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INDEBTEDNESS OF CULTIVATORS IN OUDH.

*From Major I. F. MacAndrew, Secretary to Chief
Commissioner, Oudh, to all Commissioners, No.
4166, dated Lucknow, the 1st October 1868.*

The Chief Commissioner has observed, in several of the district reports on the state of the crops and prospects of the harvest, that in consequence of the want of rain the village mahájans were holding back food from the people, and that in one village, Kheron, in the Roy Bareilly district, the cultivators had robbed a bannia's house for food.

2. The Chief Commissioner has reason to believe that a great majority of the cultivators in Oudh are dependent on the village mahájans for their food and seed, and keep little or no store of their own, and are thus peculiarly exposed to the first pressure of a scarcity.

3. It is the custom, in ordinary times, for the mahájan to take for himself, at the harvest, one and a half maunds for each maund of grain supplied throughout the year for food and seed. But, when scarcity is anticipated from drought, the mahájan is not satisfied with these terms, but seeks

to be repaid by as much grain as one and a half times the money value of the grain advanced at seed time will buy at harvest.

4. With this prospect before him, naturally as prices are rising, the village maháján is tempted to withhold supplies in order to advance at the highest prices, and the unfortunate cultivator finds the food of himself and family at once curtailed.

5. The inhabitants of towns and people living on wages feel the same pressure, but not necessarily in a privation of food, as they can first reduce the expenditure on other things.

6. The difficulties of the cultivators spring from economic causes; they are relieved rather than aggravated by the dealings of the mahájáns; and however extravagant the rate of interest may appear, any authoritative interference with it would only enhance it ultimately by discouraging the competition of capital. But the Chief Commissioner cannot view without anxiety this precarious position of so large a portion of the population. It is of great importance to ascertain whether it admits of improvement otherwise than by the exertions and frugality of the cultivators themselves. The Chief Commissioner fears that an enumeration of the cultivators indebted to mahájáns might be regarded as inquisitorial, and do more harm than good; but I am to request that you will instruct the district officers to make general enquiries from the tahsildárs and kanúngoos on the subject, and to report the result to you. The Chief Commissioner

anticipates that you will in this manner be enabled to form a correct judgment of the extent to which the cultivators are dependent on the advances of mahájans or zamindárs. It is desirable that you also endeavour to form an opinion as to whether the tendency of the indebtedness is to increase or decrease.

7. The Chief Commissioner wishes the following questions answered :—

1.—*What are the kharíf and rabí crops grown ?*

2.—*How is the produce disposed of by, (1) the unindebted, and (2) indebted cultivators? [Note. It is understood that in many cases the whole produce is made over to the mahájan; in others the less valuable crops are retained for consumption; in others, sugar, oil, seeds, and cotton, are sold in the market for cash; in others, they are sold at a discount to the mahájan.]*

3.—*What are the terms of interest on which advances of seeds, food, or money, are made ?*

4.—*When are the accounts made up, and in what form are they kept ?*

8. The Chief Commissioner will be glad to consider any practical suggestions which can be made to render the cultivators more independent, especially in estates under the management of the Court of Wards.

9. Your reply to this letter should be rendered by the 1st December next.

From Charles Currie, Esquire, Commissioner, Lucknow Division, to the Secretary to the Chief Commissioner, Oudh, No. 1334, dated the 23rd-28th June 1869.

I have the honour to reply to your letter No. 4166, dated 1st October 1868, and to submit copies of the replies received from the several Deputy Commissioners of this division.

2. The Chief Commissioner will find the kharif and rabí crops grown in this division fully detailed in the Deputy Commissioners' letters. A statement specifying the crops is appended for facility of reference.

3. The produce is disposed of in the following manner :—(1) The unindebted cultivators sell as much of the produce as is necessary to provide for the rent due to the landlord, and retain the remainder for food, and sell as necessity may require or favourable opportunity occurs. (2). The indebted cultivators make over to the village banker as much of the produce as is required to satisfy the banker's demands on account of advances of money, food, seed, grain, and interest. If any surplus remains the cultivators retain it for food.

4. The terms of interest vary, but are always exorbitant. Advances of grain for food and seed are generally made on the *deorah* principle, that is, the amount advanced is to be re-paid with an addition of one-half as interest. If the agreement be that payment be made in money, the grain advanced is valued at the market rate at the time the

advance is made, and to raise this money a larger proportion of grain has to be sold at harvest time, as then grain is cheap. Money advances bear ordinarily 24 per cent interest per annum.

5. The accounts are generally made up at the end of the rabí harvest, but sometimes they are made up after each harvest. The majority of the transactions are verbal, and the cultivators are necessarily dependent on the honesty of the banker.

6. It is difficult to offer any practical suggestion to render the cultivators more independent. The transactions are so numerous, so petty, and extended over so vast an area that it would require an enormous establishment to supersede the agency of the village banker. Not only is this the case, but the cultivators have positively no security to offer, and the only hold the village banker has over his debtor is his power of refusing food, and threatening starvation. This is a procedure which could never be adopted by any agency established or recognised by Government.

7. Mr. Quinton states that it is the practice of many ta'lukdárs to make advances to the cultivators for seed at sowing time, and that such advances are made without interest. If all the landholders could be induced to follow this example, the position of the cultivators would be improved, and I concur in the opinion expressed by the Deputy Commissioner that this course should be followed in all estates held under the Court of Wards, or Government management.

Statement specifying the kharif and rabi crops grown in the districts of the Lucknow Division.

Name of District.	Kharif Crops.																	Rabi Crops.											Remarks.													
	Rice.	Kodon.	Joár, Makkaí.	Júndrí.	Bájrak.	Moth.	Múng.	Urd.	Mandwa, makrá.	Mamí'á.	Cotton.	Tobacco.	Indigo.	Hemp.	Til.	Lobhia.	Patwa.	Bhatwás.	Kákún.	Sáwán.	Rándiáns.	Sugar Cane.	Castor Oil plant.	Wheat.	Barley.	Pears.	Chena.	Gram.		Masúr.	Birrah.	Linseed.	Láhi.	Gaharwá (oil seed.)	Sarson.	Kiráo.	Rai.	Barai.	Arhur.	Poppy.		
Lucknow,	1	1	1	...	1	1	1	1	1	1	1	1	1	1	1	...	1	*	1	1	1	...	* Is also included in the crops by Deputy Commissioner, Lucknow.
Oonao, ...	1	...	1	1	1	0†	...	0†	1	...	1	...	1	1	1	...	1	...	1	1	1	...	1	1	1†	1§	...	† The Deputy Commissioner Oonao has named these as rabi crops. ‡ Includes other oil seeds also. § Includes other dals also.		
Barabunkee.	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	...	1	1	...	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	

From J. W. Quinton, Esquire, Deputy Commissioner, Lucknow, to the Commissioner, Lucknow, No. 6453, dated Lucknow, the 19th December 1868.

I have the honour to forward the report called for in Chief Commissioner's Circular No. 4166, dated 1st October 1868.

2. I have not been able to discover any grounds for supposing that in this district the village mahájans are holding back food from the people.

3. I proceed to answer *seriatim* the questions put by Chief Commissioner, in para No. 7, of the circular.

4. The principal kharíf crops grown here are rice of various kinds, masúr, kodon, joár, bájrah, moth, másh, múng, til, hemp, castor oil plant. Some of these are sown earlier, some later in the season, *e. g.*, joár, bájrah, másh are not reaped till Aghan, and form a third harvest known as *hewant*. The two former are sown in annual rotation with wheat in many places.

5. The chief rabí crops are wheat, chaná, barley, peas, arhar, sarson, masúr, and combinations of two of these.

Sugar cane is also extensively grown.

6. *Question 2.* The proportion of unindebted to indebted asámís varies greatly in different parts of the district. In Mallihabád the tahsíl-dár estimates the former as only 1-10th of the whole number of asámís, whereas in parganah

Nagohan, Rajá Kashípershád is of opinion that as many as 1-6th use their own seed, and 1-3rd take advances of seed only, keeping enough of the harvest for their own food. Near Mohanlálganj I am informed that many cultivators own carts and buy in the neighbouring villages cowdung and wood for fuel, which they carry into Lucknow and sell at a profit. They pay their rent from the proceeds of this trade, reserving all their grain for home consumption and sale when prices are high.

7. This is doubtless an exceptional case. As a rule, however, unindebted cultivators when the harvest is gathered in, dispose of enough grain to cover the rent and retain the rest for consumption and sale at favourable rates. Sugar, tobacco and oil are sold in the bazaar for cash.

8. The case is different with indebted asámís. They must meet first the landlord's demand for rent and then demands of mahájans for seed and food. The surplus small grains, if there be any, are reserved for their own use or occasionally sold. Such sales to mahájans are always at unfavourable rates, one or two sírs below current prices: when advances of seed are repaid, the mahájan will sometimes allow the surplus to be sold in the market.

9. The existence of such a surplus depends mainly on the harvest being good or bad. In the former case something may be forthcoming, though this is not always the case; in the latter nothing escapes, and borrowing begins at once.

10. The more prosperous cultivators eat wheat and dál, and at times rice and barley. The poorer

classes live on joár, bájrah, káblí, and the like. The pressure for food is greatest in January and February when the kharíf crops are exhausted and labourers employed for irrigating rabí crops must be fed. Kharíf crops do not last more than two and a half or three months when the rent and seed advances are paid from them.

11. Sugar cane is disposed of to wholesale dealers from Lucknow and elsewhere, who give advances while the crop is on the ground. These transactions take place through the lamberdár, who exacts a percentage of Rs. 10 on 7 maunds on sales of "Ráb." Prices are agreed upon beforehand, and in Mohanlálganj they are regulated by the prices prevailing at harvest time in one of two or three villages, the zamindár of which bears a good character for honesty. These villages are Orié in parganah Bijnoun, Gopál Khera and Seolar in Mohanlálganj.

12. The interest on advances for seed is universally at the *deorah* rate, or 50 per cent, if repaid at the harvest. Advances for food are made at different rates according to the time at which they are taken, generally 25 per cent or *siwai*, is the prevailing rate.

13. Cash advances bear 2 per cent interest.

14. There are also local rates which weigh still more heavily on the debtor, two of these are *úgáhi* and *úp*. In the former the amount of the loan is limited to Rs. 8, Rs. 9, or Rs. 10, which are debited to the borrower as Rs. 9, 10 or 11 as the case may be, and must be repaid in instalments of R. 1 per

month. The usage called *úp* is as follows. Each maund of grain borrowed is counted at 10 instead of 8 pansarís, and the price of this quantity at the current rate is debited to the borrower. This must be paid with interest at 25 per cent at the following *rabí* harvest. In default the debtor must pay 5 sírs of grain for each rupee as interest until the loan is cleared off.

15. In fine, as in all countries, the great principle here seems to be to raise the interest in proportion to the need of the borrower.

16. *Question 4.*—The accounts for the year are made up at the close of the *rabí* harvest, though an adjustment takes place after the *kharíf* also. The bulk of these accounts are, so far as the tenant is concerned, verbal transactions. The *ma-háján* when he can write, keeps a rough sort of ledger in which he enters the sums borrowed, the borrower touching the pen in token of his assent to the entry.

17. In many cases the lenders have also no written security. The *ma-háján* so called is frequently himself a petty *zamindár* or prosperous cultivator who has managed to save some money, which he immediately endeavours to increase by lending it out to his fellow villagers. No other party can read or write, and when disputes arise reference is made to the landlord or some umpire in whom both parties have confidence. Considering the almost infinite number of these petty transactions, the trifling number of cases to which they give rise in our courts is a matter for wonder.

18. The ultimate check and remedy here will be the spread of education, but as years must elapse before this can operate, an extension of the system of rural notaries is urgently called for.

19. In my late tour in tahsils Mohanlálganj and Kursí I sent for and examined all the registrars. To my enquiry as to the registration of verbal transactions I received the same answer every where, that none such were ever registered.

20. These men are too few and widely scattered to be of use to any except parties who take the trouble to execute deeds, which in most cases that fell under my observation, concerned real property only.

21. A separate report on the subject of registration will be submitted to the Judicial Commissioner, but in connection with the subject of this report, it is necessary to notice the defects in the system.

22. Rural notaries properly so called should be established in small circles all over the district, and cultivators instructed and encouraged to have recorded before them all money transactions with village mahájans.

23. This would place some check on the present system, which leaves the debtor so much at the mercy of the creditor.

24. It is the practice of many ta'lukdárs to make advances to the cultivators for seed at sowing time. Such advances, unless the money be borrowed

for the purpose, I am told by ta'lukdárs, bear no interest.

25. This plan should undoubtedly, where funds admit of it, be adopted on estates under the Court of Wards, and, as has been repeatedly enjoined, money should be freely spent in the construction of wells and works for irrigation by which the produce of the land would be increased. Of such increase the tenant should have a share, and be thereby stimulated to expend all his labour on the land instead of contenting himself with extracting from it a bare subsistence.

26. These measures may palliate the evil, but so long as the peasantry are characterized by the want of thrift, the improvidence and the low standard of comfort which at present prevail among them, a marked improvement cannot be looked for.

27. I regret that this report has been too long delayed, but I wished as far as possible to base it on personal enquiries.

From Major C. R. Shaw, Deputy Commissioner, Oonao, to the Commissioner, Lucknow Division, No. 682, dated Oonao, the 17th April 1869.

I have been reluctant to report hastily on Secretary to Chief Commissioner's Circular No. 4166, of 1st October 1869, on the subject of procedure of cultivators in their mahájání dealings, and disposal of their crops, without some local knowledge of it myself, for, I am afraid, tahsildárs generally rely solely on their kanúngoos to supply them with such information, and I have only one experienced

tahsildár, Ali Bux, at Saffipúr, whose opinions I accept with confidence.

2. I have however been unfortunate in my own enquiries, as this has been such an exceptional year, both as to prospect of crops and of exceptional rates, from the extra ordinary demand for food in the North-West, that I came across nothing but hard cases.

3. I began a draft of this report at Moráwun, at the other end of the district, but put it off in hopes of finding a difference in other places, but find cultivators in a ruinous state of debt everywhere, and, as I reported my anticipations in last year's general report, find their brass plates rapidly being changed into pottery.

4. The enormous exportations of grain this year from Oudh must bring in rich returns, and increase the wealth of the province ; but, as far as my district is concerned, I have no hesitation in asserting that it is not the cultivators but the indebted landlord and the maháján who have got the whole advantage of the high prices, and unlike other countries, this wealth takes long time to reach the hand of the real labourer again.

5. All tahsildárs agree that, with the exception of the morai, káchhí, and tambolí, the vegetable growing classes, who are industrious in raising the high priced crops, and a few whose relatives are able to aid their families by savings of earnings in Government or private service, *i. e.*, about one-tenth, all the rest of the classes of cultivators are in the hands of their mahájans.

6. The luckiest are those whose landlords can afford to do mahájání, next those who can get into the books of large mahájans, but by far the largest proportions are in the hands of petty village extortioners.

7. The kharíf and rabí crops may be divided as per margin.*

Kharíf.*	{	Cotton, Indigo, Sugar-cane,	}	koy.	Dependent on irriga- tion to be satisfac- tory.
		Joár, { Makkai, { Bhuttá,			
Rabí.*	{	Dhán, Júndrf, Bájrah, Makrá, Sáwán, Kákún,	}	sons.	Irrigation not neces- sary in or- dinary sea- sons.
		Jau, Gíhun, Gram, Peas, Arhar and other dáls, Moth, Másh, Sarson and other oil seeds,			

Answer I.

8. Barley and wheat are generally sown and cut together, and are called *gújai*; when gram is added to above it is cut later, and the triple crop is called *tirkar*; gram or peas, and jau are called *bijrá* or *birrah*.

Answer II.

9. As a rule, cultivators retain only their cheaper crops and dispose of the rest.

10. The small percentage working on their own capital even, only retain those classed as "irrigation not necessary" in kharíf, and their birrah, peas, moth, másh, and such like from their rabí, and sell the remainder of their stock, as it gets ready, to the surrounding weekly markets, or, as is more usual for those having more than one load, they take only samples to market, and when they get a deal with a mahájan or baiparí's agent, they arrange for the sale and carriage of the rest of their stock.

11. The remaining nine-tenths, if not too closely watched by their extortionate mahájans, retain enough for a couple of months' consumption, and have to give up the rest for their mahájan's lien on the crop for advances received.

12. Tahsildárs describe all mahájans this year to be hard dealers, *i. e.* that they have tried to get whole crops, and that supplies for consumption have been retained only by stealth.

13. The terms of interest on advances for seed or food, whether in kind or cash, seem to be guided by no local rule, but vary everywhere according to the circumstances of the parties dealing. New cultivators are encouraged with the old *gal-lai* terms until they are well in the books, and then are made into slaves. In fact I calculate the village mahájan must be as averse to the Oudh Rent Act as the cultivators, for he must foresee that high rents added to extortionate interests must end in desertions.

14. As far as I can find, the universal terms of *deorah* and *siwai* advances for seed and food respectively, although still used (not to alarm the illiterate cultivator) within the last two years of high prices, are retained in reality only by *lamberdárs*, mahájans, and *sarráfs*, the others, I believe often with the pretence that our courts only understand cash accounts, are recorded only in cash. For example in round numbers, if a cultivator in October takes 3 maunds of gram, the market price of which at that season would be cheap at 20 seers per rupee the mahájan records the debt at 6

rupees, at two annas interest per month: (two annas and often three annas is usual.) Six months after, in March, when the crop is cut, the debt stands, principal 6 rupees, and 12 annas $\times 6 = 72$ annas = 4-8 per season = 10-8, *i. e.* 75 per cent. per season, 150 per cent. per annum.

15. One would think this is extortionate enough, but of course the cultivator has no cash, he cannot sell to the market even if the mahájan did not watch him, for any attempt to retain sufficient stock for seed or consumption is followed by trial of courts and its consequent costs. The cultivator has no choice but to deliver his crop to his mahájan, who takes it at the then market value. Even then, the mahájan also takes the *kasr* of one pansarí or $2\frac{1}{2}$ seers pakka in the maund. So instead of the old $1\frac{1}{2}$ and $1\frac{1}{4}$ rates, the cultivator has to deliver in March during the high priced seasons, 11 maunds $6\frac{1}{2}$ seers for the 3 maunds received in October.

16. I do not mean to assert that the above extortionate class are universal, neither are they exceptional, the more lenient class being those who treat their accounts as purely cash ones, who consider themselves very moderate at charging 24 and 36 per cent., but always taking the *kasr* on delivery of grain.

17. I was surprised at the number of asámi accounts I observed in which no repayments were made to the mahájan after last kharíf, and these accounts I examined with sharp mahájani lambardárs, who were attending my camp.

18. To relieve such evils I have received several wild proposals, such as Government setting up granaries and village banks; but as such proposals could not at present be carried out, I consider the only way relief could be afforded to cultivators, is by way of aiding lamberdárs to act as mahájans, making them hypothecate their lands in security for pecuniary aid, charging them 12 per cent, to cover establishment to keep these accounts.

19. I must however repeat a suggestion I have already demi-officially made, viz., that I would avoid affording this pecuniary aid by grants in cash.

20. I am confident Máhárájah Mán Singh, and any intelligent ta'lukdár would confirm my assertion, that the report even, that Government is disbursing money, is not only disturbing the minds of mahájans, but is encouraging reckless landlords to apply for aid for irrigation works who have no intention of laying out their loans for the purposes applied for, but, knowing that district officers cannot personally check the accounts of their outlay, will divert half their grants to pay off old debts.

21. Instead of granting takávi in cash to be repaid in several kists I would suggest that, sufficient security being taken by hypothecation of lands, remissions of portions of kist be allowed. As was remarked to me by a respectable landlord, "It is very hard for us to keep cash in the house. If we were borrowing from our mahájans for works, we should only draw it, by sending our weekly *chittahs* for payment." I cannot help remarking, that in almost all the takávi applications for wells, the

tahsildárs always record a warning memo. that the applicant is deeply involved, has mortgaged half or whole of his share, or is a bad rent payer.

From W. C. Wood, Esq., Officiating Deputy Commissioner Barabunkee, to the Commissioner, Lucknow Division, No. 1017, dated the 7th June 1869.

With reference to your docket No. 806, of 26th April last, with enclosure in original, which is herewith returned as requested, I do myself the honour to submit answers to the questions asked in Chief Commissioner's letter No. 4166, dated 1st October last.

2. In paragraph 8 I am called upon for any practical suggestions I may wish to make to render the cultivator more independent of the village banker.

3. The subject is a most difficult one, and I hardly feel myself competent to deal with it, but the following are a few ideas that have struck me, and I give them for as much as they are worth.

1st.—It may be possible to render the cultivators more independent if one could induce the ta'lukdárs and zamíndárs not to demand the rents in advance. To enable a cultivator to meet this he is compelled to make arrangements with his maháján.

2nd.—If the ta'lukdárs and zamíndárs could be

made to give long leases to their cultivators, say not less than five years, this would remove for some time at least the awful dread of enhancement and dispossession continually hanging over these unfortunate men. It would also save them a good deal of expense in not having to contest yearly a suit, for either ejection or enhancement of rent.

3rd.—If the ta'lukdárs and zamindárs could be induced to advance grain for food and for seed to their cultivators without charging interest, and if the Government would also agree to give takávi advances to cultivators to enable them to purchase seed grain; but, as it is the duty of every landlord to look after the welfare of his cultivators, Government aid should only be given in extraordinary years.

1. *What are the kharíf and rábí crops grown?*

The kharíf crops are; 1, kodon (*paspalum frumentaceum*); 2, dhán (rice); 3, mandwa; 4, kákún; 5, joár khurd; 6, joár kalán, or Indian corn; 7, bájrah; 8, moth; 9, úrd; 10, múng; 11, manú'á; 12, rámdána; 13, cotton; 14, sugarcane; 15, lobia; 16, patwa; 17, bhatwás; 18, indigo; 19, hemp; 20, tobacco; 21, til.

The rábí crops are; 1, gram; 2, barley; 3, peas; 4, wheat; 5, masúr; 6, birrah; 7, linseed; 8, láhí; 9, gíhun; 10, post or poppy; 11, kirao; 12, sarson or oilseed; 13, rai; 14, barai; 15, chinwa; 16, arhar.

2. *How is the produce disposed of by (1) the unindebted and (2) indebted cultivators. [Note. It is understood that in many cases the whole produce is made over to the mahájan ; in others the less valuable crops are retained for consumption, in others, sugar, oil seeds and cotton are sold in the market for cash, in others they are sold at a discount to the mahájans.]*

The unindebted cultivators first dispose of their produce for the purpose of paying off the rents due against them, after which they keep a portion for their own use, and the rest they sell in the market at their own discretion. The indebted cultivators when called upon to pay the Government demands by the lamberdárs, sell their grain at a lower rate, and after paying off the rents, the remainder of the produce they make over to their mahájans, and the less valuable crops are retained for consumption, but sugar-cane and cotton are sold to mahájans when they are cultivated, and when ráb is made of the sugar-cane produce the mahájans, according to the terms settled between them, get it weighed and receive at a cheaper rate, and more than the weights.

3. *What are the terms of interest on which advances of seed, food, or money are made ?*

For the seed and food advanced by the mahájans they charge one quarter or one half of the principal amount of grain as settled between them and the cultivators on account of interest. Should the cultivators fail to pay off the principal and the one half usually called "deorah," added to the prin-

principal on account of interest, the mahájans will enter the principal and one half of it added together as the principal sum, and charge on this sum a farther "deorah" as interest in the next year. The rate of interest charged by mahájans on cash advances varies from 1 rupee to 3 rupees per cent per mensem, as agreed by the parties. Mahájans who advance money at the time of the crops becoming ripe charge $1\frac{1}{2}$ sírs, and some times $1\frac{3}{4}$ sírs and 2 sírs of grain per rupee, per mensem. Some mahájans advance cash on an agreement that they would receive 2 or 3 sírs of grain cheaper than the prevailing rate per rupee on account of interest. There is another system of charging interest called "ugáhí," that is to say, sometimes they advance Rs. 8 and receive Rs. 9, and for Rs. 9 they receive Rs. 10, and for Rs. 10 advanced they receive Rs. 11 throughout the year.

4.—*When are the accounts made up ; and in what form are they kept ?*

In some places the mahájans and cultivators settle their accounts in every crop, and in others, at the end of the year, if grain was advanced by the mahájans, at one quarter or one half the rate of interest as described above. The principal and interest being added up, the amount paid by the cultivator is deducted from it, and for the remainder a bond is taken from the cultivator or entered in the mahájan's account book, as the parties agree between themselves. If the amount is not repaid, further interest at the rate of a "deorah" is charged, or if the value of the grain is calculated and shewn

in the accounts, then the interest is charged at the rates described above, as agreed by the parties.

From Captain E. Thompson, Officiating Commissioner, Seetapoor Division, to the Secretary to Chief Commissioner, Oudh, No. 388, dated Seetapoor, 26th January 1869.

I have ventured to delay my reply to your Circular No. 4166, dated 1st October last, until I could have the advantage of consulting those ta'lukdárs of this division who attend the Khyrabad fair.

2. The reports of the Deputy Commissioners and Settlement Officers have been compiled in some instances with much intelligence and care, and the interest of the subject justifies me in quoting their remarks at considerable length. I therefore take the Chief Commissioner's questions in order and give the replies to each.

Q. 1.—*What are the kharíf and rabí crops grown ?*

A. *Kharíf.* Rice, cotton, kodon, sáwán, mandwa, kákún, joár big, ditto small, bájrah, másh (úrd), múng (black grain), til or kúnjid, (sesame) moth and indigo.

Rabí. Wheat, gram, barley, mustard, linseed, sarson, peas, kirao, masúr, castor oil, arhar, tobacco, opium and safflower.

Sugar-cane is an annual.

3. The crops are the same in each district. The Deputy Commissioner of Kheree adds, "if the object of this query be to ascertain what grains are supplied for seed by the mahájans, I beg to state that these are wheat, jau and gram for rabí; and rice and kodon for kharíf. Supplies of the

“ other grains are kept by the asámís for seed, and
 “ it is rarely they apply to mahájans, for any but
 “ those above named.”

2.—*How is the produce disposed of by (1) the unindebted, (2) indebted cultivators?*

4. The Assistant Settlement Officer of Seeta-poor, Mr. Williams, states that “ the unindebted cultivators are a very small minority. It is of course difficult to make any estimate of the proportion they bear to the whole body of cultivators; but it is quite certain they everywhere form the minority. The proportion of them seems to be highest in the three parganahs of Máhmúdabád, Saddarpúr, and Kundrí, where there are large numbers of Kúrmís and Lodhs.

“ In the other two parganahs of that tahsíl, Baree and Munooah, there are many new cultivators, Mahomedans, Káyeths, Brahmíns, &c., men who under the native Government were in service, and who have but recently taken to cultivation of the land as a means of livelihood. These castes are unable to undergo the labour that the cultivators of other castes willingly exert in agriculture, and find it difficult to accustom themselves at once to eat only the more common sorts of grain; they are therefore for the most part deeply indebted to the mahájans. With regard to the other three tahsíls, there is not much difference. The large majority, variously estimated at from 60 to 75 or 80 per cent of the peasantry, are heavily in debt, the general rule being that the Kúrmís, Lodhs, Morais &c., are much better off than the Maho-

“ medans and higher castes of Hindús. Cash rents
 “ seem to be more generally paid by the former
 “ castes, while the latter ones almost invariably pay
 “ in kind. In many cases where the cultivators are
 “ most deeply involved, the whole produce is made
 “ over to the village maháján, from whom advances
 “ are again taken for seed and food (bisárah), and
 “ (khawái), after the adjustment of the former year’s
 “ debt. In other places I find that the cultivators
 “ retain half enough grain to serve these two
 “ purposes and borrow the other half from the
 “ maháján. The distinction between the bisárah
 “ (called also sometimes birgá or biyá) and the
 “ khawái seems to be always observed. The
 “ more common custom however is for the cul-
 “ tivator to have one or two fields with different
 “ crops in each, a cheaper and a dearer sort. The
 “ cheapest kharíf crops are kodon, sáwán, mandwa,
 “ (or makra), after them joár, bájrah (Indian corn),
 “ kákún. The cheaper rabí crops are barley, peas,
 “ kirao. The cultivator grows one of these crops
 “ in one of his fields, and in the others one of the
 “ more expensive crops. He retains for domestic
 “ use as much of the cheaper crop as he is not oblig-
 “ ed to part with to the money lender, and the more
 “ expensive crops he makes over entirely to the lat-
 “ ter, or if the cultivator is not indebted at all they
 “ are sold in the bazaar. These crops would be rice,
 “ úrd (or másh), múng (or black grain) til or sesame
 “ in the kharíf harvest, and in the rabí wheat,
 “ grain, mustard, linseed and sarson.

“ The mahájans do not deal in the most ex-
 “ pensive crops, such as sugar-cane, cotton, opium,

“ tobacco, vegetables (perhaps sarson and linseed
 “ should be included here), and cultivators generally
 “ dispose of this kind of produce in the bazaars. The
 “ ‘ráb’ however (*i. e.* syrup or molasses) of the
 “ sugar-cane is generally disposed of to the mahá-
 “ jan. The unindebted cultivators try to keep out
 “ of the money lender’s hands as much as possible,
 “ and sell their produce at the market rate in the
 “ bazaars.”

The Settlement Officer of Hurdui states “ that
 “ the second question is answered correctly by the
 “ Secretary to the Chief Commissioner in the note
 “ appended.”

The Settlement Officer of Kheree reports that
 “ the superior kinds of grain are made over to the
 “ mahájans in liquidation of debt, and the inferior
 “ sorts kept for home consumption. Those who
 “ cultivate sugar-cane liquidate their debts by pay-
 “ ment in cash, and should there be any balance left
 “ against them it is paid in grain at the rabí harvest.”

The Deputy Commissioner of Kheree states
 “ the unindebted cultivator sells his produce to the
 “ grain dealer at once if the rates at the time be
 “ good, if not good, the grain is retained until there
 “ is a turn in the market or a necessity to sell arises,
 “ but it is rare for the cultivators to take the pro-
 “ duce to market for disposal.

“ The indebted asámí has to part with his
 “ grain at once to the mahájan if not regarded as a
 “ trustworthy customer, but if the mahájan can
 “ trust him no interference is exercised, and the
 “ asámí can sell at his convenience.

“ Sugar manufacturers make advances on the
 “ cane crop, and enter into engagements with the
 “ asámí through the *mahto* to purchase ráb at
 “ a rate agreed upon at the time the advance is
 “ made. They have nothing to do with the asámís
 “ who turn their juice into gúr. It often happens
 “ in good seasons that a well-to-do asámí clears
 “ off his rent and his debts out of the profits from
 “ his sugar-cane cultivation.

“ Oil seeds, cotton, turmeric and tobacco are
 “ sold direct to persons who deal in such produce.”

According to my experience of the Seetapoor district Mr. Williams has by no means over stated the proportion of indebted cultivators.

3. *What are the terms of interest on which advances of seed, food, or money are made?*

5. The Assistant Settlement Officer of Seetapoor writes:—

“ The terms of interest on which advances are
 “ made are very high always, but vary. They are
 “ however always so high that it at first sight
 “ appears perfectly incredible how any person could
 “ possibly be brought to agree to borrow at all. At
 “ the end of the agricultural year the cultivator
 “ after payment of his rent has at once recourse to
 “ the maháján. He has to discharge old obligations
 “ and incur new ones. The old debt is adjusted and
 “ fresh advances are taken for seed and food. The
 “ advances are made in the months *Jeth* and *Asárh*
 “ for the kharíf, and are payable in *Aghan* and
 “ *Kátik*; and for the rabí the advances are made

“in *Kodr* and are payable in *Chet* and *Baisákh*.
 “The average time between the advance and the
 “payment is about six months. The minimum rate
 “at which the loan is ever made is the *deorah hisáb*,
 “one and a half maunds of grain is given to the
 “mahájan for each maund supplied, this is fifty per
 “cent on the six months, or one hundred per cent
 “on the year. But it appears to be quite common
 “for the mahájan at the time of making the loan
 “to reserve to himself the right to be repaid by as
 “much grain as one and a half times the money
 “value of the grain advanced at seed time will buy at
 “harvest, or on that day in the whole year when
 “the grain is sold at the cheapest price. This is
 “called lending at the ‘*awal hisáb*’ or the ‘*nir-
 khi-ála*’ or ‘*bará-bháo*.’ I do not think there
 “is any reason for supposing that this practice is
 “merely resorted to when a scarcity is anticipated
 “from drought. It appears to be common at all
 “times except when grain is very cheap. The de-
 “gree of the cultivator’s dependence on the money
 “lender is generally the only test which determines
 “whether or not the advance is to be made on these
 “terms.

“Let us see what the results are, of an advance
 “at these rates :—

“A mahájan advances 25 sírs costing one
 “rupee at seed time, and at harvest time the rate is
 “40 sírs the rupee, and the cultivator has therefore
 “to pay 60 sírs, being the amount that can be pur-
 “chased for 1 rupee 8 annas. He has therefore
 “paid 140 per cent on the six months, or 280 per
 “cent on the year. This would be by no means an

“ extreme case, as the rates of grain often vary more
 “ than from 25 sírs at seed time to 40 sírs at har-
 “ vest time. Suppose a mahájan advances 20 sírs
 “ costing one rupee, and is paid, when the rate is 40
 “ sírs per rupee, 60 sírs, he has realized a profit of
 “ 200 per cent on the six months, or 400 per cent per
 “ annum.

“ This is sufficiently startling, but the profits
 “ realized are sometimes even higher. In Misrik
 “ tahsíl advances are frequently made, not at the
 “ ‘deorah hisáb,’ but at the ‘dúna hisáb,’ or two
 “ maunds after six months for every maund ad-
 “ vanced at that rate then. To take the last case of
 “ an advance of 20 sírs costing one rupee, the rate
 “ afterwards falling to a maund the rupee, the mahá-
 “ jan would be repaid 80 sírs in six months, thus
 “ realizing a profit of 600 per cent on the whole
 “ year. No doubt there are many cultivators who
 “ are sufficiently independent to be able to refuse
 “ these terms, and who only pay the minimum rate
 “ of 100 per cent. Many transactions are carried on
 “ in cash and not in grain. The rates vary, being
 “ best in Bári tahsíl and worst in Misrik tahsíl.
 “ In Bári the average rate is only Rs. 2 per cent
 “ per month, sometimes rising to Rs. 3-2 per cent
 “ (that is 6 pie per rupee) per month, or $37\frac{1}{2}$ per
 “ cent per annum. In Misrik the minimum rate
 “ is said to be $37\frac{1}{2}$ per cent per annum and the
 “ maximum Rs. 4-11 per cent (nine pie per rupee)
 “ per month, or $56\frac{1}{4}$ per cent per annum.

“ Two points remain to be noticed with regard
 “ to these interest rates. Advances are sometimes
 “ made at the ‘siwai hisáb’ about the month of

“ *Phágún* and made payable at the following *Bai-*
 “ *sákh* or after about three months. *Phágún* is a
 “ favourite month for marriages, the *Holí* festival
 “ also falls about that time, and it is the great season
 “ when visits are made in *Hindú* families, especially
 “ among the poorer classes. These various causes
 “ will account for the fact that the *mahájans* are
 “ frequently resorted to for loans in *Phágún*. The
 “ rate however is of course the same, ‘*síwai hisáb*’
 “ for three months being equal to the ‘*deorah hi-*
 “ *sáb*’ for six months. Money is never advanced at
 “ the ‘*síwai hisáb*’ for longer than 2, 2½ or 3
 “ months. There is also a species of interest in this
 “ district called ‘*úp*.’ ‘*Úp*’ is an allowance va-
 “ rying from 3 to 5 *sírs* per rupee over and above
 “ the interest due on a loan and is used for advances
 “ for very short periods, such as one, two, or three
 “ months immediately before harvest time. The
 “ principal is repaid in grain at the ‘*nirkhi-ála*,’
 “ the loan having been originally of money. An ex-
 “ ample will illustrate my meaning: a *mahájan* ad-
 “ vances Rs. 10 in *Phágún*, grain being at 30 *sírs*
 “ per rupee. In *Baisákh* the loan is to be paid, the
 “ rate is then 40 *sírs* per rupee. The *mahájan* will
 “ get for his ten rupees 400 seers principal, plus 30
 “ or 40 or 50 seers of grain as ‘*úp*,’ according to
 “ the terms of the loan. Suppose he gets altogether
 “ 450 seers after 3 months he has realized a profit
 “ of 200 per cent per annum. In the case of ad-
 “ vances at ‘*úp*,’ interest is always charged in ad-
 “ dition in case the loan is not paid as stipulated at
 “ harvest time. But it must be remembered that it
 “ is not always to the interest of the *mahájan* to
 “ repay himself his loan of grain with one and a

“ half times the money value of the grain advanced.
 “ It is only to his advantage to do so when he ad-
 “ vanced the grain at a time that it was comparative-
 “ ly dear. As a general rule it may be said that if
 “ grain was cheap when the loan was made the ma-
 “ hájan repays himself at the ‘ deorah hisáb’. If it
 “ was at all dear, he either makes an advance at a
 “ certain fixed money price and charges interest, or
 “ he repays himself with one and a half times the
 “ money value of the grain at the ‘ nirkhi-ála.’

The Settlement Officer, Hurdui, reports that
 “ seed corn is repaid at harvest thus, 5 maunds bor-
 “ rowed repaid $7\frac{1}{2}$ maunds, if not paid within the
 “ year, compound interest at 50 per cent. Grain
 “ supplied for food is likewise repaid as above. Mo-
 “ ney advanced for marriages or for plough cattle
 “ bears a rate of 25 per cent per year and afterwards,
 “ that is if not paid back the first year, compound
 “ interest at the same rate. Money advanced to pay
 “ rent or revenue generally bears interest at one anna
 “ in the rupee monthly or 75 per cent per annum,
 “ sometimes one quarter or one third more grain than
 “ the current price is taken in lieu of cash interest
 “ after commuting the money advance to its value in
 “ grain; thus if Rs. 10 be borrowed at harvest, 20
 “ kacha maunds at the rate then ruling may sell for
 “ 10, then the maháján would require 25 kacha
 “ maunds or $26\frac{2}{3}$ kacha maunds for his principal
 “ and interest.”

The Settlement Officer of Kheree states “ that
 “ no interest is charged on ‘ ráb’ advances until
 “ *Chet*, but the cultivators pay on ‘ ráb’ at the rate
 “ stipulated at the time of the advance is made.

“Should the ‘ráb’ run short, then the asámís pay
 “in grain at the harvest at the rate then current, plus
 “two annas as interest on every rupee advanced.

“Advances in grain thus, one and a half
 “maunds for every maund advanced. Sometimes
 “superior kind of grain is taken at even rates for the
 “inferior grain advanced; thus for instance for one
 “maund of *bájrah* the cultivator pays a maund of
 “wheat.

“Sometimes if an advance in grain or money
 “is made, the mahájan takes grain at the lowest
 “rate which may prevail at harvest, plus five sírs in
 “the maund as interest if the advance was made
 “in *Phágún* and two and half sírs if made in *Chet*.”

“If the asámí’s grain runs short the mahájan
 “charges two annas interest on the rupee on the
 “balance remaining against the cultivators, and
 “this the cultivators can pay up at once. If not
 “the mahájan then charges two per cent per men-
 “sem as interest against the cultivator’s account,
 “and calculating the amount of grain the sum due
 “fetches at the lower rate prevailing at next harvest,
 “takes payment at the succeeding *Fasl*. This is in
 “ordinary years, but in years of scarcity, with cultiva-
 “tors who are in debt, the mahájan makes advances
 “in grain at the high rate then prevailing, and at the
 “succeeding harvest takes the amount of grain at
 “the harvest rates which the total amount of the
 “cultivator’s debt would fetch. For instance if ten
 “rupees worth of grain is advanced, the mahájan
 “repays himself in as much grain as ten rupees would
 “fetch at the harvest rate, plus 5 seers as interest on
 “each maund.”

The Deputy Commissioner of Kheree reports
 “ that interest is taken :—

1st “ For the year at 50 per cent, in kind,
 “ for the half year at 25 per cent, that is to say one
 “ maund of grain advanced between *Jeth* and *Kátik*
 “ to be returned in *Aghan* or before with ten sírs as
 “ interest, or by *Jeth* following or before with 20 sírs;
 “ so with advances made between *Kodár* and *Jeth*.

2nd “ If repayment is to be in money, then
 “ interest is calculated at two per cent per mensem.

3rd “ To repayments in money with interest
 “ ‘bíhsah’ is sometimes added, the grain dealer
 “ taking advantage of the state of the market and
 “ the necessity of the asámí at the time. But
 “ this is rarely done with an old constituent, regu-
 “ lar in payment and whose credit is good. This
 “ ‘bíhsah’ consists of five sírs kacha of the grain
 “ agreed upon for each rupee lent, and as just said
 “ in addition to the usual two per cent per mensem
 “ interest.

4th “ When agreement is that repayment in
 “ grain is to be according to the selling price at the
 “ harvest time, interest is added at the rate of two
 “ per cent per mensem, and the ‘bíhsah’ also in
 “ the case of dealing with newly assisted asámís.
 “ If when grain is selling at 40 sírs per rupee
 “ advances are made, the maháján can get at the
 “ rate of 20 only if that be the rate, at the harvest
 “ time. He can’t turn round and insist upon get-
 “ ting 40 sírs for the 40 sírs advanced, nor yet
 “ can the asámí insist upon giving back only 40
 “ sírs if the grain be cheaper.

“ The whole of these modes of dealing exist in
 “ this district, but the two most in vogue are those
 “ described under classes 1 and 2.”

Q. 4.—*When are the accounts made up, and in
 what form are they kept ?*

6. The Assistant Settlement Officer of Seeta-
 poor reports that “ the accounts are made up *always*
 “ at the beginning of the agricultural year, in the
 “ months of *Jeth* and *Asárh*. The invariable prac-
 “ tice is to lump together then the remainder of the
 “ old debt, principal and interest, with the amount
 “ of the advances for the new year, whether for rent,
 “ food or seed, and thus to form a new principal
 “ sum on which interest will be calculated. I speak
 “ now of the accounts of cash transactions, for the
 “ loans of grain are adjusted at harvest time, perhaps
 “ three, but generally six months after the advance.

“ Only the more well to do mahájans keep a
 “ day-book as well as a ledger ; the lesser mahájans
 “ often keep accounts with cultivators that run for
 “ years merely on scraps of paper. It is a frequent
 “ custom to take bonds for the consolidated sum
 “ found to be due at the beginning of the agricul-
 “ tural year, which bonds run on for years at two
 “ per cent per mensem.”

The Settlement Officer of Hurdui states that
 “ the accounts are settled sometimes at the end of
 “ each harvest, but oftener in *Baisákh*, after the
 “ rabí has been carried and threshed. The more
 “ substantial mahájans keep regular books, ‘ bahí ’
 “ and ‘ kháta,’ the latter being what we call a
 “ ledger ; the ‘ bahí ’ is a diary or journal, what
 “ merchants I believe term a waste-book. The

“ smaller bankers keep but one book, a ‘likkha bahí.’ Compound interest is always charged.”

The Settlement Officer of Kheree writes:—“the ráb accounts are made up in *Koár* for those who cultivate sugar-cane, but the accounts of others in *Baisákh* and *Aghan*. The accounts are entered in the ‘bahí kháta,’ but from cultivators who run up long bills bonds are taken.”

The Deputy Commissioner of Kheree states:—“In the month of *Bhádón* usually regular bahís are kept up. If a mahájan is found to have dealt unfairly his constituents desert him, and he in the long run is the loser, for there is such a thing as a reprobation of *malá fide* dealings among the common people of the country.”

7. These replies are substantially in accordance with my own experience. The indebted cultivator generally borrows from the village banker on four different accounts:—

1. Grain for seed.
2. Grain for food.
3. Money for rent.
4. Money for other purposes.

The accounts are made up in various ways, but in one and all the cultivator is charged with interest which, measured by an European standard, seems enormous, and which in practice he does not and cannot pay. The case against the banker, however, has been a little overdrawn, for the “hisáb dúná,” or cent per cent, is not very common; nor is it a fair inference that an agricultural banker makes 600 per cent on the whole year, because he makes 300 per cent on half the period, for his money

cannot be turned over a second time on the same advantageous terms in one year. Nor is it quite just to measure his profits by the grain which he receives, rejecting from the calculation its market value at the time of receipt; for if a banker lend 20 sírs of wheat, worth at sowing time one rupee, and is repaid by 60 sírs, which at harvest time is worth no more than one rupee and a half, he in reality only takes back that which he lent, with interest at 50 per cent on the transaction. At the same time there can be little doubt that the "hisáb deorah," or 50 per cent, was originally intended to be paid in grain, and to cover both interest for the loan, and the difference in value of the grain at sowing time and harvest;—the conversion of the grain into money being a later device of the unscrupulous banker to increase his gains without appearing to depart from the established custom.

8. The only suggestions for the cure of this great evil which my enquiries have elicited are these :

The Assistant Settlement Officer of Seetapoor states:—"to answer these questions has been easy, " but it is very difficult indeed to offer any suggestion " for rendering the cultivators more independent. " I cannot believe the cultivators themselves will " ever materially improve their condition by their " own exertions and frugality,—at least within the " present generation,—so far as to be clear of debt. " It might be effected by a sudden flood of pros- " perity produced by perfectly exceptional circum- " stances, such as the high price of cotton in Berar. " during the last two or three years of the Ameri-

“ can war. I believe that the cultivators in that
 “ province completely freed themselves from the
 “ trammels of the money-lender, and have since
 “ shown no tendency to become again involved.
 “ There is no chance of anything of this sort ever
 “ happening in Oudh, but there can be no doubt
 “ that if the Oudh cultivators were once freed from
 “ the money-lenders, they would never again become
 “ so involved as the majority of them are at present.

“ In the opinion of natives Government ought
 “ to interfere authoritatively, not perhaps by fixing
 “ the rate of interest, for it is acknowledged that in
 “ that case the mahájans would withhold advances
 “ altogether, but by the medium of the civil courts,
 “ which should be directed never to award higher
 “ interest than the ‘deorah hisáb;’ *i. e.*, after a
 “ year instead of six months, and should make the
 “ decree-money payable in long instalments. I
 “ have in the last two months talked to many
 “ natives of all ranks on this subject, but have found
 “ none who recommend anything else.

“ There is no doubt a general idea that the
 “ zamíndárs are bound to help their tenants by
 “ liberal advances of takáví, but these advances
 “ are not popular among the cultivators. Many
 “ zamíndárs make advances to their cultivators on
 “ the same terms as the mahájans and exact the
 “ same profits. The peasantry prefer the money-
 “ lenders to their landlords, for the simple reason
 “ that the latter have much greater facilities for
 “ realizing the debt to the last farthing than the
 “ mahájans have. The zamíndár would take every-
 “ thing due to him before it left the field; the mahá-

“ jan can be indefinitely put off; and if he is quite
 “ overbearing the cultivator can leave him for
 “ another man : in short the latter borrows from his
 “ mahájan hoping to cheat him, but he knows he
 “ cannot cheat his landlord. I do not think it often
 “ happens that a peasant leaves his mahájan to go
 “ to another one ; if so, there would be competition
 “ to a considerable extent among the money-lenders,
 “ and the rates of interest would fall. At present
 “ there is apparently hardly any, and one mahájan
 “ to every four or five or more villages is a fair
 “ average. Still the thing is possible and occa-
 “ sionally happens, and the fear of it practically
 “ does lower the rates, for when a cultivator’s
 “ debt is too large for him to pay, it runs on for
 “ years, and the mahájan eventually accepts some
 “ compromise. Of course here, as everywhere else,
 “ interest must be regulated by the relation between
 “ the supply of capital and the power of employing
 “ it advantageously, and must vary according to the
 “ security for the repayment of the principal and
 “ the duration of the loan. A deal of the interest
 “ charged by mahájans is a bonus to compensate
 “ them for the risk of losing the principal itself.
 “ It would be curious to know what amount of bad
 “ debts these men have. In any case Govern-
 “ ment could not interfere with the mahájans. If
 “ a landlord can get under our rule the highest rate
 “ offered for his land, why should a capitalist be
 “ fettered and restricted in the employment of his
 “ stock ?

“ I think, however, Government might interfere
 “ in another way. As landlord of an estate under the

“ Court of Wards, it might set an example which
 “ other landlords, especially ta'lukdárs, should be
 “ advised to follow. A single estate might be taken
 “ at first for the experiment. The cultivators might
 “ be given liberal advances of takávi at a very
 “ moderate rate of interest payable at harvest time,
 “ and Government might take upon itself the
 “ gradual payment of the debts due by them to the
 “ mahájans at the beginning. There would be no
 “ risk of loss, for the advance would be repaid
 “ before the crop left the field. Natives assure me
 “ that if such an experiment were tried, and official
 “ pressure brought on great ta'lukdárs and others
 “ to induce them to follow the example, there is no
 “ part of this district where the cultivators would
 “ not be completely out of debt in four or five years.
 “ Unless the peasantry are in some way assisted, it
 “ will take more than one generation to effect this
 “ result, even though their condition is even now
 “ somewhat better than it was twelve years ago.
 “ The time when Government has voluntarily
 “ undertaken to aid impoverished ta'lukdárs in
 “ getting rid of the encumbrances on their estates
 “ would appear a favourable one for some such
 “ experiment as I have suggested. Surely the moral
 “ obligation of Government to assist the cultivators
 “ is as great as in the case of the other class for
 “ whom so much has already been done.”

The Settlement Officer of Hurdui suggests :—
 “ With a capital of three lakhs of rupees, Savings
 “ Banks in this district, advancing small loans at
 “ 8 per cent per annum, would do much to
 “ alleviate the distress amongst the cultivators ;

“ and indeed for that matter, the distress among the
 “ agricultural population generally, including the
 “ smaller zamindárs, who too are often in debt. It
 “ is the interest that ruins them. They too
 “ occasionally spend more money than is right
 “ in marriages, on the occasion of births, and at
 “ deaths, when the Brahmins mulct them a
 “ good deal. If there were Government agri-
 “ cultural banks where small sums were re-
 “ ceived, the people would in time become thrifty.”

The Settlement Officer of Kheree observes ;—
 “ from such information as I have been able to
 “ collect, I have reason to believe that the cultiva-
 “ tors in this district, to a great extent, are prosper-
 “ ous, and that their condition has very much im-
 “ proved since annexation. The more industrious
 “ and better class of cultivators are here in great
 “ demand, and they often get large concessions in
 “ their rents. The inferior cultivators also get good
 “ terms, such as is not usually given in other dis-
 “ tricts, where scarcity of cultivators is not felt to
 “ be so great.

“ There is doubtless a great deal of poverty
 “ and distress among the classes who are less dis-
 “ posed to hard work, or work of any kind, and also
 “ among those families who, from any sudden mor-
 “ tality in the members, loss of cattle or other con-
 “ tingency, have been obliged to throw up their
 “ employment or cultivation ; but barring such
 “ cases and classes, the cultivators are, as a class,
 “ rather independent of mahájans, and this tend-
 “ ency to unindebtedness is I think on the increase.
 “ A succession of bad years might of course check

“ their independence rather than any enhancement
 “ of rents, which it may be presumed may result
 “ from the introduction of revised assessments, for
 “ some years to come. In ordinary years a large
 “ body of cultivators keep stores of grain for their
 “ own consumption and for seed, but this year much
 “ of the grain was injured from the rain before it
 “ was stored. This grain was either used for home
 “ consumption, or sold when the high prices pre-
 “ vailed : it was not fit for seed.”

9. The magnitude of the evil disclosed in these reports can hardly be overstated, and though I do not think it altogether incurable, I believe an immediate cure to be absolutely impossible.

10. At the outset it must be admitted that capital is necessary for the efficient cultivation of the soil, and therefore every measure which tends to increase the hazards of banking, or in any way to retard the application of capital or diminish its supply, must be rejected at once. Punitive measures directed against the banker, and attempts to regulate the rate of interest will only increase the evil they are intended to abate.

11. In this, as in all civilized countries, the rate of interest is governed in the main by the demand, the extent of the risk, and the amount of capital available for investment; and enormous as the rate of interest charged upon agricultural advances appears to be, I am not prepared to say by how much it exceeds the rate which the limited supply of money, the large demand for it, and the nature of the risks to be encountered, fairly justify.

12. Under Native rule the profits of a banker were extremely precarious; so much so, that in many parts none but Brahmans could follow the trade with impunity. These men often held their own against the extortion of a landowner by an appeal to his religious fears, when the banker of inferior caste would have been ruined. The cultivators gave nothing tangible in the way of security, and usually had no property to fall back on in case of default. Thus there was often a minimum of capital, with a maximum of risk, and an utter absence of any wholesome competition.

13. I am informed by native gentlemen well qualified to form a sound opinion, that this condition of things has been much ameliorated within the last ten years; that the banking trade has largely increased; and that under our rule the rate of interest has shown a decided tendency down-

* NOTE.—This is denied by others, who argue that the removal of all restrictions upon interest tends to increase it. wards,* the risk having abated, while competition has increased. If this is so, there is reason to hope that time alone will work considerable changes.

14. There are however two things which seem to me to retard this action,—namely, the custom under which a son takes upon him the debts of his father, without reference to the value of the estate, and the tendency of the people of this country to adhere to old usage, however unfair it may be in practice.

15. I have often heard it stated that the readiness of a son to undertake the burden of his

father's debts indicates a sense of honour highly creditable to the heir; but I believe the simple explanation to be, that the son in most cases is compelled to do so, because the banker withholds further advances till he accept the old debt, and without money or food he must starve. It is hardly necessary to point out that the responsibility of the heir extends no further than the amount of the property inherited; and that even if a son is compelled to accept a greater liability, the civil courts would probably not enforce what is only a contract without consideration. If the state of the law on this point were more widely known, I think it possible that many who now are held in bondage for their father's debts, would resort to other bankers who might be willing to compete for their custom.

16. The second is a more serious difficulty. The causes which I have endeavoured to describe as raising the rate of interest do not produce uniform results. One of the disturbing causes is custom, the caprices of which in this respect are quite unfathomable. I know of no rational explanation of the extraordinary difference between the rates of interest prevailing in localities removed perhaps only a few miles from each other, and in which, so far as we know, the risks are alike; why in one village the cultivator should pay 50 per cent, and in another 100 per cent, and yet there is nothing unusual in this. The rate of interest on mortgage of landed property in parts of Seetapoor was for many years fixed by the same inexorable custom at $37\frac{1}{2}$ per cent per annum without limitation as to amount, while in others no more interest could in

any case be claimed than 50 per cent on the original loan, the security in both cases being the same. These great discrepancies cannot be reconciled by considerations of the disparity of risk, and the variation in the supply of capital for investment.

As the law stands at present, the payment of interest according to the letter of the bond must be enforced, and though it is safe to say that where 50 per cent is commonly taken, 100 per cent is extortion, there is no legal remedy for the unfortunate cultivator who voluntarily engages to pay the latter. I firmly believe that these absurd customs will break down before the increased supply of capital for agricultural purposes which is sure to grow out of the general peace and prosperity of the province, but many years must elapse before there can be any marked improvement in the condition of the cultivator.

17. All measures which tend to improve the condition of the peasant, and to raise him in the social scale, must operate to remove the evil, not only because the better and more intelligent the man, the less is the risk of lending him money, but also because the further he is removed from absolute poverty, the more careful and thrifty is he likely to become. But in an increased supply of capital will I think be found the chief remedy for the present difficulty; and to this attention might be directed with advantage.

18. It is obvious, on a moment's reflection, that the State cannot attempt to supply the capital in any shape. Any such interference with the ordinary course of commercial enterprize would do

harm rather than good. Nor do I think that much aid is to be expected from the landlords. The majority are themselves deeply indebted, and of the few who are solvent, some would not stoop to lend money at interest, and others would make but bad bankers at the best. In some estates under the Court of Wards, the Deputy Commissioner can no doubt do something to relieve the difficulties of the cultivators, but many of these estates are heavily encumbered, and no funds are available; so that the aggregate good which may be expected from the action of the Court of Wards will be small indeed, when compared with the extent of the difficulty to be met.

19. Whether the system of Savings Banks, so often proposed by my predecessor, Mr. Tucker, could be worked advantageously and safely, I do not know. But it is quite certain that there is capital in the country now lying idle, which if safely invested in agricultural loans, would benefit both lender and borrower; and the officer who succeeds in maturing any plan for gathering together the surplus money of the bulk of the population, and distributing it securely and at a reasonable interest among the cultivating community, will deserve well of the Government of this Province.

From Major E. G. Clark, Settlement Officer of Baraich, to the Commissioner of Fyzabad Division, No. 489, dated Camp Baraich, the 19-21st December 1868.

In reply to your Circular No. 369-5056, dated 18th ultimo, I wish to express my regret at not

having, up to date, sent in any report on the subject of the indebtedness of the cultivators.

2. But I still more regret to have to report, that I do not consider I have gained sufficient information to send an exhaustive report on the subject. In my opinion, it is a question that cannot be fully answered without continuous enquiry for some months together.

3. Such an enquiry it is not easy to institute when there is assessment work to be done, for I find that purtalling and assessing occupy most of my time. I have been employed chiefly in these descriptions of work, and also in writing my parganah report, and I have had but little time to do anything else.

4. The following is the pith of the information I have gained :—

There are four questions to which the Secretary to Chief Commissioner says he wishes to have answers. The first is, “ What are the kharíf and rabí crop grains ? ” The following is the list :—

Kharíf.

Rice of all kinds,	... ..	Very much.
Júndrí or makkai,	... ..	Very much.
Lahrá or joár,	... ..	A fair quantity.
Kodon,	... ..	Much.
Urd, mandwa, moth, múng,	... ..	A little.

Rabí.

Wheat,	... ..	Much.
Gújai,	... ..	Much.
Barley,	... ..	More than anything else.

Gram, Peas,	A little.
Arhar,	Much.
Láhi,	A good quantity
Linseed, }	A little only.
Mustard, }	
Cotton, }	
Sugar-cane }	

5. The second question is, "How is the produce disposed of by the indebted and the unindebted cultivators?"

The indebted cultivator sells his produce to the lessee, or mahájan, whoever may have lent him the grain. The unindebted cultivator sells his produce to any one who will purchase it.

6. The third question is, "What are the terms of the interest on which advances of seed, food and money are made?"

For seed advances the interest is 25 per cent on the six months, or rather on the period that elapses between receiving the advance, and the cutting of the crops for which the borrowed seed was required.

For food advances the interest is 50 per cent per annum.

For money advances 24 per cent per annum is charged.

7. The fourth question is, "When are the accounts made up, and in what form are they kept?" When the advances are in money, then a *tamassuk*, or money-bond, is executed between the parties.

When the advance is made in grain, either for seed or food, then a mere entry is made in a day-book. The entry consists of the quantity of the grain advanced, and the quantity to be added for interest.

The accounts are made up generally at the end of each fasl or crop ; *i. e.*, in *Aghan* and *Baisákh*.

8. One-third certainly, and perhaps even half of the cultivators in the district, are in debt, but I require more time before I can speak with satisfaction to myself on this point. But certain I am that even those cultivators (barring the halwáhás, who are mere slaves) who are in debt are not so deeply involved as to prevent them from freeing themselves of debt, if they had two or three good seasons and high prices.

9. As a rule, the cultivators of the district may be said to be comparatively free from debt, though any calamity or misfortune immediately involves them in debt. They have no capital to fall back upon in a time of distress ; nor have I as yet heard that the whole produce of the indebted cultivator is, as a rule, under the thumb of the mahájan. My impression is, that the indebtedness is not great, and consists mainly of small advances, which are often being paid off, to be incurred again at a time if the season is an unfavourable one, but which would be quite repaid if there were two or three seasons above average. In short, though there is debt, yet it is not of a ruinous description. Though sufficient to hamper exertion and cramp energy, it is not sufficient to ruin the cultivator.

From P. Carnegy, Esquire, Officiating Commissioner Fyzabad Division, to Major I. F. Mac-Andrew, Secretary to Chief Commissioner, Oudh, No. 5158, dated Fyzabad 23rd December 1868.

In reply to No. 4166 of the 1st October, begs to submit a precis of the reports of Deputy Commissioners of the Division, and Officiating Settlement Officer, Fyzabad, on the questions put by the Chief Commissioner on the late harvests.

2. The Officiating Commissioner has often thought, what a pity it was that cultivators could not be kept posted up in regard to the prospect of a rise in prices, and that, as a rule, they are not in a position to hold on for better prices. Officiating Commissioner apprehends that anything like official interference in the interests of the cultivator would only lead to ill-will between him and the mahájan, who often stands between him and starvation. However much, therefore, the Officiating Commissioner might like to see the position of the cultivator improved, he is of opinion that, in the interests of the latter the Deputy Commissioner of Fyzabad is right in saying, that the less we interfere the better.

In the Fyzabad district, it is the general rule for the cultivator to pay his rent out of the finer kinds of grain, and to support himself with the coarser.

P. S.—Since this was written, the Settlement Officer of Baraich has submitted his Report, No. 489, dated 19th and 21st December 1868, and it is submitted in original,

Precis of information given by the District and Settlement Officers of Fyzabad Division, with respect to questions put in Chief Commissioner's No. 4166, dated 1st October 1868.

The Settlement Officer of Fyzabad reports :—

Question I.—1. The principal crops grown are :—

<i>Kharíf.</i>	<i>Aghaní.</i>	<i>Rabí.</i>
* Rice.	Sugar-cane.	* Wheat.
* Kodon.	Jarhan.	* Barley.
* Makrá.	Urd.	* Peas.
Kákún.	Lahrá.	* Gram.
Til.	Moth.	* Arhar.
Sáwán.	Múng.	Barai.
Joár.		Masúr.
		Sarson.
		Linseed.

And those marked thus * are the most extensively cultivated.

The Deputy Commissioner reports that the principal rabí crops are,—1 wheat, 2 barley, 3 gram, 4 arhar, and the kharíf crop, rice. He also submits a statement of the proportion of total cultivated area in the district occupied by the various kharíf crops, which are said to be,—

1 Dhan, 2 jarhan, 3 kodon, 4 sáwán, 5 mandwa, 6 kákún, 7 másh, 8 moth, 9 sugar-cane, 10 miscellaneous.

The Deputy Commissioner of Baraich gives the same list as the Fyzabad officers, except that for rabí he adds, 1 Indian corn and bájrah, and ex-

cludes kákún and sáwán. Sugar-cane and bájrah are however little cultivated. For rabí, barai and masúr are not mentioned.

The Deputy Commissioner Gondah adds to the list of kharíf crops :—

1, Másh; 2, lobhia; 3, bhatwás; 4, patwa; 5, sahadra; 6, anardána; and to the rabí list, 1, rice; 2, cotton; 3, poppy.

Question II.—The Settlement Officer of Fyza-
had reports that the unindebted and indebted cul-
tivators alike sell the more valuable crops, and re-
serve the cheaper grains for their own food. That
the custom of the country is to satisfy the landlord's
claim before the maháján's,—the latter often, ac-
cording to stipulation on which the loan was given,
being the purchaser of the crop, where the rents
are paid in cash. In any case, the indebted culti-
vator is said to pay at once to the maháján a por-
tion of the crop as a refund of the seed.

The Deputy Commissioner of Fyzabad reports
that the unindebted cultivators only sell so much of
the crop as will meet the demand for rent and ex-
pense of cultivation, the remainder of the crop being
retained for food. That the indebted cultivators, as
a rule, make over the whole produce to the mahájans,
and, after accounts have been adjusted, borrow again.
It is said to be an unfrequent occurrence that the
less valuable crops only are retained for the cultiva-
tor's consumption. No particular custom regarding
the sale of oil, sugar, &c. is reported.

In Gondah, the Deputy Commissioner reports that the cultivators in that district are a provident class, and but seldom resort to the maháján for an advance. That when a loan is taken, the payment is sometimes in grain and as often in cash. In the latter case the cultivators, at harvest time, sell their crops to the best advantage; in the former the maháján can only exact payment on such grain as he advanced; *i. e.*, if he advanced wheat, he cannot demand payment in sugar-cane.

The Deputy Commissioner of Baraich reports that, in the south of the district, more than half of the cultivators are in debt, but more generally to thekádárs and prosperous cultivators than to mahájáns. That the cultivators in debt keep the cheaper kinds of grain for their own use, and make over the rest to the creditor. Oil seeds, cotton and sugar are sold in the market. The unindebted cultivators retain their grain until prices rise, and sell to traders from the north-west, who come with carts laden with salt, and carry back grain chiefly purchased from the cultivators.

Question III.—The Settlement Officer of Fyza-bad reports that the common rate of interest on grain advances is 25 per cent, and only in exceptional instances does it rise so high as a half, or 50 per cent; and that where food is advanced, the same rate, 25 per cent of interest, is usually taken.

Money loans are of three sorts; the *first* is repaid in cash, with interest at from 12 to 24 per cent per annum; the *second*, and the most common, is known as *sahogat*. In this the cultivator's

crop is weighed and purchased by the mahajan at 2 annas in the rupee below the market rate, until the principal of the debt is made up. The remainder is then purchased at full market rates. Should the out-turn of the crop be less than the required amount, the balance of the principal and interest of 2 annas on the rupee on it stands as the cultivator's debt.

The *third* form of money loan is called úgáhí. It is repaid in grain of a sort determined on at the time of the loan. The principal is satisfied at the current market rate of the particular grain, and interest is paid as follows:—

1.—If the repayment is made in wheat, másh or gúr, three sírs are given for every rupee of the principal.

2.—If repayment is made in barley, rice or peas, six sírs are given for every rupee.

In no case does the rate of interest appear very exorbitant.

The Deputy Commissioner of Fyzabad gives much the same rates of interest as Mr. Woodburn; *viz.*, from 15 to 20 per cent.

The Deputy Commissioner of Gondah, however gives a much higher scale of rates of interest in his district, ranging from 25 to 50 per cent on cash and grain advances.

The Deputy Commissioner of Baraich reports that 25 per cent on cash advances, and 25 per cent on grain advances, if paid within six months, and 50 per cent on grain if repaid in one year. In this dis-

strict "bíhsah" contracts in grain are common. A month or two before harvest the cultivator takes an advance on his crop, and engages to pay an equivalent in grain at the cheapest rate during the harvest season. The "bíhsah" loan is often taken by the cultivator to pay his rent.

Question IV.—The Deputy Commissioner of Gondah reports that cash advances are generally audited in *Baisákh*, and the accounts of grain advances are made up in the months of *Baisákh*, and *Koár*; but regular mahájans close their books in *Sáwan súdí púran máshí*; *i. e.*, 7th August.

The Settlement Officer of Fyzabad reports that seed and food loans are repaid on reaping of the crop which the advance preceded. Money debts are often kept in form of a bond, but more generally noted in the mahájan's ledger, being settled at the end of the agricultural year. "Sahogat" loan accounts are made up between *Chet* and *Sáwan*.

The Deputy Commissioner of Fyzabad reports that the accounts are generally made up in *Jeth*, *Asárh* and *Sáwan*.

With reference to para. 8 of Chief Commissioner's Circular, the following suggestions for rendering cultivators more independent are given:—

The Settlement Officer of Fyzabad thinks that any plan which would induce rich mahájans to advance to cultivators, instead of these loans being given by petty usurers, would be a marked benefit; the richer the mahájan, the more moderate the demand of interest. He also thinks that if managers of Court of Wards' estates purchased grain at

even 5 per cent below the market rates, it would be a boon to cultivators. He further thinks that if the landlord could be restrained by law from exacting his rent before specified at convenient dates, the cultivating classes would have a better chance of avoiding debt. He thinks at present 90 per cent of the cultivators are shackled with debt. Advance of education and improved communications will, Mr. Woodburn thinks, be powerful ameliorators of the evil ; and he does not see why Mr. Tucker's scheme of rural Savings Banks is at all impracticable. Ta'lukdárs should, by their example and position, diffuse principles of providence and thrift amongst their tenantry.

The Deputy Commissioner of Gondah thinks that the cultivators in his district are all in good circumstances, and that this is the general opinion of the kanúngoes and others ; and that he does not think that, in the matter of advances, he could suggest any system better than the one now in vogue.

The Deputy Commissioner of Fyzabad deprecates any official interference between cultivators and money-lenders. Where fair rents are demanded the cultivator is, *if provident*, independent. It is the cultivator's improvidence whereby he spends a sum on a marriage which causes him to be an embarrassed man for life. Mr. Sparks thinks that though the rates of interest are high, the maháján is long-suffering, and but seldom has recourse to our courts.

The Deputy Commissioner of Baraich reports his belief that, where " buttai" rates prevail, the culti-

vators are free from debt. Most of the loans are contracted to pay rents, which become due before the crop can be gathered or sold. He suggests that Government should postpone its demand on the landlord, and the latter theirs on their tenants, until the crops are sold. The Court of Wards could perhaps manage to postpone the demand as suggested.

From William C. Capper, Esquire, Commissioner Roy Bareilly Division, to Secretary to Chief Commissioner, Oudh, dated Roy Bareilly, 26th December 1868, No. 7045.

From the replies of Deputy Commissioners to your Circular No. 4166, of 1st October 1868, I gather that comparatively little cotton or tobacco is grown in Sultanpoor, but that the principal crops grown in the division are—

Kharif:—Rice of three kinds, bájrah, Indian corn (júndrí,) joár, másh, moth, sáwan, múng, makrá, kodon, kákún, cotton (rerí).

Intermediate.—Sugar-cane.

Rabi:—Wheat, barley, arhar, gram, peas, múng, birrah, masúr, linseed, mustard and other oil seeds, safflower, tobacco, cotton (manú'a).

2. The Deputy Commissioner Sultanpoor says that two-thirds, and the Deputy Commissioner Roy Bareilly that about half of the cultivators are dependent on the advances of mahájans or zamindárs. If all tenants not having a proprietary title in the land are reckoned, I think this proportion is extreme.

From my own enquiries and experience, I should have thought that nearly two-thirds are independent, and that the number is annually decreasing.

3. Unindebted cultivators retain a sufficient quantity of the better crops for home consumption, and store the rest in pits and earthen pans. The stores were generally disposed of from time to time in the nearest bazaar, but there is now growing up a *baipári* trade, in which the small trader seeks the cultivator, and buys from house to house and village to village, he himself disposing of the grain thus collected to some larger chandler. The inferior grain crops are not generally sold. The bulk of sugar, oil seeds, flax, cotton and tobacco is sold for cash in open market, or disposed of to other cultivators.

4. The *mahájan's* lien on the harvest of the indebted cultivator is still acknowledged in all three districts. A portion of the inferior grain crops are sometimes withheld, but the valuable crops are surrendered.

5. Money, or loans repayable in money, are generally made to old customers at 24 per cent; to others at 36 per cent; but higher rates are not unknown. The terms for loans repayable in produce vary slightly in different *parganahs*, but in most cases the custom of remitting one-tenth, "*daswans*," at the time of settling, seems to prevail. Subject to this deduction, the general rule for repayment in kind is that on advances during the *kharíf*, and repayable from that crop, 50 per cent is charged; whilst on advances repayable from the *rabí*, 25

per cent only is taken. If however the amount due is not repaid from the crop, stipulated interest as from a cash loan is charged on the amount found due on the half yearly balancing of accounts.

6. This balancing takes place in *Aghan*, and *Pús* at end of kharíf, and in *Jeth* at end of the rabí harvest. The grain of the crop is generally valued at the market wholesale price of the day, but when an abundant harvest follows drought, a compromise is generally effected, the banker waiving part of his claim to receive grain calculated as if the market price were the same as that obtaining when the advance was made, the cultivator giving somewhat more than the stipulated quantity.

There seems to be a general impression that the mahájans are often losers by advances repayable in kind, and for the last two years the bad debts have been extraordinarily numerous, owing to the light returns of the grain crops.

7. Regular day-books and ledgers are seldom found with the small money-lenders with whom cultivators deal. A memorandum on a slip of paper; or entered in a book roughly formed of slips stitched together, is all they keep. When an account is made up witnesses are generally called, but they do not attest the balance by their signatures. The debtor acknowledges the amount to be correct by word of mouth, or comparatively seldom signs his name to amount found due on the slip; or touches the pen of the mahájan or some other person whom he authorizes to sign for him. A very few ta'luk-dárs and zamindárs do.

8. Court of Wards can advance seed for sowing and irrigation expenses at moderate interest, but Government interference is not desirable. Advances payable in cash are superseding those payable in kind, and the demand for grain by *baipáris*, who bring the market to the cultivator's door, will establish competition with the local *mahájans*. The ordinary cultivator is not a capitalist, and will for many years require short loans on the lien of his crops.

From Lieut.-Col. James A. Steel, Deputy Commissioner, Roy Bareilly, to the Commissioner, Roy Bareilly Division, No. 2043, dated 28-30th November 1868.

I have the honour to acknowledge the receipt of your Circular endorsement No. 159-5812, dated 16th ultimo, forwarding copy of the Secretary to the Chief Commissioner's letter No. 4166, dated the 1st idem, to your address, and calling for a report on the position of the cultivators in regard to the village *mahájans*, and the suggestions which might be made to render the former more independent.

2. I beg in reply to state that, from enquiries made through *tahsildárs* and *ta'lukdárs* in the manner suggested in para. 6 of the Chief Commissioner's letter, it appears that there are 94,535 cultivators in the district, of whom about 21,000 are quite independent of the village *mahájans*, the remainder being more or less indebted to them; but of these about one-third only are said to seek the *mahájan's* assistance at the time of sowing, and when kists are due; the remaining two-thirds are completely in their hands for supply of food, seed, &c.

3. From the reports received I am inclined to believe that the tendency on the part of the cultivators to indebtedness is to increase rather than diminish. When a cultivator's name has once been entered in the mahájan's books, it becomes difficult for him to get out of them completely; there will at least be some fraction of a rupee on the debit side when the time for sowing or kist season comes round, and he is obliged to take a fresh loan, which goes on increasing; and as rents are being enhanced of late years, and the crops have not been good or even average, the cultivators' prospects do not look bright.

4. (1st.) The kharif crops grown are paddy, makrá, sáwán, másh, joár, bájrah, moth, múng, kákún, kodon, til, sugar-cane and cotton (rerí); and those of rabí are wheat, barley, gram, peas, arhar, mustard, barai, masúr, linseed, birrah, sáwán (jethee) cotton (mandwa) and tobacco.

(2nd.) The unindebted cultivators, after reaping the harvests, keep a store of grain enough for the year's consumption, or for other expenses which may be incurred during the year, and then dispose of the rest. There are some who keep the surplus grain in store, in anticipation of a favourable opportunity for sale at advantageous rates. The indebted cultivators generally make over the valuable crops, with one or two exceptions, to the mahájans, retaining the less valuable ones for consumption. If there is any surplus after paying the mahájans' demands, they sell it in the bazaars to pay their rents. But it almost invariably happens with this class of tenants that the food they keep for themselves

lasts only for a short time ; after that, they are compelled to go to the mahájans again for an advance. Cotton and gúr are in some few cases given to the mahájans, but are generally sold in the bazaar, as are also oil seeds, after keeping what is required for home consumption.

(3rd.) The usual rates of interest on advance for seed are 20 sírs in the maund; *i. e.*, if 40 sírs of grain are given, 60 sírs are taken at the harvest time. On that for food the rates are two. For an advance made from *Asárh* to *Kátik* 20 sírs in the maund are generally charged as interest. For that between *Aghan* and *Phágún* 10 sírs in the maund are taken. The interest on cash advances varies from 2 to 3 Rs. per cent per mensem, but in urgent cases, on small sums even, Rs. $6/4$ to $12/8$ per cent are not unfrequently charged.

In Tahsíl Behár they charge kasr of two and a half to five sírs grain on a rupee, in addition to Re. 1-8 per cent cash interest. The accounts are made up twice in the year; *viz.*, at the end of the kharíf fasl in *Aghan* or *Pús*, and again at that of the rabí in *Jeth*. They are generally done at the mahájan's house. These transactions are commonly noted in a day-book and ledger kept at the mahájan's office. At the time of closing the account the principal and interest are totalled, and a tenth part deducted therefrom, the cultivator being indebted for the rest. If his grain fall short of the amount struck in the mahájan's book, the remaining debt is carried forward to next year's account, and thus compound interest of twenty sírs in the maund accrues.

But when there has been any great disturbance in the price of grain, in consequence of drought followed by an abundant harvest, the maháján is not satisfied with these terms even, but seeks to be repaid (as observed in the 3rd para. of the letter under reply) by as much grain as one and a half times the money value of the grain advanced at seed time will buy at harvest and *vice versá*.

5. I am sorry to say that I have not been aided with many practical views on the subject from either ta'lukdárs or tahsildárs; only two of the many ta'lukdárs whom I have addressed have given any opinion, which may be summed up in Government being the money-lender at moderate rates, and thus forcing the mahájans to reduce their present exorbitant rates; while the tahsildárs consider that the ta'lukdárs should give takáví to their tenants, in like manner as the Government does to the former zamíndárs.

6. The question is a difficult one, and I fear I can offer few practical suggestions as to the best mode of extricating tenants from the clutches of the mahájans, and rendering them more independent; for it is natural to look in the first instance to the ta'lukdárs to aid their tenantry: but so long as the landholders are themselves, with rare exceptions, so much involved, and until they have become more alive to their own interests, and the advantages of free trade, such aid is hopeless.

7. The great point is to diminish the rates of interest, and such can only be done by establishing some means in each district by which deserving tenants could obtain loans at low

rates (compared at least with what they now pay the mahájan) on the security of their landlords, the tenants at the same time pledging their crops.

8. And the only means which suggests itself as being of any avail, is a Bank upon the Savings Bank principle, taking the smallest deposits at a nominal interest, which would also afford an opportunity to the more intelligent and thrifty to save their earnings, and at the same time keep their money available for any immediate or pressing want.

9. The establishment of such Banks would not however be easily effected without material aid from Government, which might in the first instance grant a loan at the same rate at which it can itself borrow, and the savings from the interest taken from the borrowers might, after paying the Government interest, as also that on account of savings-deposits, form a Reserve Fund, and the Government could after a time withdraw its loan.

10. The system once established would, together with the abolition of heavy marriage expenses, go far to knock on the head the exorbitant rates of interest, which is one of the main obstacles to the advancement of the agricultural classes; and the position of the tenant once improved, he would become less of a serf than he is at present, and would eventually be able to make better terms with his landlord, or be independent of him altogether. And if the security of the landlord could be obtained, it would go far to make him see his interest in his tenantry, which I regret to think is at present rare.

11. The suggestions I have made above I have often wished to try in estates under the Court of Wards, but I have hitherto been deterred from making the attempt either by the uncertainty of my tenure in the district, or by the incapacity of the estate under management (in consequence of heavy debt) for the experiment ; and last, though not the least, by want of time, which it is difficult to spare, even for the many important executive duties of a Deputy Commissioner ; but when I have become acquainted with this district, I mean to make an attempt in some one estate which may be fitted for it.

From A. Young, Esquire, Deputy Commissioner, Sulttanpoor, to the Commissioner, Roy Bareilly Division, No. 2048, dated Sulttanpoor, the 20th November 1868.

With reference to the Secretary to Chief Commissioner's No. 4166, of 1st October last, forwarded under your endorsement Circular No. 159 of 16th idem, I have the honour to submit the following reply :—

2. The chief crops grown in this district are—

Kharif :—Rice, másh, kodon, bájrah, moth, makrá, Indian corn, lobhiá, kákún, joár, sunai, (flax) rámdána.

Rabi :—Wheat, barley, peas, gram, arhar, linseed, mustard, sarson, safflower, sugar-cane.

3. Cultivators, who are not in debt, store their grain in pits and earthen vessels, dispos-

ing of it as occasion requires in the market, and in some instances lending to other cultivators.

4. The indebted cultivator is expected to make over the whole produce of the harvest to his maháján, and is said usually to do so. Not unfrequently, however, it appears that he keeps back some portion.

5. The rate of interest charged varies in different parganahs. The most frequent rate is 25 per cent, provided the advance is repaid at the ensuing harvest, and 50 per cent on failure to pay them. In Sobeyah and Jugdeespoor parganahs 50 per cent is said to be the usual rate for even one season, while in other parganahs the kanúngos report 25 per cent to be the rule for one season; *i. e.*, for about six months, for seed grain. Grain for food is also charged the same interest, though it may have been only advanced just before harvest.

6. Large mahájáns keep a regular day-book and ledger, but the ordinary village maháján keeps only his single "bahí kháta," on which a memorandum of payment and receipts is kept. At the end of harvest the account is made up, and if satisfied with the balance struck, the cultivator signifies his assent verbally, or by signing the account in the maháján's book. If dissatisfied, the dispute is generally referred to a pancháyut.

7. The general impression seems to be that at least three quarters of the cultivators are indebted to the mahájáns. If thought desirable, enquiries might be made from the patwáris in two or three villages, without annoying any one, and tolerably

correct information might be expected. I should say the estimate is under, rather than over the truth.

8. The amount of indebtedness fluctuates with the seasons. No one has expressed an opinion that it is greater now than it was occasionally under the former Government. The bad harvests of 1864-65 are assigned as the cause of a great deal that exists at present, and enquiries made in course of License Tax assessment showed many of the small mahájans were ruined by the loss of their advances that year.

9. I can suggest nothing but irrigation and its consequent certainty of crop as a possible general remedy. Advances made on easier terms in Court of Wards or other estates might, after a succession of favourable harvests, be repaid by frugal cultivators, and a surplus still remain in their hands; but one bad season would throw the cultivator back to his original state of indebtedness.

10. I do not know that the siwai rate (25 per cent) of interest can be considered so very extravagant for seed, considering the risks run. Prices are always much higher at seed time, and the best samples are used. If the harvest turns out very productive, a maund and a quarter of the new grain may not be worth so much as the original maund of old grain was at time of delivery; and I am informed that mahájans often lose on the seed advance, and look for their profits to their advances made for food, weeding and other current expenses during growth of the crop, and to the heavy interest chargeable on default.

11. Still the general result is, that the cultivator is entirely dependent on the mahájan for everything. More certain produce might lessen the evil to provident men. But I do not see myself how any other result can be expected, so long as men without capital attempt to cultivate land with money borrowed at exorbitant interest, seeing that agriculture in most countries is the least profitable of all occupations.

12. The wide-spread employment of labour at good rates of pay under the present Government might have been expected to have effected some improvement in the state of the cultivating classes by this time; but though it must have done something, the effect is not yet apparent. On the other hand, the tendency of more civilized government has been to decrease the custom of *battá* under which the cultivator was much more independent of his landlord and mahájan, as, however bad the season, he could not be in arrears for rent, and was sure of some portion of the produce.

From Lieutenant W. P. Harrison, Assistant Commissioner for Officiating Deputy Commissioner, Pertabgurh, to the Commissioner, Roy Bareilly Division, No. 1887, dated Pertabgurh, the 19th November 1868.

In reply to your docket No. 159-5814, dated 16th October 1868, I have the honour to send replies to the different questions proposed by the Chief Commissioner in his Secretary's letter No. 4166, dated 1st October 1868.

2. In the kharíf are grown joár, bájrâh, kodon,

cotton, sáwán, rice, másh, múng, moth, til, san and patwa, Indian corn, mandwa. In the rabí, wheat, barley, peas, gram, masúr, arhar, birrah, oil seeds, sarson, ulsee, sáwán, sugar-cane and cotton.

3. The cultivators, who are indebted to mahájans in general, make over their most valuable crops, corn, sugar, cotton, &c., to the mahájans, keeping the less valuable crops for maintenance.

4. The Behár tahsildár reports that, where the cultivators deal with one mahájan, 2 per cent. interest is charged; when the crop is ready, it is made over to the mahájan at the rate of the day. When borrowed from a mahájan with whom they have not generally dealings, the agreement is generally $2\frac{1}{2}$ sírs of wheat, másh, cleaned rice, and $3\frac{3}{4}$ up to 5 sírs of barley, birrah, uncleaned rice, if paid in a month for every rupee's worth supplied; if the month is exceeded, then 2 and 3 per cent interest is charged per month.

5. In Puttee, interest for seed taken $1\frac{1}{2}$ per cent per annum is charged; if there is any balance due at the close of the year, more interest is charged.

6. *Salone*.—Interest for seed $1\frac{1}{2}$ maunds paid for every maund advanced; for maintenance $1\frac{1}{4}$, and for cash rupees 2 per cent per month is the charge.

7. *Pertabgurh*.—For grain advanced for seed, maintenance, &c., in *Asárh*, *Sáwan* $1\frac{1}{4}$ per cent. interest is charged up to *Aghan*. For advances in *Kátik* for seed, &c., and in *Pús* and *Mágh* for maintenance and irrigation, half as much again

Kharif sown at the commencement of the rains (Asárh.)*

1.—Sáwan,	{ <i>Panicum fru-</i> <i>mentaceum.</i> }	Cut in Sáwán.
2.—Makrá,	(<i>Eleusine coracana.</i>)	„ Koár.
3.—Kákún,	(<i>Panicum Italicum.</i>)	„ „
4.—Kodon,	(<i>Paspalum scrobiculatum.</i>)	„ „
5.—Rice of several qualities,	{ <i>Oryza sativa.</i> }	„ „
6.—Sahadra,	{ <i>Var. of Oryza</i> <i>sativa.</i> }	Cut in Aghan.
7.—Bájrál,	(<i>Penicillaria spicata.</i>)	„ „
8.—Mandwa,	(<i>Eleusine coracana.</i>)	„ „
9.—Makkai,	(<i>Zea Mays.</i>)	„ „
10.—Joár,	(<i>Sorghum vulgare.</i>)	„ „
11.—Til,	(<i>Sesamun Indicum.</i>)	„ „
12.—Ramdána,	{ <i>Amaranthus</i> }	„ „
13.—Anárdána,***	{ <i>Anadana.</i> }	„ „
14.—San,	(<i>Crotalaria juncea.</i>)	„ „
15.—Patwa,†	(<i>Hibiscus sabdariffa.</i>)	„ „
16.—Másh or Úrd,...	(<i>Phaseolus radiatus.</i>)	„ „
17.—Múng,	(<i>Phaseolus Mungo.</i>)	„ „
18.—Móth,	(<i>Ditto aconitifolius.</i>)	„ „
19.—Lobhia, ...	{ <i>Dolichos Catiang</i> <i>et D. sinensis.</i> }	„ „
20.—Bhatwás,...	(<i>Phaseolus Max.</i>)	„ „
21.—‡Lahrá,.....	(<i>Sorghum vulgare.</i>)	„ „
22.—Cotton,.....	{ <i>Gossypium herba-</i> <i>ceum.</i> }	„ Chét.
23.—Indigo, ...	{ <i>Indigofera tincto-</i> <i>ria.</i> }	„ Kátik.
24.—Sugarcane,	{ <i>Saccharum offici-</i> <i>narum.</i> }	„ Mágh. Phágún.

* The Hindí months of the Bikramajit's year run as follows: (1) Chet (2) Baisákh. (3) Jeth, (4) Asárh, (5) Sáwán, (6) Bhádon, (7) Koár, (8) Kátik, (9) Aghan, (10) Pús, (11) Mágh, (12) Phágún, i. e. from the end of February A. D.

† The fibre of this plant is called Patsan.

‡ Also called Chótí Joár.

Rabí.

1.—Wheat,.....	(<i>Triticum vulgare.</i>)	Cut in Chet.
2.—Barley,.....	{ <i>Hordeum hexasti-</i> <i>chon.</i> }	" "
3.—Peas.....	(<i>Pisum sativum.</i>)	" "
4.—Gram,	(<i>Cicer arietinum.</i>)	" "
5.—Masúr,.....	(<i>Ervum Lens.</i>)	" "
6.—Linseed, ...	(<i>Linum usitatissimum.</i>)	" "
7.—Láhlí,	{ <i>Sinapis nigra vel</i> <i>glauca.</i> }	" "
8.—Sarson,.....	(<i>Sinapis glauca.</i>)	" "
9.—Rai,	{ <i>Sinapis alba et S.</i> <i>nigra.</i> }	" "
10.—Arhar,.....	(<i>Cajanus Indicus.</i>)	Cutin Baisákh
11.—Safflower,...	{ <i>Carthamus tincto-</i> <i>rius.</i> }	" "
12.—Poppy, ...	{ <i>Papaver somnife-</i> <i>rum.</i> }	Mágh Phágún.
13.—Tobacco, ...	(<i>Nicotiana Tabacum</i>)	" "

3. The fruit of the mango and mhowa trees abounding in the province contributes, especially in seasons of scarcity, to the subsistence of the people.

4. Except in the shape of masonry wells, little capital is permanently invested in the soil, and for its cultivation from harvest to harvest it is almost entirely dependent on the industry and resources of the occupants of fields and their families. Unlike the metayers of Europe, they provide their own farming stock, bullocks, ploughs, tools, gear, and manure. Too poor for the most part either to lay by seed for the better sorts of produce, or to maintain themselves on the poorer grains from harvest

to harvest, they are very generally, though in varying degrees, dependent on extraneous aid. This is afforded to them in rare instances by the proprietors of land, but far more frequently by petty money lenders on terms of usury proportioned to the borrower's need, and the precarious security of his anticipated crop. These money lenders comprise not only professional village bankers and bannias, but also many speculative and thriving members of the agricultural classes. The industry, abstinence and skill, in other countries marking the character of individuals, in this appear to be hereditary in particular tribes, and the kúrmís, káchhís, and moraos, devoted by family custom to the laborious culture of the finer crops, such as sugar cane, vegetables, poppy and tobacco, are said to be far more free from debt than other castes.

5. The needy husbandman has to borrow at seed time when grain is dearest, and his purposes require the best samples. He has to repay at harvest time when grain is commonly cheapest. The rate of usury is shown to vary in different parts of the country, but for seed borrowed the average rate is half as much again. This is generally entered in the books at the price ruling at seed time, and must be repaid at harvest in the amount of grain then purchaseable for the same sum. This may in a cheap season be double, or, exceptionally even treble as much as the original loan. But punctual repayment is in some parts encouraged by a deduction of one-tenth of the interest, (*daswans*), in others under the name of *bíhsah* or *kasr*, an extra charge of from two and a half to six sírs per rupee of recorded debt,

according to the fineness or coarseness of the grain borrowed, is levied, sometimes additionally, sometimes in default of payment of the consolidated loan. There are other local modes of account, as *úgáhi*, under which a loan of ten rupees is entered in the books as eleven rupees and repayment exacted in instalments of one rupee per mensem; *úp*, under which a loan of eight *pansarís* (=one maund) is written down ten, payable in money together with twenty-five per cent interest, or in default to be increased by five *sírs* for each rupee unpaid; *sahogat*, under which the money lender recoups himself by taking over the crop at two annas in the rupee below the price current until his debt is satisfied. Occasionally loans of inferior grain are repaid in the same weight of superior.

6. There is no sufficient evidence to show that the numbers of the indebted cultivators are increasing, although they undoubtedly constitute the majority. At the present time, as rents are to a great extent paid in money, the high prices of produce, joined with the excellent kharíf crop and large breadth of rabí sown, are favourable to them.

7. Advances of grain for food and maintenance are generally repayable at a lower rate than those for seed; but, in Roy Bareilly district, the rate is said, in the months preceding the kharíf harvest, when the inferior grains eaten by the peasantry have been consumed, to be as high as fifty per cent.

8. Cash loans, apparently made with more discrimination, generally bear interest at two per cent per mensem, though this rate is doubtless exceeded in some instances.

9. Grain accounts are written upon loose slips of paper, and are usually settled at the harvest following the loan. Any balance due by the debtor is incorporated with his next advance, and a bond or acknowledgment is then frequently taken from him. Bad debts are numerous in spite of the custom of the country making the son responsible for the debts of the father, but, compared with the multiplicity of the transactions, the number of suits brought before the courts is not excessive.

10. Such are the main facts brought out by this correspondence. The reporting officers are almost unanimously of opinion that no direct interference can advantageously be exercised by the administration, and in this opinion the Chief Commissioner concurs. What degree of relief might be afforded by the grant of advances on liberal terms to cultivators under the Court of Wards, or by a further alteration of the dates fixed for payment of instalments of land revenue, or by a better system of registration or by the establishment of Savings Banks or by any other of the proposals put forward, it is not now the Chief Commissioner's intention to discuss.

11. His present object is simply to make more generally known the true state of the bulk of the agriculturists; the general exemption, under the long established system prevailing, of the proprietors of land from the charges incident to its cultivation; and the costly terms affixed by the village usurers to the loan of their scanty and jeopardized capital.

R. H. DAVIES,
Chief Commissioner of Oudh.



