless it enables erstwhile drinkers not only to maintain but to increase their efficiency and incomes. Therefore measures have to be urgently taken for counteracting the unfavourable physiological and psychosocial reactions still persisting in the case of some classes, and also for increasing their income from the present low level. Their labour must be made more productive and employment must become more adequate.

The case of handloom weavers is the most urgent. There are about 35,000 weavers in the Salem district with their numerous dependants. They have been passing through a bad time, owing to a severe depression in their trade. Perhaps it is more than depression : it is a permanent loss of trade owing to more effective competition from the mills. The handloom weaving industry in Salem is somewhat like one of those shrinking trades in the "depressed areas" of Great Britain. It is for the Government to see if the handloom can be put on its feet again. If not, we must urgently look for other means of employing the weavers.

Raising agricultural incomes is the pivotal problem ; for, even urban labourers are mostly drawn from the neighbouring villages and depend on land for part of their earnings. By working a reformed system of rural credit, incomes from agriculture can be increased. This has already been demonstrated in parts of Salem where co-operative marketing has been started, e.g., among groundnut-growers. As a result the ground-nut acreage has increased lately. The co-operative movement must be reorganised to meet such aims. This will indeed involve some additional cost, but it is worthwhile ; for, it would not only make prohibition a success but will raise the income and standard of living of a large number of persons. Such efforts are indeed needed all over the country, but Salem deserves precedence, seeing that the beneficial effects of such a policy can be best demonstrated in a prohibition area.

It is thus clear that if prohibition is to be a success much more than its enforcement has to be done. Prohibition cannot be a success unless the erstwhile drinkers become more efficient workers and obtain better incomes than before. This requires a persistent drive in various directions for the economic uplift of the masses. By launching such a far-reaching measure as prohibition, the Government have imposed upon themselves heavy responsibilities in this regard, and the economic future of the Presidency depends largely on the successful fulfilment of these responsibilities.

11. NEED FOR A FULLER STUDY

It has already been shown that various short-period tendencies have counteracted the effects of prohibition. For a proper appraisal of the results of prohibition, we must wait for a longer period, say five years. The conclusions reached in this report must therefore be considered more or less tentative. As time goes on, changes in efficiency of labour and in workers' incomes are likely to become more pronounced, provided illicit drinking does not increase; the shift of expenditure and the trends in trade and business will also come in bold relief. Therefore it is essential to resurvey the district periodically during the next four years.

Nor is it sufficient to survey purely economic results. In America, the effects of prohibition on industrial efficiency, absenteeism, sickness, mortality, crime, and biological and psychological reactions were scientifically studied by scholars and important conclusions were reached. It would be desirable to conduct similar researches in India in districts brought under prohibition, so that ample experience may be gained for future guidance.

For purposes of comparison, accurate statistics of pre-prohibition days are necessary. Therefore, at least three months before another district is taken for prohibition, an economic survey may be conducted in that district. The survey must include also estimates of the turn-over of trade in toddy and arrack taverns, grocery and cloth shops, shandies, tea and coffee stalls, and cinema houses. The state of absenteeism and frequency of accidents in factories and workshops, health condition of labourers and their children must also be surveyed by competent persons. Such a preliminary survey would enable us to assess the results of prohibition more accurately.

12. ACKNOWLEDGEMENTS

As has been mentioned already, the primary data used in this Report were gathered by the six investigators mentioned in p. 2.

Special mention may be made of the detailed family budgets collected with great care from Salem town by Dr. Sarada and Miss Radha Bai. Mr. N. T. Mathew, research student in Statistics helped in preparing the tables and charts. The Reader (Dr. P. S. Lokanathan) and the Lecturer (Mr. K. C. Ramakrishnan) assisted me in carrying out the enquiry.

A word must be said here about the help rendered to the investigators by the officers of Government, especially of the Revenue Department, in the District. The Collector of Salem, Mr. A. F. W. Dixon, I.C.S., had instructed his officers to render assistance to the investigators in their work, and this has been very helpful. In Salem town, not only officers like Mr. J. C. Ryan, Special Development Officer, but public-spirited persons like Mrs. E. D. Philip, Mr. O. V. Raju and Dr. P. Varadarajulu Naidu helped the investigators in many ways. While we are grateful to them for their kindness, it is but fair to add that they are not responsible for any of the views expressed in this report.

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21 December, 1938.

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CONCLUSIONS

The conclusions of this report may be summarised as follows :

1. Before October 1937, some sections of the labouring population of the Salem District spent a considerable proportion of their earnings on drink. The greater part of the drink bill of the District was paid by about 200,000 persons and this caused misery to nearly as many families.

2. Except in the border villages, and among a few urban labourers, liquor consumption completely stopped during the period under survey.

3. There were at first unfavourable physiological and psychological reactions, but except among some hard drinkers, the capacity for work has been fairly maintained and has, in some cases, even increased. The willingness to work has been impaired among certain classes of workers, and this has affected their earnings.

4. The efficiency of labour seems to have increased among the mill workers in Salem town, and their income has also slightly increased, but this is not the case with municipal labourers, stone-workers and others. The earnings of handloom weavers have declined during the period, chiefly owing to a severe depression in their trade.

5. The spending power formerly used for drink has been devoted largely for a more varied and adequate diet, better clothes, and more amusements. There has been a significant change in the items of food used by the working classes, especially in Salem town. The expenditure on tea and coffee, vegetables, curds, ghee, oils, and meat has increased; that on smoking and chewing has diminished in some cases.

6. The whole of the spending power liberated has not been used for immediate consumption; several of the former drinkers have saved sums for purchasing ornaments and brass-ware and for repaying debt. Borrowings among labourers have been less this year, largely due to the banishment of drink from marriages and other feasts. This will have healthy reactions, especially among agriculturists.

7. Although the former drinking classes now spend more on other goods, there has not been a *net* addition to the total spending power of the district, owing chiefly to failure of crops and

depression in the handloom weaving trade, and therefore there has not been any immediate stimulus to trade and production. But the increased purchases by the working classes have kept up trade, and other things remaining the same, may in time set in motion an upward spiral of economic activity.

8. The social and moral effects of prohibition have been remarkable; in particular the position of women and children among the working classes has substantially improved.

9. There has not been any serious unemployment among those formerly engaged in the liquor trade, but dependence on agriculture has increased. The problem may not be so simple when prohibition is introduced into many adjacent districts.

10. Prohibition will involve a recurring cost to the Government if vigilance of the kind now exercised continues to be essential. Raising the standard of living is the only sure way of permanently controlling the drink evil, and therefore if these results are to be lasting, suitable counter-attractions must be given to erstwhile drinkers and efforts must be made to raise the standard of living among the lower strata of labourers. Therefore measures must be taken immediately to raise the net earnings of the working classes. This involves an extra expenditure on economic uplift in Salem district, and this is justified.

11. A longer time must elapse before one can assess fully the results of prohibition, and therefore resurveys must be carried out in Salem annually for another four years. Investigations on health, absenteeism and allied matters must also be undertaken.

12. In order that the exact conditions before prohibition may be available for comparison, a thorough enquiry must be made in a selected district which will soon be under prohibition.