Chapter IX
CHHOTU RAM'S ROLE IN THE AGRARIAN LEGISLATION OF PUNJAB

Chhotu Ram from his local base in the rural areas of Rohtak district to the provincial level claimed his support from the zamindars defined as agriculturists, irrespective of all divisions of castes, classes, and creeds. He further claimed to represent in his own person the zamindar interests. He was always in the forefront of projecting these interests through the Agriculturist or the Zamindar Party in the Reformed Council and later, in the so-called, Zamindar Raj established under the Provincial Autonomy. It is, therefore, in the agrarian field corresponding with 'zamindar interests' that Chhotu Ram, by his own profession as well as according to others, played a major role specially during 1937-45. Any evaluation of the role of Chhotu Ram in Punjab politics has, therefore, to include his role in the field of agrarian legislation.

The major achievements of the Zamindar Party in agrarian field in the 12 years of its life span from 1923 to 1936 were noted by Chhotu Ram in the election manifesto of the Unionist Party he prepared in 1936. Among these were included works of rural uplift and reconstruction, better sanitation, water supply, medical relief, rural dispensaries, inter-village roads, education, reading rooms, new libraries, night schools, intermediate colleges, improvement of cooperative movement, and consolidation of holdings, etc.

In the field of agrarian legislation Chhotu Ram claimed the

1 Fazl-i-Hussain Coll, 26: See "Manifesto of the Punjab Unionist Party" by Chhotu Ram (Lahore 1936).
2 Ibid.
enactment of the Regulation of Accounts Bill, two amendments of the Punjab Alienation of Land Act, and passing of two important measures for the indebted peasantry, i.e., Relief of Indebtedness Act of 1934 and the Debtors' protection Act of 1936.

Chhotu Ram claimed that the above mentioned schemes of rural reconstruction and legislative enactments were affected by the Zamindar Party under the Reformed Councils. This assertion was made despite his own realisation in the same manifesto that only those measures could be pushed through which had the blessings of the bureaucracy. However, these claims became important because later, when the Unionist Party formed the ministry under the Provincial Autonomy, it carried on the policy of rural development and agrarian legislation initiated earlier by the bureaucracy under the Reformed Councils. It stands to reason, therefore, that the motivating factors behind the Zamindar Party's emulation of the policies initiated earlier by British officials were necessarily shaped by considerations similar to those which had prompted these policies in the first instance. In its effects, such a policy was likely to lead to the perpetuation of results already manifest under the Reformed Councils. At the same time, the loyalist Zamindar Party stood to gain and strengthen its own social base by following a policy initiated earlier for that very social base.

British motivations regarding the programme of rural reconstruction and agrarian legislation were closely linked to political considerations. In 1928 Hirtzel, the Under Secretary of State for India, wrote to Hailey that "Government has got somehow as a mere matter of self preservation to take the wind out of communist and socialist sails by a progressive agricultural
and labour policy. In the 1930s with the increasing danger of civil disobedience movement, mass contact decision of the Congress, low agricultural prices, and bad harvests, the situation was politically explosive for the British in India. From Punjab Fazl-i-Hussain recommended in 1934 that the loyalist parties should take up those aspects of the constructive programme of Congress which were sure to be adopted by Congressmen when the movement of civil disobedience came to an end. This would lessen the influence of the Congress, and also secure for the local government some part of the popularity which would otherwise go to the Congress. The British officials were already thinking on similar lines. This was disclosed by the Home Secretary who recommended Fazl-i-Hussain's proposal and in addition to it advised introduction of agrarian legislation on the pattern of the Bill on Rural Indebtedness being prepared at that time by the Government of United Provinces. This correspondence was consequently followed by the circular of 23 November 1934 from the Government of India to all the local governments. The circular declared that the real intention of Gandhi's movement of rural reconstruction and Village Industries Association was to prepare thousands of volunteers to back the civil disobedience movement at an appropriate time. The local governments were told not to give Gandhi a walk over but to anticipate his movement by adopting similar practical measures for the economic recovery of the peasant.

3 Hailey Coll, 12 C: A. Hirtzel to Hailly, 6 July 1928.
4 GI: Home Poll, F. No. 4/6/1933, pp. 1, 6.
5 Ibid.
6 Ibid., see handwritten remark of the Home Secretary on the proposal of Fazl-i-Hussain, p. 8.
7 GI: Home Poll, F. No. 3/16/34 & K.W., see Confidential circular, 23 Nov. 1934.
8 Ibid.
9 Ibid.
The circular also suggested certain areas of rural reconstruction work which were to be emphasised. The Punjab Government received Rs. 8.5 lakhs towards this programme in 1935 out of a total fund of Rs. 1 crore reserved by the centre for the purpose. It was privately acknowledged that "good political effect" would be created if the government was to stand forth as the "helper of the masses". The activities regarding the official rural reconstruction work were to be given great publicity in the local papers.

The Punjab Government confirmed that Gandhi's constructive programme, though ostensibly directed towards the economic recovery of the peasant, was potentially dangerous. In fact, several overtures from the followers of Gandhi were made to F.L. Brayne, who was carrying out village uplift experiments in Gurgaon, for combining the two village uplift movements; these were rejected in no uncertain terms. Punjab took a lead in the official work of Dehat Sudhar (rural reconstruction). Great publicity was given to this work by Chhotu Ram who also claimed credit for the scheme which was in reality decided in its minutest details by the British.

10 Special steps suggested in the circular for rural reconstruction work were: encouragement and development of the cooperative movement; improvement in methods of agriculture, i.e., formation of better farming societies, improvement of marketing conditions, development of village and cottage industries such as handloom, weaving, tannery, agriculture and public health. It may be noted that these were the fields in which the Agriculturist Party of Chhotu Ram was claiming credit.

11 GI : Home Poll, F. No. 11/1/35, see letter, 3 Mar. 1935 to all Provincial Governors.
12 Ibid.
13 GI : Home Poll, F. No. 11/2/35, Confidential D0, 13 Nov. 1935 to local governments.
bureaucrats.

By 1937, just before the first elections to the Punjab Assembly, the rural reconstruction programme of the Punjab Government had achieved complete success according to the officials. This was claimed by Lieutenant Colonel D.H. Currie in a secret report on his tours of the rural areas of Rohtak district and Delhi. On the basis of this report he also assured complete success of the "zamindar" candidates in the coming elections.

It is clear that in Punjab the Unionist Party candidates, styled as the zamindar candidates, being loyal to the British Government, were allowed to take the credit for rural reconstruction work to assure their success in the elections. It is not surprising that Chhotu Ram should lay claims to all the credit in this sphere of activity.

The total fund of Rs. 8.5 lakhs for rural development of Punjab was to be spent in the following way:

- consolidation of holdings, Rs. 1,04,000;
- sanitation improvement in the 31 villages of Gujrat dist., Rs. 9,000;
- bore-hole latrines in Shukargah tehsil of Gurgaon dist., Rs. 10,000;
- water supply scheme, Rs. 2,25,000;
- serum cellars, Rs. 20,000;
- reconstruction of veterinary hospitals in Rohtak dist., Rs. 12,000;
- construction of 10 veterinary hospitals, Rs. 60,000;
- broadcasting scheme, Rs. 48,000;
- tanning scheme, Rs. 76,000;
- fruit growing, Rs. 62,000;
- well boring, Rs. 50,000;
- cinema film and loud speakers, Rs. 59,000;
- sheep development, Rs. 15,000;
- district officers discretionary grant, Rs. 1,00,000;
- total, Rs. 8,50,000.

For the Haryana region certain items on which the fund was to be spent were mentioned in addition to the above expenditure. For example, in Gurgaon dist. against hook worm disease, rebuilding of veterinary building in Rohtak dist. destroyed by floods in 1933, 10 new veterinary hospitals for an area covered by Dhanii and Hariana cattle, and also for breeding schemes; Rohtak, Karnal and Gurgaon were chosen to install 40 receiver sets for broadcasting station. See IL : Home Poll, F. No. 11/1/35, PP. 1-2.


18 Ibid.
When the Zamindar Party formed its ministry, the Dehat Sudhar propaganda was greatly strengthened in Rohtak. The Dehat Sudhar platform was openly utilised for propagation of the Zamindar Party and its ministry. The Harvana Tilak repeatedly complained against such activities. The so-called Zamindar Party, like the colonial rulers, clearly needed the support of, and therefore attempted to identify itself with, the rural masses through this scheme. And although in its socio-economic effects the Dehat-Sudhar programme was a failure in Punjab, politically it was successful as it enabled the government of the day to project itself as the helper of the masses and also to score against the Congress.

The other aspect in which the British administrators had initiated policy was in the field of agrarian legislation. In this case the Punjab Alienation of Land Act of 1900 provided the launching pad for all subsequent legislation in the agrarian field before and after the Provincial Autonomy. The Unionist Party which itself was, by and large, the creation of this act naturally hailed it as their "Magna Carta". Apart from other legislation enacted since the passing of the Punjab Alienation of Land Act, this act itself was amended ten times, leading to its further limitation and clarification in favour of the already

19 HT, 3 May 1938, p. 7; 25 April 1939, p. 4.
20 Ibid.
21 Ibid.
23 ELRA, 1929-30, p. 312. It is interesting to note that Chhotu Ram who was one of the champions of the 1900 act had opposed it vehemently before he joined the Unionist Party on the same grounds as the 'Hindus' of Punjab were opposing it. C & MG, 4 Mar. 1937, pp. 1, 8.
favoured classes and strata. It would be, therefore, correct to say that the forces let loose by this act were further strengthened and perpetuated by its subsequent amendments and also by other agrarian legislation supplementary in nature to this act.

The 1900 act had resulted in providing major economic benefits to the richer among the agricultural castes. This may be specially seen in the rise of agricultural moneylenders in the rural areas of Punjab. It is difficult to estimate their exact numbers but the number of registered moneylenders in Punjab went up from 8,400 in 1902 to 15,000 in 1917 and shot up to 40,000 during the thirties. Tentative and cautious estimate of the Banking Inquiry Committee Report for Punjab put the number of moneylenders at 55,000 in the late 1920s. This figure included 19,000 agriculturist moneylenders also. However, this excluded the agricultural mortgagees whose advances on land were a form of moneylending. The inclusion of these mortgagees would have considerably raised the number of agricultural moneylenders as more than 75 percent of the land mortgaged in the last 25 years was considered to have been mortgaged to agricultural tribes; and out of a total mortgage debt of 59 crores in 1929, about 45 crores was due to the agriculturists. By 1928-29 moneylending had emerged as the most important economic activity after agriculture in the countryside. Moneylenders were paying 36 percent of the

24 See above chapter I, pp. 21-23.
26 Ibid.
27 Ibid.
total income-tax paid by business and industry in the province. There were more income-tax payers among moneylenders than were found in any other profession in Punjab. Rohtak district emerged as the leading district in the business of moneylending in the whole of Punjab.

This foothold created for the agriculturist moneylender in the rural economy of Punjab was further strengthened by the peculiar economic conditions which led to increase in rural indebtedness in Punjab. The period between 1916 to 1929 was a period of very high prices in the province. It was estimated that the average purchasing power of Rs. 246/-, during 1920-25 was the same as that of Rs. 100/- during 1889-94. The Punjab Banking Inquiry Committee Report showed 50 percent increase in the agricultural debt between 1921 and 1929. The official report on the working of agrarian acts in Punjab noted that the mortgage debt in the province increased far more in the period between 1919 to 1929 than it had done in the previous 20 years. The official estimate put this increase in indebtedness during the boom period at about twice the previous rate. The crash came

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30 M. Calvert, op.cit., p. 225.
31 For details of moneylending in Rohtak district see above chapter I, pp. 21-28.
33 Ibid., p. 4.
35 CPRR Rohtak, F. No. P-XIII, 209, p. 4. The detailed figures are not given. However in one single tehsil of Lahore dist. the settlement officer reported that in the prosperous 1920-30 decade as much as Rs. 59 lakhs were raised by mortgages; and on the usually accepted assumption that unsecured debts at the time were twice the secured debts the total increase in indebtedness in this one tehsil was calculated to be nearly 180 lakhs in one year. Ibid.
36 Ibid., p. 4.
in 1929-30. In Rohtak district for example, the price of wheat, cotton, and gur, fell from Rs. 5 annas 6 a maund, Rs. 24 a maund and Rs. 6 annas 7 a maund, respectively, in 1924, to Rs. 1 annas 8, Rs. 6 annas 10, and Rs. 1 annas 8 per maund, respectively, in 1929-33. However, despite the tremendous fall in prices the commutation prices adopted for the land revenue demand remained the same. The wholesale prices of two main crops of wheat and gur in Rohtak district fell much below the commuted price line maintained for land revenue purposes. The land revenue demand in terms of real price increased several fold. So also increased the real level of the debts which were expressed in terms of rupees. It was estimated that anyone wishing to repay a debt in 1931-32 which was incurred in 1921-22, even without interest, would have had to sell three times as much wheat as the original loan could have bought. Unrestrained borrowing in the boom years followed by sudden collapse of the market in agricultural produce brought the average landowner of Punjab to the brink of bankruptcy by 1931. For the lower economic category of people in the south-east Punjab the conditions were so bad that in the whole of Punjab this region alone reported actual starvation during these years.

38 Statement of Rohtak district showing the 1905-10 settlement and the commutation prices adopted: Wheat Rs. 2/- per maund, gur Rs. 2 annas 10 per maund, and cotton Rs. 4 annas 4 per maund. The Report of the Land Revenue Committee 1933, Appendix IV. Compare this with the reigning prices of the same commodities for the period 1929-33 in Rohtak district cited above.
40 Ibid.
41 HRR/P/12017/1933, see Report of the Registrar of Cooperative Societies, Punjab, 24 May 1933.
Increased rural indebtedness mainly to richer agriculturists and agriculturist moneylenders led to rapid alienation of land in favour of these classes. After the passage of 1900 act, the agricultural land could be sold only to the statutory agricultural tribes. This process of alienation of land was looked upon by the Government of Punjab as a form of liquidation of secure and insecure debts. Apart from outright sales there were innumerable cases of mortgage of land especially after 1901 which again amounted practically to the alienation of land belonging to small peasants. This produced a radical change in the pattern of ownership of land and, indeed, in the fabric of the rural society of Punjab.

The urdu weekly Daur-i-Jadid, a mouthpiece of the Unionist Party, made no secret of its pleasure at this development in an article in 1929. The Jat Gazette reprinted this article verbatim for the benefit of its readers in Rohtak district. The article gave startling figures of rapid alienation of land in Punjab to the agricultural tribes between 1902 to 1920. The importance of

<table>
<thead>
<tr>
<th>Year</th>
<th>Sale of land by agricultural tribes: acres</th>
<th>Purchase of land by agricultural tribes: acres</th>
<th>Total loss &amp; profit in land transactions: acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902-6</td>
<td>150,000</td>
<td>149,000</td>
<td>- 1,000</td>
</tr>
<tr>
<td>1907-11</td>
<td>170,000</td>
<td>178,000</td>
<td>+ 8,000</td>
</tr>
<tr>
<td>1912-16</td>
<td>180,000</td>
<td>189,000</td>
<td>+ 9,000</td>
</tr>
<tr>
<td>1920</td>
<td>182,000</td>
<td>191,000</td>
<td>+ 9,000</td>
</tr>
</tbody>
</table>

...contd. on next page
the figures given in the article were brought out in the following words:

Although the act has not affected the transfer of land through mortgage and sale, it has had the effect of making the land safe in the hands of agriculturists and preventing the forcible seizure of land by the sahukars.

The weekly merely saw in this substitution of 'zamindar' (agriculturist) for sahukar (non-agriculturist) the most beneficial effect of the Alienation of Land Act. The article closed with the words:

There is no need to explain as to how the zamindars have gained by this act.

The emphasis was clearly on the net gain made by the agriculturists in all land transactions. The 'agriculturists' did gain; but those who gained were rich agriculturists who replaced Bania or sahukar moneylenders.

In Rohtak district, the situation for the richer agriculturists had been different even before the enactment of the 1900 act. In fact, in the entire south-east region of Punjab, known as the Hariana tract, the "evil" of alienation of land from the hands of the agriculturists to Mahajans, Banias and Khatris,

<table>
<thead>
<tr>
<th>Year</th>
<th>Mortgage of land by agriculturists: acres</th>
<th>Redemption of land by the agriculturists: acres</th>
<th>Mortgage of land to the agriculturists: acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902-06</td>
<td>190,000</td>
<td>178,000</td>
<td>1,762,000</td>
</tr>
<tr>
<td>1907-11</td>
<td>240,000</td>
<td>296,000</td>
<td>219,000</td>
</tr>
<tr>
<td>1912-16</td>
<td>264,000</td>
<td>270,000</td>
<td>238,000</td>
</tr>
<tr>
<td>1917</td>
<td>264,000</td>
<td>199,000</td>
<td>220,000</td>
</tr>
<tr>
<td>1920</td>
<td>294,500</td>
<td>348,000</td>
<td>267,000</td>
</tr>
</tbody>
</table>

For other details see reprint of the article in JG, 27 Mar. 1929, p. 5.

Ibid,
which was supposedly the motivating factor behind this act, had never been considered by officials as "acute", as was the case in the northern districts of Punjab where it prevailed extensively. That acute stage, necessitating governmental interference in the form of an act, was considered "a long way-off" for the south-east region. On the contrary, Ambala district was unique in reporting an interesting movement in existence prior to the enactment of the act, a movement for the sale of land by the trading classes of Mahajans, Khatris and Banias to the well-to-do landowners. The Deputy Commissioner of Rohtak district had strongly advised the Commissioner of Delhi division against the passing of the proposed legislation of 1900. The enactment of legislation which restricted competition from the side of non-agriculturists was bound to lead to the acceleration of land alienations and moneylending activities in favour of richer agriculturists on a scale which had not been available earlier and on less favourable terms from the point of view of the debtor. The available figures for 30 years in Rohtak district from 1901-1931, since the passing of the 1900 act,

47 Ibid.
48 Ibid., see the note of H.J. Maynard, DC Ambala dist. on Alienation of Land Act, 1900, 16 Dec. 1900.
show that the sale and mortgage of land doubled in numbers. The annual average of 2,947 cases of sale of land and 14,770 cases of mortgage of land between the years 1901-2 to 1905-6 rose to an annual average of 5,436 and 25,945 cases respectively during the years 1926-27 to 1930-31. Although the annual average of land sold or mortgaged during this period did not radically change, the price of land sold or mortgaged during this period rose five times. The sale price of Rs. 977,383 for 15,872 acres of land rose to Rs. 4,630,321 for 16,592 acres of land in 30 years. Similarly mortgage price of Rs. 2,137,821 for 54,782 acres of land rose to Rs. 10,648,093 for a mortgaged area of 62,024 acres of land. Although the mortgage of land unlike the sale of land could also be to the non-agriculturists, it was calculated by the Punjab Provincial Banking Inquiry Committee that in Rohtak district more than ninety percent of the total mortgaged area was

<table>
<thead>
<tr>
<th>Year</th>
<th>Sale of land</th>
<th>Mortgage of land</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of cases</td>
<td>Area of land in acres</td>
</tr>
<tr>
<td>1901-2 to</td>
<td>2947</td>
<td>15872</td>
</tr>
<tr>
<td>1905-6:</td>
<td>2926</td>
<td>16402</td>
</tr>
<tr>
<td>1911-12 to</td>
<td>6457</td>
<td>21563</td>
</tr>
<tr>
<td>1915-16:</td>
<td>3502</td>
<td>15456</td>
</tr>
<tr>
<td>1921-22 to</td>
<td>3594</td>
<td>13370</td>
</tr>
<tr>
<td>1925-26:</td>
<td>5436</td>
<td>16592</td>
</tr>
</tbody>
</table>

held by statutory agricultural tribes.

The 100 percent increase in the total number of cases regarding mortgage and sale of land in Rohtak district clearly indicates the involvement of so many more agriculturists in the land transactions. The high prices available for land specially during 1921-1931, however, succeeded in limiting the acreage of land under these transactions. Even during the period of enormous rise in the price of land, clear from the figures noted above, the Deputy Commissioner of Rohtak interestingly observed in 1934: "the agriculturist moneylenders could dictate their terms and get the land of the small zamindars at a price far below it would have fetched in "an open market". The restriction on the purchase of land by the non-agriculturists had clearly provided the rich agriculturists and the agriculturist moneylenders in Rohtak district, and indeed elsewhere in Punjab, with a condition of semi-monopoly to buy land cheaply.

The area made available each year through mortgages and sales of land in Rohtak, as elsewhere in Punjab, was leased out for cash or kind to either the smaller landowner whose holding was uneconomic, or to other tenants who did not own land at all. This added to the number of tenants of all kinds. Calvert was to pointedly assert in 1921 that in Punjab the increase in the number of tenants was due to increase in the number of mortgages, as the mortgagors in a great number of cases were entered in the records as tenants cultivating under mortgagees.

53 H. Calvert, op.cit., p. 87.
The increase in the number of tenants of all kinds in Rohtak district can also be seen from the figures of usufructuary mortgage held by the agricultural tribes in Rohtak district.

In less than 20 years, i.e., between 1921-22 to 1939-40 the number of usufructuary mortgages almost doubled. From 34,752 in 1921-22 they reached 68,191 in 1939-40. The actual acreage of

Area owned by agricultural tribes with details of portion held by usufructuary mortgage during 1921-1922 to 1939-40 in Rohtak district:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total cultivated area: acres</th>
<th>Total No. of mortgages:</th>
<th>Cultivated area under mortgage: acres</th>
<th>Percentage of area to the total cultivated area:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1921-22</td>
<td>1,042,198</td>
<td>34,752</td>
<td>90,867</td>
<td>7.9</td>
</tr>
<tr>
<td>1922-23</td>
<td>1,046,033</td>
<td>34,804</td>
<td>90,926</td>
<td>7.9</td>
</tr>
<tr>
<td>1923-24</td>
<td>1,053,414</td>
<td>36,395</td>
<td>94,162</td>
<td>8.1</td>
</tr>
<tr>
<td>1924-25</td>
<td>1,054,680</td>
<td>37,807</td>
<td>97,390</td>
<td>8.4</td>
</tr>
<tr>
<td>1925-26</td>
<td>1,054,933</td>
<td>39,178</td>
<td>100,975</td>
<td>8.7</td>
</tr>
<tr>
<td>1926-27</td>
<td>1,049,829</td>
<td>38,276</td>
<td>95,159</td>
<td>8.2</td>
</tr>
<tr>
<td>1927-28</td>
<td>1,044,163</td>
<td>42,326</td>
<td>107,393</td>
<td>9.3</td>
</tr>
<tr>
<td>1928-29</td>
<td>1,040,941</td>
<td>44,504</td>
<td>111,339</td>
<td>9.7</td>
</tr>
<tr>
<td>1929-30</td>
<td>1,035,751</td>
<td>46,466</td>
<td>115,846</td>
<td>10.1</td>
</tr>
<tr>
<td>1930-31</td>
<td>1,044,787</td>
<td>50,793</td>
<td>121,652</td>
<td>10.6</td>
</tr>
<tr>
<td>1931-32</td>
<td>1,043,123</td>
<td>52,952</td>
<td>128,289</td>
<td>11.2</td>
</tr>
<tr>
<td>1932-33</td>
<td>1,052,397</td>
<td>54,072</td>
<td>132,177</td>
<td>11.4</td>
</tr>
<tr>
<td>1933-34</td>
<td>1,062,883</td>
<td>60,453</td>
<td>144,194</td>
<td>12.4</td>
</tr>
<tr>
<td>1934-35</td>
<td>1,170,864</td>
<td>70,189</td>
<td>172,627</td>
<td>14.7</td>
</tr>
<tr>
<td>1935-36</td>
<td>1,066,455</td>
<td>61,470</td>
<td>147,399</td>
<td>12.6</td>
</tr>
<tr>
<td>1936-37</td>
<td>1,063,707</td>
<td>63,501</td>
<td>151,045</td>
<td>12.9</td>
</tr>
<tr>
<td>1937-38</td>
<td>1,056,866</td>
<td>65,790</td>
<td>155,332</td>
<td>13.4</td>
</tr>
<tr>
<td>1938-39</td>
<td>1,050,334</td>
<td>66,880</td>
<td>157,959</td>
<td>13.7</td>
</tr>
<tr>
<td>1939-40</td>
<td>1,040,219</td>
<td>68,191</td>
<td>158,685</td>
<td>13.9</td>
</tr>
</tbody>
</table>

Table prepared from statement III appended to the FTRA, for the relevant years.

Usufructuary Mortgage means a mortgage by which the mortgagor delivers possession of the mortgaged land to the mortgagee and authorises him to retain such possession until the payment of the mortgage money and to receive the rents and profits of the land and to appropriate them in lieu of interest or in payment of the mortgage money or partly in lieu of interest and partly in payment of mortgage money. Definition taken from the Punjab Alienation of Land Act, 1900 (Act No. XII of 1900), Gazette of India 1899, part V, p. 135.
area given by agricultural tribes in usufructuary mortgage to
their fellow agricultural tribes showed 88 percent increase in
relation to the total cultivated area owned by agricultural tribes.
Mortgaged area which was 7.9 percent of the total cultivated area
in 1921-22 increased to 13.9 percent in 1939-40. These figures
support the thesis that the number of tenants of all kinds was
progressively on the increase. Although sufficient evidence is
lacking about the exact number of cultivators of land under
usufructuary mortgages, as it could be let out to tenants-at-will,
or to the agricultural labourers, or to the mortgagors themselves;
all that can be said with certainty is that the number of tenants
and agricultural labourers increased greatly. What is available,
however, is the economic status of majority of cultivators
indulging in various kinds of mortgages. In the estimate of
Punjab Provincial Banking Inquiry Committee, in 73 percent of the
mortgages in Rohtak district effected since 1907, the mortgagors
were owners of not more than five acres of land. The one aim of
the British promoters of the Alienation of Land Act of 1900, had
been to enable the richer among the agricultural tribes to invest
in land. This was obviously realised largely at the expense of
petty landowners of uneconomic holdings. The "questionable"
nature of giving free access to such persons among agricultural
tribes to acquire land from their fellow tribesmen had been
recognised but ignored in 1900.

56 CFRR Rohtak, F. No. I-IV, see letter No. 117, 12 Nov. 1900. For details see above chapter I, pp. 18-21.
57 Ibid.
It was clear that not only in Rohtak district but also in other parts of Punjab more and more petty landowners were either mortgaging or selling their lands to the richer agriculturists. The fact that smaller landowners were more involved in these transactions even in the other regions of Punjab is evident from the tremendous increase in the number of small landholdings. This fast spreading problem of the landholdings getting smaller was serious enough for the Viceroy to order an inquiry in June 1936. The inquiry was conducted by M.L. Darling, who after taking into consideration the evidence of factors like population growth, irrigation facilities, war, and the consequent price rise, etc., concluded that there was indeed a very large increase in the number of very small holdings. The village surveys undertaken by the Punjab Board of Economic Inquiry similarly showed that in seven out of eight villages in different districts the average area per owner had decreased in the last 30 years.

In Rohtak district the startling deterioration in the economic status of the petty owners is distinctly noticeable in the swelling of the number of tenants and agricultural labourers. The census figures of 1921 and 1931 relating to different agricultural categories make this amply clear. Although these two census are regarded/controversial in nature for being recorded in what were termed as unnatural times, the resultant general trend indicated by their figures is fully supported by the earlier census figures of 1911 and of the later

58 Darling Papers, Box 5, F. No. 1, see letter of Laithwait, Private Secretary to the Viceroy, 3 June 1936.
59 Ibid.
60 Ibid.
The figures of different agricultural categories as available in Rohtak district for 1911 and 1951

There are severe reservations regarding the authenticity of the census figures of 1921 and 1931 mainly because of the two different definitions adopted for the word 'economic activity' in determining various categories of the agricultural classes. Apart from this the demographic and economic disturbances of influenza epidemic of 1918, and the agricultural depression of 1930, made both the census years somewhat 'unnatural'. This has also been taken to result in "vagaries in figures" of the two census operations. Therefore, a longer time span indicated by census operations in Punjab from 1911 to 1951 has been taken to interpret long term socio-economic trends. The trends as interpreted, leaving a margin for 'vagaries in figures' of 1921 and 1931 censuses, may be taken to be authentic trends as they are also supported by other evidence belonging to the same period. For details of this controversy see J. Krishnamurthy, "Changing Concepts of work in the Indian Censuses: 1901-1961", The Indian Economic and Social History Review, XIV, no. 3, July-Sept. 1977, pp. 324-40. It may be noted here that Punjab, as compared to other provinces of British India, was in somewhat better position regarding the reporting of matters relating to land and agriculture. Punjab employed Patwaris for all such reporting who, though inefficient, handed in more reliable figures than the Chowkidars employed in the southern and eastern provinces. Figures of land and agriculture handed in by the Patwaris were "under-reported" rather than "over-reported" and more reliable than the "whimsical and unchecked" reporting of the Chowkidars. For details see "Patwaris and Chowkidars - Subordinate Officials and the Reliability of India's Agricultural Statistics", in C. Dewey and A.G. Hopkins (ed.), The Imperial Impact: Studies in the Economic History of Africa and India (London 1978), pp. 280-314.

Figures of different agricultural categories in Rohtak district:

<table>
<thead>
<tr>
<th>Category</th>
<th>1911</th>
<th>1921</th>
<th>1931</th>
<th>1951</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rent Receivers</td>
<td>3539</td>
<td>+38.5</td>
<td>4898</td>
<td>+8.57</td>
</tr>
<tr>
<td>2. Ordinary cultivators (petty owners and tenants of all kinds)</td>
<td>99355</td>
<td>+30.76</td>
<td>136723</td>
<td>+54.84</td>
</tr>
<tr>
<td>3. Agricultural Labourers</td>
<td>9916</td>
<td>+60.77</td>
<td>16610</td>
<td>+66.65</td>
</tr>
</tbody>
</table>

figures taken from Census of India 1911, Punjab, XIV, Prt. II, Table XV, Prt. A; Census of India 1921, Punjab, XV, Prt. II; Census of India 1931, Punjab, XVII, Prt. I.
show a mere nominal change, less than one percent, in the total number of rent receivers between 1921 and 1951, although there was an increase of 38.5 percent between 1911-1921. This discrepancy merely reinforces the point that bigger landowners were gaining at the expense of smaller landowners. A phenomenal increase can be seen in the total numbers of so-called ordinary cultivators, a term which included petty owners and tenants. From 99,355 in 1911 they increased by 30.76 percent in 1921 and stood at 136,723. By 1931 census an increase of 54.85 percent had been effected, and by 1951 they had once again risen by 59.23 percent. It may be safe to infer that big landowners substantially added to their holdings in this period. The agricultural labourers of Rohtak district too showed a 60.77 percent increase from 1911 to 1921, 56.65 percent increase from 1921 to 1931 and 43.03 percent increase from 1931 to 1951. The rather substantial increase of 66.65 percent among agricultural labourers during the economically tense period of 1921 and 1931 is therefore fairly well supported by both the 1911 and 1951 census reports.

It is thus unmistakably evident that since the enactment of Punjab Alienation of Land Act, the agriculturist moneylenders along with the emerging rich agriculturists having been given a privileged position had acquired a predominant position in the agrarian field of Punjab. Helped greatly by difficult economic conditions, they scored over the small landowners by dispossessing them of their rights in land, partly or wholly; thus resulting in a large increase in tenants of all kinds and agricultural labourers, specially in Rohtak district.
The situation was no different in other parts of Punjab. The figures relating to Punjab as a whole show a similar increase in the number of tenants as also in the acreage of cultivated land under them. This phenomenon consequently gave rise to the charge of the "swallowing of small fishes by big fishes". This was vehemently denied by the Punjab Government both before and during the period of Provincial Autonomy. As justification, it published the report of the Punjab Board of Economic Inquiry in 1931 according to which during 1922-23 to 1926-27 only an insignificant number of 2.3 percent small zamindars sold out their land to the big zamindars. Another estimate which covered a small area of Punjab for three years, 1931-32 to 1933-34, similarly asserted that only 6 percent of the land of small zamindars was "swallowed" by the big zamindars. The Board in both these surveys defined as the owner of 100 acres or less of land and 'buyers' as those who paid rupees 100 or more of land revenue. It may be noted that in a place like Rohtak district where an average holding was 5.7 acres and an economic holding was 12 acres those who paid rupees 100 and over as land-revenue came to only 358. These alone could fall in the category of 'buyers' and 'big landowners'. If the owners of the really average holdings had been taken into account the conclusions of the Board of Economic Inquiry would

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63 For details see Prem Chowdhry, *Loc. cit.*
64 Tribune, 7 Aug. 1938, p. 5.
65 Board of Eco. Inq., *A Note on the Sale of Land between the Notified Agricultural Tribes in the Punjab during the Quinquennial 1922-23 to 1926-27* (Lahore 1931).
66 Board of Eco. Inq., *Sale of Land in South-West Punjab, 1931-32 to 1933-34* (Lahore 1936). The areas covered were Jhung, Muzaffergarh and Dera Ghazi Khan.
67 See above chapter I, p.14, fn.22.
have been radically different and the percentage of the small landholders having become landless would have been considerably raised from mere 2.3 percent and 6 percent as claimed in the two reports. Indeed, the Punjab Provincial Banking Inquiry Committee certainly recognised this wide scale phenomenon, though it upheld this exchange of land between statutory agricultural tribes as an "exchange of a bad farmer by a good one". Similarly, even M.L. Darling in his evidence to the Royal Commission on Agriculture officially justified the effect of the Punjab Alienation of Land Act by maintaining that "good advantage" was achieved "if a strong landowner could become stronger by buying land".

Throughout the period of Reformed Councils and Provincial Autonomy, attempts at further clarification and application of the 1900 act and other successive legislative enactments in Punjab led to an increasingly monopolistic situation in the agrarian field for the benefit of the rich agriculturists and agriculturist moneylenders who became the staunchest supporters of colonial government and shared political power under the scheme of Provincial Autonomy.

The British administrators hardly ever recognised the existence of the agriculturist moneylender. By and large, the official line taken in 1900 remained in later years that the moneylenders or sahukars were all non-agriculturist. In this

69 Royal Commission on Agriculture in India, VII, evidence (Bombay 1928), p. 637.
70 Sahukar was popularly accepted as a non-agriculturist moneylender and a moneylender in Punjab was always referred to as a 'sahukar'. This was the view held and projected since the 1900 Act. See below, pp. 324, 336-7.
The story of that piece of legislation (The Alienation of Land Act) is well known. The fatal facility with which the agricultural tribes of the Punjab had got into the clutches of moneylenders, resulting in course of time in the reduction in their status from proprietors to tenants, had long been marked, and remedies for arresting this tendency had been discussed. The outcome of the years of discussion was Act XIII of 1900.

Since the restrictions of the 1900 act were imposed on non-agricultural tribes only, it is clear from the quotation that officially the term 'moneylenders' applied only to those who were drawn from among the non-agriculturists and not to the agriculturist moneylenders. Again, an official note of 1934 on rural indebtedness in Punjab held the village Mahajan responsible for reducing the borrower to the condition of a serf through his exhorbitant rate of interest.

Chhotu Ram projected the same view. He too popularised the notion that the word sahukar stood only for moneylenders drawn from Bania, Mahajan, and Vaish castes. These latter alone were to be considered professional moneylenders and not the agriculturist moneylenders who had captured the moneylending business of Punjab and particularly of Rohtak district. Similarly, in 1937, regarding the two acts of 1934 and 1936, which were enacted to control moneylending and had made no ostensible distinction between the agriculturist and non-agriculturist moneylenders, Chhotu Ram maintained:

71 PAR 1923-24, pp. 76-77.
These two measures had been enacted to check the increasing dishonesty of the Banias and Lalas.

Thus, Chhotu Ram's vocabulary admitted only the Banias and Lalas in the definition of the word moneylender and excluded the agriculturist moneylender altogether. But when he was forced to acknowledge the existence of agriculturist moneylenders, he showed a benevolent attitude towards them which set them apart as a class from the traditional sahukar. In a debate in the Punjab Council in 1934, condemning the often repeated criticism of the agriculturist moneylenders for being more "rapacious" than non-agriculturist moneylenders, he said:

An agriculturist moneylender fortunately has not learned so far to make false entries in his account books (hear, hear,). He does not lend Rs. 50 and enter Rs. 100 in his account book. Fortunately also he has not learnt so far as to omit to give credit to a debtor for payments which the latter makes... Again, an agriculturist moneylender is not a shopkeeper; he is not a trader, he is not a middleman, while unfortunately an ordinary non-agriculturist moneylender is a trader, a shopkeeper, a middleman and also a creditor. This combination of various capacities gives a non-agriculturist moneylender an advantage of immense value which is not availed of by an agriculturist moneylender. The latter does not use false weights; he does not use a tricky beam; he does not use short measures. He is not in a position to do all these things... Therefore an agriculturist moneylender cannot be expected to be so ready for remission of interest as a non-agriculturist moneylender. But it is wrong to conclude from this that the agriculturist moneylender is harsher than a non-agriculturist moneylender. Only the non-agriculturist moneylender has a better control of his feelings and perhaps a better control of his facial muscles than a Jat. If a Jat gets angry he will show it in his face; but if a bania gets angry there will be no show of his anger at all. That is the only difference. But it is entirely wrong to suggest that the agriculturist moneylender is heartless.

This attitude of Chhotu Ram towards the agriculturist moneylender was of course not confined to him alone. Majority

74 FCID, XXV, 1 Nov. 1934, pp. 842-3. Also see above Chapter III, PP.113-20.
of the members of the Unionist Party were rich landowners in
direct sympathy with the familiar activities of agriculturist
moneylenders in the rural areas of Punjab. Such an identity of
interest was to lead to provisions for the safety of agriculturist
moneylenders in Punjab through legislative enactments. Most of
the legislative measures in this respect undermined the economic
strength and influence of the non-agriculturist moneylenders and
tried to prevent them from operating in the rural areas of Punjab,
thus leaving a free field for the operations of the richer among
the agriculturists. This favoured position created in 1900 was
further promoted by the acts of 1907 and 1913. Punjab Alienation
of Land (amendment) Act of 1907 brought the occupancy rights
under the definition of land and gave the landlord, whether
agriculturist or non-agriculturist, the right to purchase the
ownership of his occupancy tenants. The Punjab Pre-emption of
Land Act 1913 revised this act in favour of the agricultural
castes by putting restrictions on permanent alienation of
occupancy rights to non-agriculturist landlords which they had
come to exercise under the 1907 act. Significantly, even the
mortgage of occupancy rights by the tenants could be made only
to the agriculturist landlords.

This position was further strengthened by the Punjab
Alienation of Land (amendment) Act of 1931. This act was brought

75 See Punjab Alienation of Land (amendment) Act, 1907,
Punjab Act 1 of 1907.
76 Redemption of Mortgages Act, 1913, Punjab Act II of 1913 in
77 DOR;P/11953/ 1931, F. No. 442/10/001, S.K. Kriplani,
Revenue Department of Punjab to Comm. Ambala Div., 2 Jan.
1931.
because several court rulings had held that the temporary alienation of land of a member of agricultural tribes to the non-agriculturists even beyond twenty years did not countervene the provisions of the Alienation of Land Act of 1900, as the concerned section 16 of the act prohibited only the sale and not temporary alienation of such land. The legislation of 1931 therefore laid down that the period of twenty years should not be extended by any device. Chhotu Ram, a member of the Select Committee on the bill, agreed with Sikandar Hayat Khan, the then Revenue Member, that the act did not differentiate between the agriculturist and non-agriculturist moneylenders in matters of temporary alienations permissible in execution of decrees in the court. But it may be noted that the restriction in favour of statutory agriculturists was solely in cases in which temporary alienation for the repayment of debt was called for. In all other cases of mortgage between the agriculturists only no time limit was set. For non-agriculturists there could be only temporary alienation which was set at twenty years. There was no time limit for agriculturists in case of transactions regarding alienation of land transacted out of courts as the limit was placed only on 'judicial alienations'.

Punjab Alienation of Land Act of 1900 was again amended in 1936 by Act III of 1936, which enlarged the definition of the word land to include trees as well. Trees became subjected to the same restrictions on agricultural land.

79 Ibid.
The economic depression from 1929 onwards led the Punjab Government to provide a series of legislative enactments in an attempt to deal with the problem of rising indebtedness. The Punjab Provincial Banking Inquiry Report showed the agricultural debts in Punjab in 1929-30 to be Rs. 135 crores. The continued fall in the prices of agricultural produce made the pressure of debt on the cultivators even heavier than before. Both the Royal Commission of agriculture and the Central Banking Inquiry Committee recommended steps to regulate moneylending transactions. The Punjab Regulation of Accounts Act of 1930 was the first attempt towards this. Moneylenders were required to maintain proper accounts and to furnish six monthly accounts to their debtors. Failure to maintain proper accounts could lead to loss of due interest, partially or wholly, and also loss of the cost of suits for the recovery of arrears. Chhotu Ram, who was a member of the Select Committee on the bill, had been in favour of sterner penalty on the moneylenders for infringing the act. He had also not wanted any issue to be left to the discretion of the courts. The courts in his opinion always favoured the creditors. In his minute of dissent, Chhotu Ram maintained:

82 Report of the Committee of Indebtedness, 1932 (Lahore 1932), see introduction.
83 The Punjab Regulation of Accounts Bill had been passed by the Punjab Legislative Council on 7 July 1926, but the Governor of Punjab withheld his assent and in 1930 an official Bill, more restricted in scope, was brought. Chhotu Ram pointed out that the veto of the Governor in 1926 after the bill had gone through the select committee was on account of the sensitivity of the government to the agitation and threats of violence against the bill. See dissent of Chhotu Ram, GI: Home Judl, F. No. 608/29, 1929, p. 5.
85 GI: Home Judl, F. No. 608/29, 1929, see minute of dissent by Chhotu Ram, p. 5.
The present complexion of the judiciary in this province as well as in others is not calculated to inspire confidence in the debtor classes. It is a notorious fact that the sympathies of the judiciary are with the creditors. As observed by Mr. Calvert, this indictment of the judiciary is fully borne out by the complete failure of the Usurious Loans Act.

The economic condition of Punjab peasantry continued to deteriorate. The situation was so bad in 1930 that even complete remission of land revenue was considered. The suggestion was not accepted as grant of remission on account of a fall in prices was considered a dangerous precedent; earlier, remissions had been granted on account of failure of crops alone. Actual loss anticipated in the land revenue due to depression in prices was Rs. 35 lakhs a year. The sympathies of British officials lay at the time with the larger owners of land. They were expected to be "harder hit" due to fall in rents as there was no accompanying fall in the money wages which they had to pay. The small owners of land, on the other hand, were not expected to be hit so hard as they were expected to consume their own foodgrains to a large extent. Chhotu Ram as a well-wisher of the bigger landowners held an identical view and aired it vigorously.

The Punjab Government, knowing that in the years of economic depression the landowners found it hard to pay land revenue, conceded a 50 percent remission in the Rabi crop of 1931. They

86 GI : Home Poll, F. No. 36/3/1932, see note sent by the Finance dept. containing a record of the discussion with Punjab officials held on 11 Aug. 1930, pp. 10-14.
87 Ibid.
88 Ibid.
89 Ibid.
90 For Chhotu Ram's views see above chapter III, pp. 86-87.
91 FLCD, 11 May 1931, pp. 370-5.
also appointed a committee in March 1932, with Chhotu Ram as one of its members, to examine the recommendations relating to the relief of indebtedness made by the various inquiry committees.

Some of the recommendations were adopted in the two acts which followed, i.e., the Punjab Relief of Indebtedness Act, 1934, and The Debtors' Protection Act, 1936. In the enactment of both these measures Chhotu Ram played an important part. Subsequently, under the Provincial Autonomy an attempt was made to adopt other recommendations made by the Committee on Indebtedness.

The Punjab Relief of Indebtedness Act of 1934, introduced as an official bill, came into force on 8 April 1935. It controlled the rate of interest chargeable by the moneylenders. This control of iniquitous rates of interest had also been recommended by the officials of Rohtak district who had held the high rates of interest responsible for the increasing murders of moneylenders at the hands of their debtors. The act adopted the principle of Damdupat. It also provided for the constitution of Debt Conciliation Boards to scale down debts. It forbade the issue of warrants of arrests for debt except in cases of contumacy.

Three important clauses of the act stood to benefit the richer classes of agriculturist debtors. Firstly, the exemption

92 Report of the Committee of Indebtedness, 1932 (Lahore 1932), see Introduction.
94 CFDC Rohtak, F. No. 1-27, see Report of Lala Raj Kumar, ADM of Rohtak, 1 Feb. 1934.
95 Principle of Damdupat meant that no decree could be made in satisfaction of the principal and interest for more than twice the amount due at the commencement of the act to the debtor. See Prt. V, Clause 30, in the Punjab Relief of Indebtedness Act, 1934, op. cit.
96 Ibid.
from attachment of houses, which were not let out on rent or lent to others or left vacant for a period of one year or more, was clearly for those who had more than one dwelling. Chhotu Ram hotly disputed this charge and demanded the opposition to "cite a single case" of a sahukar having attached the house of a big landlord or having applied to the court for his arrest. "Moneylenders", he maintained, "are far too clever to do anything to give offence to big people". Secondly, through two other clauses the act extended the scope of mortgages and loans covered by the Punjab Redemption of Mortgages Act passed in 1913. The 1913 act had helped the agriculturists with mortgaged area upto 30 acres and the loans secured under the mortgage's upto Rs. 1,000 to redeem their mortgages through a simple summary procedure adopted by the Collector of the district. The Punjab Relief of Indebtedness Act of 1934 increased the upper limit of the mortgaged area to 50 acres and mortgaged loans to Rs. 10,000; the lower limit of debt was brought down from Rs. 500 to Rs. 250. But all the debts below Rs. 250 were left untouched. Thirdly, the upper limit of debt liability set at Rs. 10,000 revealed the assistance and relief given to the richer classes of agriculturists in bringing down their debts to within their repaying capacity. Yet Chhotu Ram regarded this ceiling of Rs. 10,000 as "too low". He had in fact argued in the Select Committee

97 PLAD, XIII, 8 April 1940, p. 233.
98 Ibid.
99 The Redemption of Mortgages Act, 1913, op. cit.
100 See prt. VII, clause 33, amendment of the Redemption of Mortgages Act Punjab, 1913, in the Punjab Relief of Indebtedness Act, 1934, op. cit.
101 The Punjab Relief of Indebtedness Act, 1934, op. cit.
against having any upper ceiling at all. Chhotu Ram had also
condemned the narrow definition of the word 'debtor' as adopted
in the 1934 bill, which included the statutory agriculturists
only. He wanted the definition to include all members of the
depressed classes of all religions, including tenants and agri-
cultural labourers. This change was ultimately effected in
this act by the Governor. Yet, interestingly, Chhotu Ram made
no comment on the lower ceiling of debts being placed at Rs. 250
and in practical effect being too high to be of any use to the
above mentioned classes.

Chhotu Ram in his note of dissent condemned the 1934 act
as "halting and half hearted" because many clauses recommended
by the majority of the Select Committee were not accepted. An
understanding had been effected, however, that the Punjab Govern-
ment would give facilities for the introduction of a private
member's bill containing these provisions. This was taken
up by Chhotu Ram as a non-official member of the Punjab Council.
He prepared and piloted another measure known as the Punjab
Debtors' Protection Bill on 31 March 1936, which became an act
on 16 April 1936. This act placed further obstacles in the way
of the creditors seeking to execute a decree. The act exempted
sufficient land for the maintenance of the judgement debtor and
his family to be decided by the court of the Collector even in

102 Ibid., see Select Committee Report. Also see his speech
in PLCD, XXV, 15 Nov. 1934, p. 976.
103 PLCD, XXV, 15 Nov. 1934, p. 976.
104 The Punjab Relief of Indebtedness Act, op. cit., see
the recommendations of the Governor.
105 Ibid., see the Select Committee Report.
106 Ibid.
107 For the text of the bill see GL: Home Judl.,
F. No. 41/35, 1935.
cases of temporary alienation of land. Further, custom notwithstanding, no ancestral land could be used as a liability for attachment and sale in execution of a decree for debts incurred by a predecessor. This rule was not to have retrospective effect except in special circumstances. The act did not lay down any provision for fresh application for execution of decree in case six years had elapsed from the date of default. The burden of proving consideration was also to be on the moneylender.

This act for which Chhotu Ram alone was held responsible by the Governor of Punjab was certainly in favour of and resulted in benefit to the landowners but mostly bigger landowners and agriculturist moneylenders. Although no apparent difference was made between the agriculturists and non-agriculturist moneylenders in any of the acts, in reality this difference did exist. For example, the act of 1936 excluded from its purview any transaction of money which was in substance a mortgage or a sale of immovable property. This in reality meant the actual removal of the agriculturist moneylenders from its fold, because it was a well known fact that the richer agriculturist-turned-moneylender took part of his debtor's land on mortgage. These mortgages were generally always usufructuary, with mortgagee taking immediate possession of the land and paying himself out of the usufruct. In any case, the question of his suing the debtor could hardly

108 The Punjab Debtor's Protection Act, 1936, op. cit.
110 See sub-clause No. 6 of clause No. VII of the Punjab Debtor's Protection Act, 1936, op. cit.
arise as the agriculturist lender because of his position and influence was able to secure repayment more easily than the non-agriculturist moneylender and therefore did not take recourse to the law courts. Not only these two acts, but all the acts passed between 1934 to 1940 attacked the moneylender, whether agriculturist or non-agriculturist, only when he went to court and if he could avoid that he was free of any 'pernicious' effects of any of these acts. No act could touch him if he could recover his advances without going to a civil court. The agriculturist moneylender was in a position to avoid the civil court which his non-agriculturist counterpart was not. Further, under the provisions of 1936 act several exemptions for attachment were made; "enough land" for the maintenance of the judgement debtor and the members of his family had to be left. The provision of exemption applied to all transactions. Since sale of land to the non-agriculturist moneylender was prohibited only temporary alienation was left. The non-agriculturist moneylender found that he could not even get temporary alienation of land in case of small landowners as under the provision of exemption from attachment 'enough land' had to be left for the maintenance of the judgement debtor and the members of his family. The agrarian conditions in Punjab varied so much from district to district and even from village to village, that it was found impossible to issue general instructions in this matter to the collector of the district. In view of the fact that six acres was estimated

112 Ibid.
114 Ibid.
to be the average holding of land in Punjab the same was officially acknowledged as the very least required for the maintenance of a family of four. It is easy to see that it were the small landowners who totally lost their creditworthiness. This was bound to change the social set up of the rural areas.

The report from Rohtak district regarding temporary alienations made under the collector's orders since the passing of 1936 act reveals that out of the cases which were brought to the court, in 78 percent cases no satisfaction was possible. In the remaining cases sanctioned for temporary alienation, only 18 percent of the total decretal amounts were satisfied. These figures confirm the indebtedness of the small landowners. The high percentage of exemption of land from attachment required for maintenance of the judgement debtor and his dependents resulted in preventing the creditors from recovering their debts out of the very land against which the loans were advanced. The indebted small landowners of course gained immediately. This enabled Chhotu Ram to claim proudly before a gathering of 20,000 landowners in Sirsa village:

Moneylenders can now attach neither your person nor your lands, unless they be unoccupied. Even when he obtains temporary lease of your land he has to exempt such proportions as the Deputy Commissioner considers necessary for your maintenance.

Chhotu Ram was, however, ignoring the fact that in the long run the small landowners' credit with the non-agriculturist moneylenders naturally dwindled so completely that it left them

115 Ibid.
116 Ibid., p. 6.
117 Ibid.
118 Brayne Coll, 48: See his note, 1 Feb. 1940.
totally at the mercy of the agriculturist moneylenders who thereby gained immensely and who were now in a position to dictate terms to the debtors. Emerson, for example, wrote to Linlithgow in December 1936:

Owing to recent legislation and other causes moneylenders have found it extremely difficult to collect their dues. Landowners have taken advantage of this to drive hard bargains and in many cases moneylenders have been prepared to take a mortgage for a short term of years in full satisfaction of their claims ... which is often four or five years only.

The debt being a necessary feature of the agrarian set up of Punjab, the small landowners became more and more reliant upon the richer agriculturists and agriculturist moneylenders for their ordinary seasonal needs as the non-agriculturist moneylenders became shy of advancing them loans. This phenomenon had even otherwise become more marked during the economic depression of the 30s when the non-agriculturist moneylenders and traders of the villages collected what they could from the villages and migrated to the towns. Commenting upon widescale migration Emerson in a public speech delivered in mid 1933 gave the reason as the large fall in the agricultural prices leading to "difficulties in selling food and recovering debts from the rural debtors". The acts of 1934 and 1936 accelerated this movement and the moneylenders were reported to be panicky. However, this panic had started much earlier and was visible immediately after the passing of the Regulation of Accounts Act,

120 JOR; P/12017/1933, F. No. 10/13/00/15, p. 40.
121 Emerson Papers, see Speech, 27 July 1933.
122 HO Notes, Chaudhri Ghulam Mustafa (1936-1939), 26 June 1939, op.cit.
1930. This fact could be seen in the "exceptionally large" money decrees brought by the moneylenders against their rural debtors in Rohtak district during 1 April 1931 and 31 August 1932. The Deputy Commissioner of Rohtak declared them to be the "largest figure in the whole province". The total number of decrees passed during this period was 3,981 amounting to Rs. 2,103,594. Chhotu Ram inquired into the causes of this phenomenon; the two causes given were: the prolong economic depression and the effects of the Regulation of Accounts Act. Commenting on the working of this act, the judges of Punjab High Court declared:

Many village moneylenders, being more or less illiterate and uncertain about the exact purpose and effect of the act, are reported to have hastened to the courts with a view to realising their dues and closing their business.

### Table: No. of money decrees passed on the basis of private awards during the period commencing from 1 April 1931 and ending with 31 August 1932:

<table>
<thead>
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<th>District</th>
<th>No. of decrees</th>
<th>District</th>
<th>No. of decrees</th>
</tr>
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<tbody>
<tr>
<td>Hissar</td>
<td>269</td>
<td>Gujranwala</td>
<td>12</td>
</tr>
<tr>
<td>Gurgaon</td>
<td>82</td>
<td>Gujrat</td>
<td>22</td>
</tr>
<tr>
<td>Karnal</td>
<td>2,024</td>
<td>Shahpur</td>
<td>16</td>
</tr>
<tr>
<td>*Rohtak</td>
<td>3,981</td>
<td>Jhang</td>
<td>116</td>
</tr>
<tr>
<td>Ambala</td>
<td>133</td>
<td>Jhelum</td>
<td>21</td>
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<tr>
<td>Simla</td>
<td>16</td>
<td>Rawalpindi</td>
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<td>Hoshiarpur</td>
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<td>Jullundur</td>
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<td>Mianwali</td>
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<td>Ludhiana</td>
<td>4</td>
<td>Montgomery</td>
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<td>Ferozepore</td>
<td>50</td>
<td>Lyallpur</td>
<td>105</td>
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<tr>
<td>Lahore</td>
<td>282</td>
<td>Sheikhupura</td>
<td>20</td>
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<tr>
<td>Amritsar</td>
<td>115</td>
<td>Multan</td>
<td>29</td>
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<td>Gurdaspur</td>
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<td>Muzaffargarh</td>
<td>38</td>
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<tr>
<td>Sialkot</td>
<td>34</td>
<td>Dera Ghazi Khan</td>
<td>83</td>
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</tbody>
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123 Ibid.
124 Ibid.
125 Ibid.
126 IOR:P/12047/1933, F.M. Innes, Registrar of the Lahore High Court to the Home Secretary, Punjab, 1932.
127 Ibid.
Although it is not possible to know how many of these creditors were 'agriculturists' by caste, it was unlikely for an agriculturist moneylender, with his major occupation of agriculture, to close his 'business' in the village and flee to town.

This panic certainly increased after the 1934 and 1936 acts. According to the Rohtak district officials the "Bania class" from which the non-agriculturist moneylenders had been drawn, was in any case treated 'very badly'. They held Chhotu Ram and his two organs, the Jat Gazette and the Zamindar League, responsible for this. The cumulative effect of all these factors, according to the Deputy Commissioner of Rohtak, was:

The relations between the Hindu Jats and the Mahajans have been strained and have become very much worse after the Rural Indebtedness Legislation in which Rao Bahadur Chhotu Ram took such a prominent part. The Mahajans hate Chhotu Ram and show their feelings against him when ever they get a chance.... As a result of the legislation, believed to be harmful to the Mahajans, these feelings were intensified so much that the Mahajans have shifted to the towns and mandis.

The benefit of their shifting to mandis and towns naturally went to the agriculturist moneylenders; and the emergence of Jat moneylenders, as noticed in 1929-30 by the Punjab Provincial Banking Inquiry Committee, became more pronounced in Rohtak district after the debt legislation of 1934 and 1936. In this connection, the Deputy Commissioner of Rohtak noted:

The Mahajans are no longer anxious to lend, the agriculturists find it difficult to borrow and it would appear that a class of moneylenders among the agriculturists is gradually springing up, who in the

129 HO Notes, Chaudhri Ghulam Mustafa, 26 June 1939, op.cit.
130 See above chapter I, pp. 21-28.
131 HO Notes, Chaudhri Ghulam Mustafa, 26 June 1939, op.cit.
course of time may probably make moneylending their regular profession. There are a very large number of retired military officers among the agriculturists for whom moneylending is a lucrative business.

The rich agriculturists gained not only as the creditors but also as debtors. In the actual working of the acts of 1934 and 1936 the benefits accrued to the big landowner debtors because exemptions of standing crops from attachment sanctioned under section 10 of the act showed that all over Punjab an "unfair advantage" had been given to those who possessed surplus crops which could not be attached. When the Relief of Indebtedness Bill was under consideration some of the Deputy Commissioners had advised that the agricultural produce of the bigger landowners, specially those owning more than 50 acres of cultivatable land, should not be exempted from attachment and only small landowners should be allowed to avail of this provision. But this proposal had been rejected. A similar change was attempted in 1939 by Duni Chand, a Congress member, who introduced a bill to amend the Punjab Relief of Indebtedness Act of 1934. The amendment sought to apply the definition of 'debtor' to "smaller men" by excluding all landowners whose annual income was Rs. 1,200 and more. Chhotu Ram, opposing it vehemently in the Council, declared:

'It is barbarous to incarcerate a person for non-payment of a debt whatever his financial position. A rejection of these proposals clearly shows the classes which the framers of the act wanted to benefit.'

134 FLAD, IX, 20 April 1939, p. 852.
135 Ibid., p. 855.
Thus the class which benefitted most from the acts of 1934 and 1936 were the rich agriculturists, whether creditors or debtors. This can also be seen in the continuing rise in the indebtedness of the agriculturists of Punjab. Substitution of one type or kind of moneylender by another was not going to restrict the agricultural debt in the province. The official estimate put the amount of debt at Rs. 135 crores in 1929-30 and with accumulated interest and fresh borrowing at Rs. 160 crores in 1943. Interest on Rs. 160 crores calculated at a 'moderate rate' of 15 percent was estimated to be Rs. 24 crores when the gross agricultural income of Punjab was estimated at Rs. 81 crores only. Beneficiaries of this rising agricultural indebtedness were the agriculturist moneylenders and not the non-agriculturist moneylenders whose field of operation had been restricted to a great extent.

Chhotu Ram was not satisfied with the act of 1936. He declared that it had been passed in a "mutilated form". The

136 CFRO Rohtak, F. No. P.XIII-209, p. 4. Even Chhotu Ram put the figures of agricultural debt in Punjab in 1936-37 at Rs. 200 crores and declared it to be an under estimate. See "Indebtedness in the Punjab" an article by Chhotu Ram, Madan Gopal, Sir Chhotu Ram, a Political Biography (New Delhi 1977), pp. 97-107.

137 CFRR Rohtak, F. No. P. XIII-209, p. 4.

138 Chhotu Ram wanted the maintenance of a register of all the licenced moneylenders by the collector of each dist. with a right to cancel the licence of any moneylender who, in the opinion of the dist. collector, was not fit for the profession of moneylending; and no case of an unlicenced moneylender was to be entertained by the collector. These recommendations of Chhotu Ram were later carried out by the Unionist ministry in the Punjab Registration of Moneylenders Act of 1938. For Chhotu Ram's proposal, see clause 4 and 10 in the act as introduced by Chhotu Ram in the Punjab Council, GI : Home General Dept., F. No. 41/35, 1935. Also GI : Finance Dept., F. No. 6 (14)F(D 1945), 1935.
fresh proposals of Chhotu Ram were subsequently passed in the Registration of Moneylenders Act in 1938, after the Unionists had formed the ministry. An amending Act XII of 1940 was also prepared and introduced by Chhotu Ram which greatly strengthened the provisions and effects of the Punjab Relief of Indebtedness Act of 1934, and the Punjab Debtors' Protection Act of 1936.

According to the Relief of Indebtedness (amendment) Act XII of 1940 all interest above 7½ percent simple interest on secured debts, and 12½ percent simple interest on unsecured debts, was to be treated as usurious in case of all moneylenders, agriculturists or non-agriculturists, except in case of debts to Banks and Cooperative Societies. No debtor could be arrested or imprisoned in execution of a decree for money. The milch and transport cattle and places for tying them were similarly protected. The use of false documents in a suit was made a criminal offence. The principle of Damdupat applied to debts contracted after 1934 under the Punjab Relief of Indebtedness Act of 1934, was in 1940 made to cover all debts incurred even before 1934. Consequently no decree could be passed against the agriculturist debtors for more than twice the principal.

The amending Act XII of 1940 benefited the agriculturist moneylender in two ways. Under all the acts of 1934, 1936 and 1940, as pointed out earlier, it was the creditor who sued his

139 Punjab Relief of Indebtedness (amendment) Act 1940, Punjab Govt. Gazette (extraordinary), 5 Oct. 1940.
140 The Punjab Relief of Indebtedness Act, 1934, had fixed the rate of interest of secured loans at 12 percent simple, 9 percent compound interest, 18 percent simple interest on unsecured loans, and 14 percent compound interest on unsecured loans. See Act VII of 1934, op. cit.
debtor for payment; the agriculturist moneylender benefited in this because he did not advance money on promissory notes or bonds but did it generally on mortgage with possession. And as he was already in possession of land for certain number of years he hardly needed to go to the court. The non-agriculturist moneylender on the other hand was hit hard because he was forced to sue his debtor for payment of his dues. Other provisions of the act also made it more difficult for the non-agriculturist moneylenders to go to court and get execution of decrees against the agricultural debtors. The earlier panic which had led them to sue their debtor in the courts now gave way to almost total withdrawal from both spheres, i.e., the moneylending business with the agriculturist debtors as well as recourse to the courts. They had already discovered that despite their suing the debtors for recovery of loans in such large numbers as in Rohtak district very few cases had been settled. By 1940 such cases in Rohtak district went down a great deal and in Punjab the figures dwindled to a mere 1/3rd of that of 1934. Diminishing number of cases in Rohtak district can also be seen in the loss of income from registration,

141 JOR:L/E/8/556, 1942, see Report of Select Committee on the Punjab Relief of Indebtedness (amendment) Bill, No. 28 of 1939,
142 Ibid.
143 See above, p. 337.
144 For Rohtak district see HO Notes, Chaudhri Ghulam Mustafa, op.cit., (figures not given). In Punjab the number of money suits instituted from 1934-40 was as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rs.</th>
<th>Year</th>
<th>Rs.</th>
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<tr>
<td>1934</td>
<td>173,609</td>
<td>1938</td>
<td>101,045</td>
</tr>
<tr>
<td>1935</td>
<td>137,358</td>
<td>1939</td>
<td>84,128</td>
</tr>
<tr>
<td>1936</td>
<td>129,550</td>
<td>1940</td>
<td>60,612</td>
</tr>
<tr>
<td>1937</td>
<td>119,300</td>
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</table>

revenue stamps, etc., experienced by the district. This evidence obviously supports the earlier argument that the withdrawal of the non-agriculturist moneylenders benefited the richer class of landowners. Even when suits were filed in the civil courts, there was great difficulty in recovery of loans for the exemptions, especially after 1940, were so wide that most agriculturist debtors were hardly left with any attachable property. In the latter eventuality, the debtor very frequently put in an application to the Debt Conciliation Board for the whole procedure to be stayed under section 25 of the Punjab Relief of Indebtedness Act, 1934, until the debt boards had settled the case or dismissed the application. The debtor, therefore, was able for a very considerable period to defeat all efforts of his creditor to collect from him. It was found that those debtors who wished to reduce the delay in disposal of writs or who wanted to avoid payment of fees often went to the conciliation boards. The proceedings of the civil court were also sometimes held up while boards entertained, dismissed and decided cases on revision applications. Further, bogus creditors were reported to be included in the application of the debtors in order to delay matters and thwart genuine creditors.

All this resulted in increasing the importance of Debt Conciliation Boards. In the opinion of Punjab officials, this

145 HO Notes, Chaudhri Ghulam Mustafa, 26 June 1939, op. cit. (figures not given).
146 Ibid.
147 CFRR Rohtak, F. No. P.XIII-179, Ram Sarup Singh, Under-Secretary Development Dept. to all the DCS (Except Simla which did not have the Debt Conciliation Board), 15 Mar. 1941.
148 Ibid.
150 Ibid.
phenomenon was also the direct result of the very great difficulty which the creditors had to face in executing decrees in the court; arbitration was resorted to because it was simple and less expensive. Further, no registration of moneylenders was required in order to avail of the services of Debt Conciliation Boards as was the case in the money-suits before the courts. This facility provided to the sahukar was noted by Chhotu Ram who issued an interesting advice to the landowners:

Although we are receiving several requests for setting up of Debt Conciliation Boards in other districts, I am personally not in favour of these boards, because the sahukars stand to benefit most. In 90 percent of cases the sahukars fight shy of going to the courts, as they have to pay heavy fees. They also know that even when the decrees are awarded to them, the chances of satisfying these decrees are remote in view of the wide scale exemptions which we have granted under the indebtedness legislation. In the Debt Conciliation Boards, the sahukars do not incur any expenditure and whatever they get is for their benefit. Knowing all this you (zamindars) should not be so keen for the establishment of these boards.

However, even in the Debt Conciliation Boards the creditors faced difficulty; the percentage of cases agreed and decided upon was rather low. In 1940, the proportion of the agreed amount to be paid to the admitted debt was 39 percent in the whole of Punjab; in the case of Rohtak district, 32 percent; while in the case of creditors' applications in the whole of Punjab it was merely

152 This change was brought about only in 1938 by the Registration of Moneylenders' Act 1938. See below pp. 346-7.
29 percent. Chhotu Ram, the then Minister for Development, giving statistics for the Haryana region disclosed that by April 1940 a total of 1,160 applications were received by the Sonepat District Debt Conciliation Board and a total debt of Rs. 1,203,730 was decided for Rs. 328,332 only. Ratio of the agreed payment of money to the total debt was less than 1/5th in Hissar and Gurgaon districts, little more than 1/4th in Rohtak district, and a little more than 1/2 in Karnal district. Even these debts could not be collected as an agreement to pay before a board was by no means the same thing as payment. An agreement took effect as a decree of a civil court and as the debtor paid up in "rare cases only", the creditor had to face the difficulties of execution. The only way such settled cases could be effectively executed was by realising them as arrears of land revenue as per provisions of a similar act as Central Provinces. The Punjab act made no such provision because the government considered it "politically unwise" to stand as the collector of the agricultural debt in Punjab. In the opinion of Emerson, the Governor of Punjab, this decision had seriously effected the collections of the boards, and he himself

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154 CFRR Rohtak, F. No. P.XIII-209. In the year ending 31 Dec. 1940, the Debt Conciliation Boards in the whole of Punjab (excluding Simla) received 43,621 applications of which 18,000 were made by the creditors. Out of these total applications, 26,000 applications involving Rs. 24,600,000 were disposed off and debts amounting to Rs. 91,45 lakhs were actually admitted. The amount which the debtors agreed to pay was Rs. 35,85 lakhs. On the creditors' applications on the other hand, the admitted debts were Rs. 14,42 lakhs and the amount which the debtors agreed to pay was Rs. 4,19 lakhs.

155 Ibid., p. 6.

156 Ibid., p. 6.

157 Ibid., p. 6.

158 Ibid., p. 6.
doubted the ability of the boards to "do much good".

It may be noted here, that all those who lent without any documents were left untouched, as they could not be brought under any clause of the enactments. Here again the agriculturist moneylenders scored over the Bahee Khata (account books) of the non-agriculturist moneylenders, because the former were generally not known for keeping the Bahee Khata. As mentioned before, the Unionist Government had also found it expedient to further regulate the business of moneylenders by getting them registered. Therefore, further restrictions were made through Registration of Moneylenders' Act passed by the Assembly on 16 July 1938. According to Mukand Lal Puri, a political opponent of Chhotu Ram and spokesman of non-agriculturist moneylenders and merchants, Chhotu Ram, who was held responsible for most of the "legislative monstrousities" of the province, was also the "real author" of the Registration of Moneylenders' Act. This was indeed true; for the clauses of this act were those which Chhotu Ram had introduced in the Punjab Debtors' Protection Act of 1936 which he had framed himself. These clauses, which had been struck down at the time, were now re-enacted under the act of 1938. The act required that except for the landlords, who lent money to their tenants for purposes of husbandry only, all other moneylenders, whether agriculturist or non-agriculturists, to get themselves registered and procure a licence on payment of a

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159 Ibid.
161 Punjab Registration of Moneylenders' Bill (Bill No. 10 of 1938) and Act No. III of 1938, see GI : Finance Dept, F. No. 22(78) F/38. Also Punjab Govt. Gazette, 24 June 1938, p. 80; Punjab Govt. Gazette (extraordinary), 2 Sept. 1938.
162 PLAD, IX, 24 June 1938, p. 335.
163 For the relevant clauses introduced by Chhotu Ram see above, pp. 340, f.n.138.
prescribed fee. It provided that suits and applications for execution of decrees were to be dismissed unless the moneylenders making them were registered and licenced. The licence could be cancelled for various reasons stated in section 6 of the act. Chhotu Ram pointed to this act to counter the charge of the opposition that the Unionist Party had discriminated against the non-agriculturists. "Moneylenders, whether agriculturist or non-agriculturists", he maintained, "are under equally severe restrictions". Along with this, however, he took care to emphasise the benefits of this act to the agriculturist debtors:

"We are doing everything in our power to safeguard the interests of our zamindar debtors. We had earlier imposed several statutory restrictions on the satisfaction of a decree issued against a zamindar. Now we have made it difficult for them to even procure that decree. A decree against a debtor can be obtained only through the court and under this act (Registration of Moneylenders' Act) if a sahukar is not registered and licensed he can not even move the court to obtain that decree.

This act was however struck down by the Federal Court as being against section 298 of the Government of India Act of 1935. An amended bill could be passed only in 1943.

The working of the act showed that in 1939 only 9,206 moneylenders were registered and in 1940 even less, i.e., 8,232. In 1929-30 itself, the conservative estimate of the Punjab Provincial Banking Inquiry Committee had put the number of moneylenders in the province at 55,000. Yet a very small proportion of the moneylenders got registered. Among these few registered moneylenders

164 JG, 19 April 1939, p. 1.
165 JG, 6 July 1938, p. 5. Also see 29 Mar. 1939, p. 8; 14 June 1939, p. 4.
the total number of agriculturists moneylenders were not specified. Regarding penalty, it was found that in 1940 the licences of only five moneylenders were cancelled in the whole of Punjab; and out of these, three were successful in appeal. No separate figures are available for Rohtak district but it is obvious that agriculturist moneylenders continued to operate without any hindrance.

It is quite evident that in all these enactments the richer among the agriculturists continued to gain because of the favoured conditions created for them by the Punjab Alienation of Land Act of 1900. The Unionists not satisfied with the effects of this act, which came into operation only from 8 June 1901, sought to make it retrospective in effect in order to bring about redemption of lands mortgaged and still subsisting to the non-agriculturists before the enactment of this act. This "deficiency" was claimed, by Chhotu Ram, to have existed for more than 37 years and needed to be corrected. For this purpose the Punjab Restitution of Mortgaged Lands Act was enacted, and it came into force on 15 May 1939.

The act provided for the termination of mortgages effected before 8 June 1901 which were still subsisting and for the restitution and possession of the mortgaged land. There was to be reasonable compensation where a mortgagee had not benefited to the extent of at least twice the amount of the principal advanced. The question of compensation was duly recognised to be "purely academic" as it was unlikely that there was any mortgage left in

167 Ibid.
which the mortgages had not earned twice the amount of the original
principal. The minimum profit earned was calculated to be about
300 percent and in very large number of cases even 800 percent.
Clearly, this act sought to remove a major social anomaly and
source of intensive exploitation.

The Bill on the Restitution of Mortgaged Lands, as originally
conceived, was to apply only to those mortgagors who were members
of the notified agricultural tribes under the 1900 act, and who
had mortgaged their lands to persons who were not members of the
notified tribes. It had to be amended to embrace both agriculturists
and non-agriculturists creditors as well as debtors, for
in its original form it clashed with the provisions of the Govern-
ment of India Act of 1935. The agriculturist moneylenders had,
therefore, to be brought into the purview of the act. Chhotu
Ram, however, emphasised in his public speeches that originally
the act was intended for the benefit of the statutory agriculturists
alone and maintained:

Had it not been necessary to plug the legal
loophole, we would have happily ignored the
criticism of the opposition.

Although finally the act itself did not distinguish between
agriculturist and non-agriculturist mortgagees during the 40 odd
years but in actual working it was discovered that most of the
mortgages with the agriculturist moneylenders had been purchased
by them since 1901, while the non-agriculturists had been prevented

170 IOR/L/E/8/584, 1943, see minute note of Economic & Overseas
Dept., 21 July 1938.
171 Ibid.
172 Ibid.
from doing so by the Alienation of Land Act of 1900. Consequently, the major beneficiaries of the act, despite the inclusion of non-agriculturists, were going to be almost exclusively the agriculturists who had mortgaged with the non-agriculturists. Without disclosing the real reason behind the benefit to the 'agriculturists' alone, both Chhotu Ram and Sikandar Hayat Khan pointed out that the percentage of land mortgaged with statutory agriculturists which stood to be restituted was only 5 percent against 95 percent mortgaged with non-agriculturists. Understandably even this minor loss of 5 percent to the agriculturists as compared to 95 percent to the non-agriculturists needed to be explained and justified. Both of them devoted a series of public speeches to explain this loss of 5 percent accruing to the 'bigger landowners' in Punjab. This 5 percent was repeatedly publicised by Chhotu Ram and his ministerial colleagues, both inside and outside the Assembly, as a "sacrifice of the better-off zamindars for their poorer brethrens".

This fitted in very well with Chhotu Ram's cherished theory of the "identity of interest between big and small landowners". Speaking in a public gathering Chhotu Ram maintained:

Along with the big zamindars, the other 345,000 small zamindars also stand to gain by getting back their mortgaged lands. Those big zamindars who might have mortgaged their lands will certainly get them back but such zamindars may very well be the creditors of...
small zamindars and under this act they will have to give back those lands without any compensation. Sir Sikandar and Khizar will have to relinquish land worth $5\frac{1}{2}$ lakh of rupees and $1\frac{1}{2}$ lakhs of rupees, respectively.

Sikandar Hayat Khan and Khizar Hayat Khan Tiwana were in fact reported to be heading a list of 12 "losers" from among the members of the Punjab Assembly. Losses accruing to the bigger landowners were published to counteract the charge of the critics that the schemes of the Unionist Party were calculated to benefit the richer and bigger landowners at the expense of the poorer and smaller landowners. Chhotu Ram, reiterating again and again that the benefits of the act would go to the small landowners, inquired from a member of the opposition:

Does my honourable friend consider any of these persons (agriculturist debtors) who have not been able to redeem their lands for the past two or three generation as rich? No; they are poorest of the poor.

In keeping with this stand the Punjab Bureau of Information also publicised certain figures to show that the sole beneficiaries of the Punjab Restitution of Mortgaged Lands Act were the very small zamindars. Figures given out were: the total number of debtors, total acreage of land under mortgage, and the total number of mortgages effected before 8 June 1901 and still persisting. On the basis of these figures it was curiously deduced that this act stood to effect in terms of acreage an average of $2\frac{1}{2}$ acres per debtor, and $4\frac{1}{2}$ acres per mortgage in Punjab. These average figures were

181 PLAD, XIII, 10 April 1940, p. 376.
182 See the pamphlet cited in JG, 9 Nov. 1938, p. 6.
183 Ibid. Figures given were: total no. of debtors in Punjab, 306,738; total amount of land still under mortgage, 756,130 acres; and total no. of mortgages still subsisting, 166,864.
publicised to affirm and emphasise that the benefits of the act accrued only to the very small landowners.

The Restitution of Mortgaged Lands Act was applied to cases affected before 8 June 1901 only as inclusion of mortgages after that date would cause losses to the richer agriculturist creditors also. Subsequent to that date the agrarian society of Punjab saw a rapid replacement of non-agriculturist moneylenders by rich agriculturists. Therefore, the Unionists vehemently opposed all moves of the opposition to apply this act to the post-1901 period. The reason, candidly acknowledged by Chhotu Ram, was that 2/3rds of the mortgaged land between 1901 to 1938 had been mortgaged to the agriculturists. Sikandar Hayat Khan also openly maintained in December 1938:

The critics know fully well that the mortgages of land from zamindars after 1901 have been to the zamindars only, therefore, the loss suffered by the cancellation of those mortgages would be borne by the zamindars only. This would lead to disorder and confusion amongst them.

Evidently, this disorder and confusion would have been created by the withdrawal of support from the Unionist Party by the rich agriculturists and moneylenders who had in their possession 2/3rds of the total mortgaged land in Punjab. Their

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185 JG, 7 Dec. 1938, p. 7; editorial in Tribune, 8 July 1938. In the estimate of Raja Narendra Nath the total area from 1901 to 1936 mortgaged to the non-agriculturists of Punjab was 168,057 acres only, whereas with the agriculturists it was 3,427,600 acres. See editorial in Tribune, 2 Aug. 1938. It may be noted that Raja Narendra Nath’s estimate confirmed that of Chhotu Ram’s and although no figures of the total mortgaged area to the agriculturists are available, 2/3rds seem to be the accepted estimate of the time.
interests were thus protected by the Unionist ministry, which laid emphasis primarily on the great gain occurring to the agriculturists through the restitution of lands mortgaged with the non-agriculturist moneylenders. Chhotu Ram particularly emphasised this point. His own estimate put the number of beneficiaries among the landowners of Punjab at 1,300,000 with redemption of 4,000,000 bighas of land, calculated by him to be worth Rs. 16 crores. All this, according to him, was going to be given back to the zamindars from the "Bania sahukar" without payment of "a pie in compensation".

It is however very interesting to note that no statistics had been collected about the number of mortgages to which the bill stood to apply; and the Unionists ministry, to the embarrassment of British officials, had obviously operated totally in the dark. When Mukand Lal Puri called for statistics showing mortgages of land in various districts according to different communities and also details of areas mortgaged to the agricultural tribes and to others these statistics could not be produced. Only in November 1938, when the act had already been in operation for over 6 months, the Punjab Bureau of Information brought out a pamphlet giving some figures of debtors in an attempt to show that the act benefited only the smaller landowners and was not based on communal lines as asserted by the opposition; and so far as the

189 Ibid.
190 Linlithgow Coll, 86: Craik to Viceroy, 22 July 1938.
191 JOR:L/E/9/584, 1943, see minute of dissent to the Report of the Select Committee on the bill, 6 July 1938.
major religious communities of Punjab were concerned the benefit of the act corresponded to their ratio in the population of the province.

This act was challenged both in the Lahore High Court and the Federal Court. During the pendency of the suit, its working was suspended. Consequently, by 1941, although over 24,000 cases in the whole of Punjab were pending before the collectors, a comparatively small number had been decided. The delay was first on the part of the public in making applications and then on the part of the revenue staff which had to be strengthened in order to deal with the laborious and intricate task of calculating the benefits accruing to the mortgagees over a period of 40 years. Rules under this act had to be amended to mitigate this difficulty. A ready reckoner had to be prepared in the Financial Commissioner's office to calculate the benefits to the mortgagees.

The working of this act in Rohtak district is a sample of the fate of the agrarian legislation in Punjab which was so enthusiastically proclaimed by Chhotu Ram. By November 1944, a total of 543 applications regarding Restitution of Mortgage Lands Act had been received by the Deputy Commissioner of Rohtak. They could not be disposed off immediately for, according to Sardar Abdus Samad, the Deputy Commissioner of Rohtak, their

192 The figures of debtors affected by this act according to their religious complexion were: 58.66% Muslims; 26.8% Hindus; 14.5% Sikhs. These figures corresponded roughly to their ratio in the population of Punjab, i.e., 56.5%; 26.8%, and 12.9% respectively. See pamphlet cited in JQ, 9 Nov. 1938, p. 6.


194 Ibid.

195 Ibid.

196 CFR Rohtak, F. No. O.V-27, DC Rohtak to Revenue Secretary and Financial Commissioner, 11 Nov. 1944.
disposal awaited the appointment of a special officer. By September 1945 four more applications had been made thereby raising their numbers to 547; yet not a single case had been disposed off. Only after 25 September 1945, when Chowdhri Amar Singh was appointed as an Extra Assistant Commissioner, "a few cases" were decided by December 1945. These few cases (number not given) led to release of 202 bighas of land and discharge of Rs. 9,903 and annas 8 as mortgage money. By this time, Chhotu Ram had been dead for nearly a year.

In the opinion of the Sub-Divisional Officer of Rohtak the main reason for this delay was:

Restitution of Mortgaged Lands Act cases are pending in the Collector's court. I know the applicants in these cases are feeling much trouble specially in getting the original mortgage mutations' copy because the illiterate zamindars do not know the exact date and year in which such mutation was decided. For finding number of mutation they have to pay search and inspection fee and when such mutation is not found in one jamabandi, they pay such a fee for another. In this connection Rule 3(2) of the Restitution of Mortgaged Lands Act lays down that the applicant, when he is unable to supply such copies, should pay a fee of Rs. 2 and the collector should get the copies from the office. They incur heavy expense and experience difficulty in coming over and over again to sadar.

This difficulty was however not limited to Rohtak alone, although Rohtak was perhaps the last district to start work regarding this act. Even elsewhere the number of cases decided under this act remained comparatively small. The major benefit of this act

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197 Ibid.
198 Ibid., see statement of DC Rohtak on the number of cases pending, 30 Sept. 1945.
199 Ibid.
200 Ibid., see DC Rohtak to Revenue and Finance Secretary, Punjab, 8 Dec. 1945.
201 Ibid., Sher Singh SDO Rohtak to DC, 6 April 1940. The distortion in the language is in the original.
202 Ibid., p. 8. The Report however does not give detailed figures.
continued to be its immense propaganda value.

Inordinate delay was experienced not only in the working of this act but all the four agrarian acts which were enacted by the Unionist ministry. This practical difficulty due to "very heavy and extra burden of work on the revenue officers", who had to administer these acts, was visualised much earlier by the Punjab Governor when the agrarian bills were sought to be introduced in the Punjab Assembly. Regarding the Restitution of Mortgaged Lands Act, specially, a memorandum issued in June 1944 by the Deputy Secretary of the Revenue Department of Punjab brought out the delay in the entire province caused by the over-burdening of the existing administrative machinery. In fact, as a consequence of this delay several applicants felt it more advantageous to pay off a mortgage debt rather than seek relief under the act after undergoing protracted proceedings. In view of this, Chhotu Ram felt compelled to warn the landowners of Rohtak against any such compromise with the sahukars. In some cases, however, the landowners took direct possession of their mortgaged lands without going through the official procedure.

The second piece of agrarian legislation the Unionist Government enacted, Act X of 1938, commonly known as the Benami

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203 Linlithgow Coll, 86; Craik to Viceroy, 20 July 1938.
204 CPR Rohtak, F. No. O.V-27, see memorandum, 23 June 1944. Also see F. No. P. XIII-209, p. 13.
205 Ibid.
206 JG, 6 July 1938, p. 5.
Act, brought about one of the most important amendments of the Punjab Alienation of Land Act of 1900. Its most important amendment was section 13-A which attacked the *Benami* (fictitious) transactions through which non-agriculturists sought to evade the provisions of the main act by getting their rights recorded in the name of agriculturists who were usually their debtors. Section 13-A gave the Deputy Commissioner the power to decide such cases, to declare void all *Benami* transactions, and to restore possession to the alienator with retrospective effect. Originally the bill had not been conceived as retrospective in its effect but was made so at the committee stage. The Secretary of State had strong objections to the bill being made retrospective in effect but the Punjab ministry was determined to do so.

Ever since the passing of the 1900 act, it had become common for the sahukar to force his debtor to part with his land and, while taking possession himself, to show a member of the agricultural tribe to be in possession in order to defeat the act. Sometimes the non-agriculturist moneylenders actually cultivated the land himself, though hardly ever appearing as such in the revenue records. Sometimes he appeared as the *Benami* owner's tenant-at-will though never in practice paying any rent. At other times, he gave the land to a tenant and collected rent from him. He

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209 IOR: L/7/9/567, 1940, see minute paper, Economic & Overseas Dept. by A.J. Morley, 30 Sept. 1938.


211 The reports of *Benami* transactions started to regularly flow in from 1928-29 onwards. *FLRA*, 1928-29 to 1937-38, in para 31 of the relevant reports.

safeguarded himself against the Benamidar by taking from him a fictitious bond in which he (i.e., the Benamidar) promised to pay the amount of the debt due from the original mortgagor to the money-lender. When such cases were taken to the civil courts the money-lenders through the Benamidar usually succeeded against the mortgagor either because there was a transfer prima facie in order, and proved by the revenue records from the mortgagor to the Benamidar, or because the Benamidar was not allowed to plead his own fraud. In such cases, the Benamidar almost always testified that the transaction was genuine, because he was in the power of the moneylender. And those Benami mortgages which were cancelled by the revenue officers were challenged in the civil courts by the sahukars through their middle men and such decisions were nearly always reversed.

Although officially the Benami transactions were declared to be difficult to detect, it was also commonly admitted by the officials that Rohtak district, along with Gurgaon, Ambala and Sialkot, contained the highest number of Benami transactions. In Chhotu Ram's estimate, Hansi tehsil alone had Benami transaction worth Rs. 10 lakhs. However, it was only in 1937 that a special tehsildar was appointed in each division for the investigation of Benami transactions. He was required to ascertain through official and non official sources all the particulars of

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214 Ibid.
215 JG, 23 Nov. 1938.
216 FLRA, 1928-29, para 31, p. 29.
217 Ibid., 1929-30, para 31, pp. 31-32.
218 JG, 28 June 1938, pp. 4, 5.
cases which contravened the provisions of the Alienation of Land Act and bring them to the notice of tehsildars or naib-tehsildars of the circle and also the revenue assistants. During 1937-38, in the whole of Punjab, a total of 15,572 Benami cases were investigated, out of which 7,974 alone were recommended for review. Ambala division with 2,674 cases out of a total of 4,538 of those investigated showed the highest number of cases recommended for review. By March 1941, the field cases regarding Benami transactions reached over 47,000 in the whole of Punjab. The amount relating to such fictitious transactions was estimated to be about 16 crores. However, in April 1939 itself Chhotu Ram triumphantly claimed in a zamindar gathering: "Within twenty months of our being in office we have been able to guarantee you back land worth 20 crores of rupees". In 1942, the proceedings under the Benami Act were stayed pending the orders of Federal Court on the validity of section 13-A of the act.

Statement showing the progress of work in regard to Benami transactions in Punjab:

<table>
<thead>
<tr>
<th>Division</th>
<th>No. of cases investigated</th>
<th>No. of cases recommended for review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambala</td>
<td>4,538</td>
<td>2,674</td>
</tr>
<tr>
<td>Jullundur</td>
<td>2,723</td>
<td>2,399</td>
</tr>
<tr>
<td>Lahore</td>
<td>2,039</td>
<td>1,760</td>
</tr>
<tr>
<td>Rawalpindi</td>
<td>4,625</td>
<td>250</td>
</tr>
<tr>
<td>Multan</td>
<td>1,647</td>
<td>831</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,572</strong></td>
<td><strong>7,974</strong></td>
</tr>
</tbody>
</table>


Ibid.


PLAD, XII, 5 Mar. 1940, p. 3; 31 Mar. 1940, p. 603.

JG, 5 April 1939, p. 2, see Chhotu Ram's speech.
It is clear that even after the passage of 1900 act the non-agriculturist moneylender had continued to indulge in money-lending on mortgages and sales fictitiously in the name of their statutory agriculturist 'friends'. This indicated that the non-agriculturist moneylender, still a somewhat continuing force in the money market of rural Punjab, was a hidden rival to the agriculturist moneylender. The Benami Act may, therefore, be seen as a further effort to enable the richer agriculturists to remain the only source from which the agriculturists could secure loans. This skilful elimination of all competition was greatly to the benefit of the agriculturist moneylenders.

The third amendment of the Punjab Alienation of Land Act, also known as the 'Zamindar Sahukara Act' was introduced by Act V of 1938. The statement of objects and reasons for the enactment of this act was rather revealing:

Experience has shown that agriculturist moneylenders can be as rapacious in their methods of compelling their debtors to part with their lands as non-agriculturist moneylenders. This bill is intended to check the permanent alienations of land to agriculturist moneylenders by their debtors and is a step towards the agriculturist moneylenders being placed for the purposes of the Punjab Alienation of Land Act in the same position as non-agriculturists in the matter of permanent alienations of land under that act.

It may be noted that this act was the first and the only acknowledgement by the so called zamindar representatives that the agriculturist moneylenders needed to be officially placed in the same 'rapacious' category as the non-agriculturist moneylenders.

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This acknowledgement was, therefore, contrary to what Chhotu Ram was officially and unofficially claiming and propagating.

Section 3-A of this act made it necessary for the agriculturist moneylender to obtain the sanction of the Deputy Commissioner for the permanent alienation of the land of his statutory agriculturist debtor. Such an alienation could be sanctioned to the agriculturist creditor only when three years had elapsed from the date of the repayment of loan by his debtor. This change brought in 1938 was projected as having placed the agriculturist moneylender in the same position as the non-agriculturist moneylender in the matter of permanent alienation of land. Chhotu Ram was once again in the forefront of the passage of this act and in building up a case for it. He claimed:

By putting an effective stop to the buying up of the land of agriculturist debtors by their zamindar sahukars, the Unionist Party has given ample proof of their genuine interest in the welfare of the small peasants and the backward classes.

He went on to candidly inquire: "is this handicap imposed on ourselves not proof enough?"

Chhotu Ram also claimed that the agriculturist moneylenders had been put under the same restrictions as the non-agriculturist moneylenders. In actual fact, the act placed no practical curb on the moneylending activities of the agriculturists. Most of the rich agriculturists were outside the purview of this act because

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226 Chhotu Ram openly maintained that an agriculturist moneylender was different from the non-agriculturist moneylender, i.e., sahukar, see above p.325.
227 The Punjab Alienation of Land (amendment) Act, 1938, op.cit.
228 FLAD, X, 22 July 1938, p. 1568. Also FLRA, 1935-36, para 31, p. 32. Also see JG, 23 Nov. 1938, p. 2; 26 April 1939, p. 1.
229 JG, 26 April 1939, p. 1.
230 JG, 19 April 1939, p. 1; 26 April 1939, p. 1; 14 June 1939, p. 4.
the definition of a "creditor" in the act demanded that a person had to be a moneylender before he could be brought under the act. Agriculturists who habitually took land on mortgage did not fall within the definition of "creditors" as given in the explanation to section 3-A, and could not be compelled to obtain the sanction of the Deputy Commissioner to any alienation of land in their own favour by their debtor clients. Besides, even an agriculturist "creditor", covered by the section 3-A of the Alienation of Land (amendment) Act of 1938, though not able to convert an unsecured loan into a permanent mortgage, nevertheless was not prevented by the act from taking in the land of a new client in mortgage for an unlimited period of time. The limited restrictions on sale also added to the number of tenants. The mortgagor would be reduced to the status of a tenant as he would now effect mortgage with possession for an indefinite time, and would to that extent become landless until the repayment of the loan. Debtor was given a very temporary protection for three years only, which in fact had been reduced from a period of five years to three, and an agriculturist who could not be determined as a "creditor" or a "moneylender" could buy the land of his debtor without any restriction. Small landowners had consequently little more safety than before. But in actual fact, the act was more or less an eyewash. It afforded no protection to the economically poorer agriculturists from the richer agriculturists or even from the professional moneylenders among them; for it firmly continued

231 See Section 3-A of the Punjab Act No. V of 1938, op.cit.
232 IOR:L/E/9/567, 1940, see handwritten remark on the bill.
to maintain, as before, the invidious distinction between the non-agriculturist moneylender and the agriculturist moneylender in the matter of buying or mortgaging the land of the agriculturists. In fact, it was because of this aspect that the British administrators, the economic experts, the Governor, and the Secretary of State, all agreed, though not publicly and openly, with the 'Hindu urban opposition' on the futility of the act so far as doing any practical good to the small owner was concerned. But, interestingly, despite this the Governor recommended to the Viceroy sanctioning of the act and saw "no reason" why the sanction should be withheld. Sikandar Hayat Khan and Chhotu Ram, on their side, resisted all attempts of the opposition to abolish the distinction between non-agriculturist and agriculturist moneylenders. Sikandar Hayat Khan's speech in this connection, given wide publicity in the Jat Gazette, perhaps to assuage the fears of the agriculturist moneylenders, read:

Although the zamindar Government is willing to save the usurpation of land of poor zamindar in lieu of debt, yet it is not willing to throw the sahukar zamindar out of the zamindar community and deprive him of other privileges as granted under the Punjab Alienation of Land Act. They would continue to have the same rights and continue to be the main beneficiaries in regard to buying and mortgaging of lands in relation to other people.

The last effort in this series of agrarian acts was called the Punjab Agricultural Produce Markets Act, 1939—Act V of 1939. Chhotu Ram introduced this act, popularly known as the Mandi Act,

233 Ibid., see extract of the Governor's letter, 22 July 1939.
234 Ibid.
235 JG, 30 Nov. 1938, p. 2. See speech of Sikandar Hayat Khan.
in the Punjab Assembly on 7 July 1938. Although the Punjab Assembly passed the bill on 2 February 1939, its application was postponed on account of wide protests that it evoked and consequently it hardly became operative. This act was amended twice, once in 1941 and again in 1944, due to powerful opposition and agitation against it in which both Hindus and Muslims were jointly involved. The entire issue during the World War II got mixed up with the public controversy on the centre's decision to inaugurate grain control, price control of wheat, and the newly passed General Sales Tax Act. Consequently, the application of the Markets Act remained suspended.

The purpose of the act was claimed to be the establishment of regulated markets in order that the agriculturist might get a fair price for his produce. Chhotu Ram's expectations from this act were:

The act will insure that the producers get a better price for the grain sold to the sakhār. The zamindar will be exempted from the hitherto illegal cuts made into this payment by the Lālājis on the pretext of payment to the sweeper, the chowkidār, the waterman, the Arhatī's cook and the beggars. They will also be free from the compulsory cash deductions made from the final payment in the name of certain charities such as Dharmshals, Gaushalas and Pathshalas. The proceeds of these deductions are seldom applied to objects for which they are ostensibly charged. Other dues having the sanction of usage are paid by the zamindars alone, i.e., Arhat (commission payable to the arhatī), Dalāl (commission payable to the broker), Tula (due payable to

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237 JOR/L/5/9/24, 1944, Note by legal adviser to the Secretary of State, 1944.
238 Ibid. Also see GI : Home Poll, F. No. 16/4/41, April 1941; 18/6/41, June 1941; 18/7/41, July 1941.
239 Statement of objects and reasons, Bill No. 9 of 1941, op. cit.
240 Chhotu Ram's speech on Mandi Bill in JG, 23 Nov. 1938, p. 8.
the man who roughly dresses the produce as it is put into the scalepan), Charahi (due payable to the man who fills the scalepan), Ota (due payable to the man who holds open the mouth of bag), Munimi (to arhati's scribe), and Palledari (porter), all these would be duly regulated. Barring Arhat and Palali other dues are payable in kind. Karda, a deduction in weight, is also conventionally made on account of impurities. Why should the zamindars pay all this? The lala equates a maund with 41 seers. 69 percent of the scales tested and 42 percent of the weights checked by the Punjab Banking Inquiry Committee were found to be incorrect. All in all, the zamindars get only $9\frac{1}{2}$ annas in a rupee for his produce. All this will be set right by the act.

Interestingly, on one hand, the Mandi Bill was advertised as "The Punjab Markets Bill: Higher prices for the cultivators", and, on the other, it was projected as benefiting the poor and small landowners rather than the big landowners. The reason for this, in the opinion of Chhotu Ram, was:

The bigger zamindars do not need to go to the mandi as the wholesale traders go to their houses and buy the produce. Even when they have to take their produce to the market the Palali (middleman) respects them such a lot that he does not dare to cheat or snub them. Whereas the small zamindars get cheated and looted by the sahukar.

That the small landowner did not have enough surplus to sell in the mandi (market) was conveniently forgotten by Chhotu Ram. Any surplus that existed was taken away by the moneylender, generally agriculturist in this case, from the threshing floor itself. Chhotu Ram also agreed that the sahukar took the surplus from the threshing floor, but Chhotu Ram's 'sahukar' was only the non-agriculturist sahukar and not the agriculturist sahukar.

It is clear that although theoretically all the agrarian acts had included in their ambit of 'debtor' class landowners

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241 C & MG, 5 July 1938, p. 8.
243 "Indebtedness in Punjab", an article by Chhotu Ram, see Madan Gopal, op. cit.
along with tenants of all kinds, as also agricultural labourers, in reality all these acts were designed to safeguard the property of the landowner whether it was land or houses or trees. The agricultural labourers, mostly drawn from among the untouchables of Punjab and not included among the statutory agricultural tribes, were not even allowed to possess land or houses. Thus, the official report on the working of agrarian legislation in Punjab cited the opinion of the Commissioner of Rawalpindi division:

I will not ... discuss the question how far agriculture has suffered, by many inefficient and improvident landowners of the privileged tribes being safeguarded in their possession of land, and other classes dependent on the land, particularly those known as village menials, being forever debarred from rising to the status of landowner, with the probable stimulus that this will ultimately give to class war and communistic movements.

In view of this, even Chhotu Ram who had been so insistent upon the inclusion of untouchables among the 'debtor' class was unable to point out any benefits accruing to them. He could merely say: "The Harijans have gained by these acts in the same way as all other castes have gained, who are directly or indirectly connected with the agriculturist castes."

Among the landowning debtors the acts imposing statutory control on interest rates and wide scale exemptions from attachment were theoretically beneficial to all debtors big or small. And the petty landowners did gain to a certain extent, but perhaps to a very paltry and dubious extent and for a very negligible length of time. For example, in Rohtak district, in view of the wide-scale exemptions, 78 percent of the judgement debtors were able to save

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244 CFRR Rohtak, F. No. P.XIII-209, p. 11.
their landholdings, standing crops, milch cattle, etc., from being attached. Among the remaining 22 percent cases also only 18 percent judgement debtors suffered merely temporary alienation of their lands. Although there is a complete lack of any other statistical data regarding the operation of the agrarian acts at the district or provincial level, it is not difficult to visualise that these 78 percent judgement debtors were not able to sustain the initial benefit granted to their small landholdings against a decree attachment. The consequent stoppage of credit from the decree holding moneylenders exposed them to the only other source which was readily available and functioning in the rural society of Punjab, viz., the big landowners, landlords and the agriculturist moneylenders.

In fact, the big landowners, landlords and the agriculturist moneylenders stood to gain most by these acts and in comparison the non-agriculturist moneylenders stood the lose most. So long as the Punjab Alienation of Land Act of 1900 remained dividing the population of Punjab among agriculturists and non-agriculturists and also separating the agriculturist moneylenders from other non-agriculturist moneylenders, all controls on the moneylenders were bound to adversely effect the business of non-agriculturist moneylenders alone. Apart from the legal restrictions and exemptions which made the recovery of loan from agriculturists so difficult, Chhotu Ram was also accused of inciting the agriculturists to withhold

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246 For details see above, pp. 335-342.
247 Almost total lack of information about the working of these acts was frequently acknowledged and commented upon by the officials of the Secretary of State for India. See IOR:L/E/9/2/9/24, 1944.
payment of borrowed loans to the sahukars with the political 248 motivation of winning them to his side. There was also "natural fear" among them, since the passing of the Restitution of Mortgaged Lands Act, that other mortgages dating after 1901 might also be interfered with by legislation. All these accumulated factors resulted, as brought out earlier, in many a non-agriculturist moneylenders winding up their business and migrating to the towns. The upper stratum of landowning class, which had already gained a footing in the rural credit system since the passing of 1900 act, effectively substituted the vacant moneylending agency in the villages.

Even Chhotu Ram was unable to make a case on behalf of the upper stratum of landowning class that it had not benefited by these acts. Against the most persistent and frequent accusations of the opposition regarding this, Chhotu Ram maintained that the total number of big landowners in Punjab was insignificant. Declaring that their number was limited to a mere total of 23, he maintained in April 1940:

In the Punjab there are just 13 landholders who pay a land revenue of Rs. 10,000 or more. There are only 23 landholders who pay a revenue of more than Rs. 5,000. Now suppose these 23 landholders stand a chance of getting the benefit of this definition (debtor) will the heavens fall?

The Minister for Development, who firmly declined to make any statutory distinction between the big and the small landowners, made his views clear to the Punjab Assembly:

248 HT, 21 Nov. 1939, p. 3.
249 CPRR Rohtak, F. No. F.XIII-209, p. 10.
250 For details see above chapterIII, pp.112-3, and above pp.335-8
252 FLAD, XIII, 8 April 1940, p. 283.
I do not think that there is any harm if one big zamindar also gets some benefit along with one thousand small agriculturists, particularly when the benefit cannot be secured to the small agriculturists without bringing the big zamindars also with him. I have no hesitation in saying that we do not desire to make any distinction between big zamindars and small zamindars. Our opponents, no doubt, seek to drive a wedge into the ranks of zamindars by creating distinction of big zamindars and small zamindars, rich zamindars and poor zamindars, tenants and landlords. But let me assure my honourable friends that our policy is to resist all attempts to create such distinctions and thereby to promote mutual discord between zamindar and zamindar (Cheers).

Under the all embracing word 'zamindar' whether creditor or debtor Chhotu Ram knew which strata stood to gain most.

In fact the well-to-do zamindar debtors became defiant in repayment of their debts. This attitude was more marked in their dealings with the Cooperative Societies and greatly contributed to the failure of this movement in Punjab. Almost all the Cooperative Societies were known to have suffered from the effects of excessive and improvident lending in the years when prices were high; with the setting in of the economic depression when the obligations could not be met many Cooperative Societies had to be liquidated. In the opinion of Punjab officials, after the agrarian legislation the zamindars became "obstinate in refusing to pay" the dues of the Cooperative Societies, and even the Taccavi loans of the government. In this respect the Registrar of Cooperative Societies, writing in 1942, observed:

I think the indebtedness legislation jointly with other causes has weakened the sense of moral obligation to a very great extent and the correcting of

255 Ibid.
this tendency is one of the chief social problems of the province. On this point cooperative officers have special knowledge because the movement rests so largely on mutual trust and moralities but it remains to be seen how far the movement can stand now that the legal sanctions for enforcing petty debts have almost ceased.

However, even before the indebtedness legislation, so far as Rohtak district was concerned even as early as 1930, there were certain agriculturist creditors who had been "intentionally malingering" and the Cooperative Societies had to take action against them. But by 1944, after a series of legislative enactments, the situation certainly deteriorated. In this connection Sultan Lal Hussain Khan, the Deputy Commissioner of Rohtak, observed:

The cooperative movement has not been quite a success in this district, partly due to overloading of poor peasantry and partly due to relief legislation which has made indebted peasantry, defiant and truculent in the hope of getting away scot-free by persistent refusal.

This "defiant" and "truculent" indebted peasantry in Rohtak district was actually from the strata of well-to-do debtors. This was acknowledged by Chhotu Ram in the Punjab Assembly. Speaking of the Cooperative Societies and the creditors of Rohtak and Hissar districts, Chhotu Ram said in February 1940:

I had lists prepared which showed that in some cases members who owed, say a few hundred rupees to a society, had purchased land worth thousands of rupees during the last few years and had never cared to repay the debts which they owed to societies.

Chhotu Ram made ineffective appeals to the debtors to pay their debts and openly acknowledged the failure of cooperative

256 HO Notes, A Latifi, Feb. 1930, CF Ambala Div.
257 HO Notes, DC Rohtak, Jan. 1944, op. cit.
258 PLAD, IX-A, 28 Feb. 1940, p. 775.
movement. As more and more debtors refused to repay many Creditor Cooperative Societies in Rohtak district had to be declared bankrupt. So much so that, according to the Haryana Tilak, the losses started to be forcibly collected from the zamindars and, by April 1940, the Cooperative Departments of the districts of Rohtak and Karnal showed 3,736 decrees, 170 auctions and 10 arrests of their debtors. Because of these forcible methods the Cooperative Department of Rohtak district came to be called Halwa Haryana ka Boochar-Khana" (slaughter-house of the Haryana region).

Another consequence of the agrarian acts, which was political in its nature, was the withdrawal of political support to the Unionist Government by the representatives of those non-agriculturists who stood to be adversely affected by these acts. The sahukars were so badly hit by the agrarian legislation that some of the leading Mahajans and Banias who had been so far loyal to the British Sarkar got alienated. The opposition from them grew so strong that even the urban Hindu members sitting on the government benches turned into opponents of the government. However, what the colonial government lost in the form of support of rich Banias and other 'representatives' of the non-agriculturist castes in Punjab was far outweighed by the direct political support from

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260 Ibid.

261 Ibid.

262 Ibid.

263 CFDC Gurgaon, F. No. 14(d), pp. 3, 4.

264 GT: Home Poll, 18/7/38, July 1938.
the 'agriculturists' especially the large landowners that accrued to the government and its leaders like Chhotu Ram.

Chhotu Ram's political gains were enormous. The Deputy Commissioner of Rohtak pointed out in 1939 that the recent legislation had further enhanced Chhotu Ram's prestige and had added to his influence among rural population. Hailed as the "champion of the downtrodden and the have-nots" Chhotu Ram was considered, even by some of the Congressmen, to be "genuine" in upholding the cause of small landowners. When Chhotu Ram spoke of benefitting the 'small zamindar' by the agrarian legislation he was not entirely incorrect. This was partly because of the widely differing patterns of landholdings in Punjab. The big landowner of Rohtak district and indeed that of the south-east Punjab, was a 'petty landowner' of the Western Punjab where landholdings were far larger than the 'big landholdings' of the Haryana region. Chhotu Ram alone, among the "aristocratic sort of" Unionist Party, emerged as the representative of "wider interests".

The agrarian legislation certainly strengthened the socio-economic base of Chhotu Ram's support in Rohtak district. Among his supporters the advantages to the agriculturist moneylenders were obvious. The number of regular moneylenders among agricultural tribes in Rohtak district which was calculated in 1929-30 to be double that of the non-agriculturist moneylenders undoubtedly

265 HO Notes, Chaudhri Ghulam Mustafa, 20 June 1939, op. cit.
266 See above chapter VIII, p. 276.
268 Sir George Abell, Interview, 7 Nov. 1978. Interestingly, most of the ex-civilians of Punjab remember Chhotu Ram as the leader of "petty peasants".
269 See above chapter I, pp. 21-28.
increased manyfold, greatly spurred by the economic field being made safe for them by the agrarian legislation so much so that the word 'Jat moneylender' came to be openly used for the agriculturist moneylenders in Punjab and even Chhotu Ram used it as such. The agrarian acts of Punjab therefore turned out to be 'golden' for the richer among the agriculturists of Punjab and the agriculturist moneylenders. Chhotu Ram's support and advocacy of agrarian legislation helped him in greatly strengthening his position among these classes who became not only his staunch supporters but also of other so-called zamindar representatives in Punjab.

The agrarian legislation was also responsible for the popularity and prestige of the Unionist Party in Punjab. Indeed, the popularity necessary for a successful continuation of the Unionist ministry, had also become imperative from the British point of view. The Governor of Punjab, writing to the Viceroy in 1938, commented:

"There is no doubt that the prestige of the Ministry at the moment stands extremely high throughout the Province. This is largely, of course, due to their recent agrarian legislation...."

Out of all the Unionist ministers, Chhotu Ram was singled out as being responsible for this legislation. Chhotu Ram had

270 PLCD, XXVII, 29 Oct. 1935, pp. 409-10; PLAD, V, 22 July 1938, p. 1572. Also see above, p. 325.

271 For the importance of Punjab and successful working of the Provincial Autonomy in Punjab see above chapter VII, pp. 254-5.

272 Linlithgow Coll, 87; See letter, 26 Oct. 1938. Same opinion was expressed in an earlier letter of Craik to Viceroy, 24 Aug. 1938. The Viceroy wrote to Zetland: "I have no doubt that the stock of the Punjab government with the majority of the population is very high indeed". IOR:L/8/8/1038, 1938.

273 All the ex-Punjab civilians interviewed agreed that Chhotu Ram was the single most potent force behind the agrarian legislation.
taken a prominent part in the agrarian legislation even under the Reformed Councils. And he was again in the forefront of promoting agrarian legislation in the Assembly and its popularisation outside through the press and platform. His extensive propaganda tours in this connection were also used by the Unionists as well as the Punjab officials to project him as "the most effective champion of the agrarian policy of the ministry". The Punjab Governor described him as the "main driving force behind the various measures for agrarian relief". Chhotu Ram's association with the agrarian legislation had great political significance for he had gradually emerged as the chief spokesman of the Unionist Party.

The extensively propagated identification of Chhotu Ram with the agrarian legislation, served an important purpose. It succeeded in giving to the Muslim dominated Unionist Party a handle and a platform to counteract the most serious charge of the Hindu communal opposition against the legislation, that the legislation was 'communal' in spirit and had been brought for the benefit of the 'Muslims' alone, as the 'Muslims' unlike the 'Hindus' were overwhelmingly 'rural'. This was perhaps one of the important reasons why Chhotu Ram was again singled out for attack by the 'non-agriculturist Hindus' in the Assembly and outside. The Haryana Tilak published innumerable news items regarding the opposition of 'non-agriculturists' to the agrarian acts and their

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275 Linlithgow Coll, 90: "Note on Punjab Ministers", 8 July 1941.
276 See all FLAD from 1938 to 1940. The most persistent charge of the 'urban Hindu' opposition was this.
attacks upon their 'chief author', Chhotu Ram. These news items and articles were very faithfully and regularly reported and commented upon in the Jat Gazette and Chhotu Ram effectively used the opposition of the representatives of the affected non-agriculturists to project it as the opposition of all the non-agriculturist Hindus to all the 'agriculturists', and himself in particular. Interestingly, more the representatives of these affected 'non-agriculturists' attacked Chhotu Ram as being responsible for these acts more he stood to gain personally as the 'champion of the zamindars of Punjab', a posture which he himself was keen to adopt and project. What greater tribute could be paid to Chhotu Ram in the eyes of the 'agriculturists' than the bitter attack of Gokal Chand Narang in the Punjab Assembly:

I can lay a wager that if Chhotu Ram was not in the cabinet probably none of these measures would have been brought forward.

The enormous political impact of the agrarian legislation in Punjab is thus clear. What is less clear is that such an impact was sought to be made deliberately through enactment of the acts

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278 JG, 8 June 1938, p. 5; 15 June 1938, pp. 5-6; 6 July 1938, p. 3; 13 July 1938, p. 3; 20 July 1938, p. 2; 27 July 1938, pp. 3-4.

279 FLAD, V, 24 June 1938, p. 238.
rather than through their actual implementation. While the bills were being framed, Emerson, the Governor of Punjab, had pointed this out to Linlithgow in his letter dated 22 December 1937:

... during the last month or two, as I have noted in recent letters, there has been a tendency to favour spectacular measures, which would have little practical results but would react against the moneylenders and the urban classes to the benefit of the rural classes.

This "spectacular" nature of the agrarian measures was reinforced by the hurry with which they were introduced. Later on, in July 1938, H.D. Craik, the Governor of Punjab, also reasserted what Emerson had held and advised the Premier not to insist upon the Restitution of Mortgaged Lands Act without collecting proper statistics. Sikander Hayat Khan conceded the point but maintained that the Unionist Party could not even "consider" the postponement of the measure. Similarly, E.D.R. Lumby, the legal adviser to the Secretary of State, remarked in January 1939 on the hurry with which the amendment of section 3-A in the Punjab Alienation of Land (3rd amendment) Act of 1938 by another amendment act in the same year was sought to be carried out:

These amendments appear to be sound enough but when a Bill of four clauses passed in July requires three amendments in November before it comes into force it seems to imply that things were being done in a somewhat slap-dash fashion.

280 The actual operation of the acts was considerably delayed on account of two of the acts being challenged in the Federal Court, i.e., Alienation of Land (amendment) Act, 1938, and Restitution of Mortgaged Lands Act, 1938, and also due to the enormous increase in the work of the revenue officials which invariably delayed matters to a great extent.

Linlithgow Coll, 86: Craik to Viceroy, 22 July 1938.
Ibid.
Ibid.
IOR:L/E/9/567, 1940.
Indeed, the four agrarian legislative measures were all introduced in July 1938, i.e., between the 16th and 21st July 1938. The fifth act known as the Agricultural Produce Markets Act was introduced in September 1938. This fact was used by Chhotu Ram as a slogan. He repeatedly asserted: "What we have achieved in four months the Congress can not do in 14 years".

Apart from the impact which was sought to be made by this package of agrarian laws, the hurry had very sound economic and political reasons. One such reason was the widespread destruction of the bumper crop and spread of cattle mortality soon after the new ministry took charge. In fact the south-eastern Punjab specially the districts of Rohtak, Hissar and Karnal were in the grip of a severe famine. Ruin faced many landowners as extensive debts had been undertaken on the promise of a rich harvest. A British official recorded that the zamindars expected full remission from the "new ministry" which was economically not possible, and the "infant ministry" stood to "stand or fall" by their handling of the situation as the outside agitators stood ready to exploit it against them. It was therefore necessary for the infant ministry to hurry up with ostensibly incualabi (revolutionary) measures which could be propagated as favouring

288 C.C. Garbett, op.cit.
the small landowners but which would in reality strengthen the
social basis of the Unionist Party.

This 'hurry' in the introduction of agrarian measures was
seized upon by the 'urban Hindus', who strongly objected to the
measures being rushed through the Assembly. This hurry, despite
strong 'urban Hindu' objections created, according to some, "a
very unfortunate impression" that the measures were directed
against the "non-agriculturist community". This impression had,
of course, a positive side from the side of Chhotu Ram and other
Unionists. They could thereby not only 'prove' that measures were
'pro-agriculturists' but also that 'agriculturists' existed as a
community as they had been claiming for years. Decidedly, the
impact of the enactment of four agrarian measures, all introduced
one after the other within a very short period, was going to be
much greater than the introduction of the same measures if spaced
out over a number of years. In any case, the impression that
these acts were for the benefit of "all agriculturists" rapidly
gained ground. The confidential fortnightly report of the Punjab
Government for July 1938 pointed out:

The Bills command the support of all agriculturists
and have been openly appreciated by such subversive
bodies like district kisan committees.

In August 1938, it again pointed out:

289 IOR:L/3/9/584, 1943. See minute of dissent in the
Select Committee Report.
291 GI : Home Poll, F. No. 18/7/38, July 1938.
292 GI : Home Poll, F. No. 18/8/38, Aug. 1938. In Sept. 1938,
however, a 'kisan conference' organised at Lyallpur passed
a resolution against the agrarian laws. The officials
opined that they were instigated by the 'non-agriculturists'.
The popularity of the Bills among all classes of agriculturists has been strikingly illustrated by those who welcome and listen to the speeches of the Minister of Development (Sir Chhotu Ram) during his tours of districts in south-west and central Punjab.

In August 1938, Craik reported to the Viceroy:

There seems to be a widespread impression that the tillers of the soil are now beginning to get a square deal.

Indeed, this widely created and projected "impression" was the best result of the agrarian legislation as it helped the 'Zamindar Government' to claim the support of 'all agriculturists' regardless of caste, class and creed. Even the Congress leaders had to agree that the Unionist Party had succeeded in "posing" as the "guardian of agricultural interests" and in winning over their sympathy.

Apart from this direct gain to the 'Zamindar Government', the colonial government also stood to gain. This was clearly recognized in a confidential letter of Craik to the Viceroy in September 1938:

... in the last resort the safety of India depends not on the attitude of the Congress, but on the loyalty of the Punjab. As Hailey used to observe "So long as you have a loyal and contented Punjab peasantry, you can rely on your Indian Army and can face with confidence any situation that may arise in other provinces".

In Sir Sikandar's view (and again I may add in mine) the great mass of the Punjab peasantry are at present loyal to the British connection. In spite of low prices and consequent economic depression, they have been heartened and encouraged by the recent agrarian legislation and believe that the Ministry is determined to do still more to promote their prosperity and that a better time lies ahead.

295 Ibid., see letter, 10 Sept. 1938.
This impression of the impact of the agrarian legislation on the "contented Punjab peasantry" was also responsible for the fact that the agrarian acts received official sanction despite very severe reservations by the British officials on the merits of these acts. These acts also increased the Unionist ministry's leverage vis-a-vis the colonial authorities. This is clear from the letter of H.D. Craik to Linlithgow written on 26 January 1939:

Sikandar and the ministry are not prepared to accept the amendments proposed by the Secretary of State. But there is some further information which I think I ought to give you privately. Sikandar told me that from a political point of view he would not particularly mind if the Secretary of State continued to oppose the Bill, although this would mean the resignation of the ministry, which would presumably be followed by the dissolution of the assembly, as no alternative ministry could command its confidence, and a general election. This sequence of events would, in Sikandar's view, have the effect of rallying his party both in the assembly and in the constituencies. He and his colleagues would take a firm line and gain considerable credit by representing themselves as sticking to their guns and boldly refusing to accept dictation from White Hall.

I have no doubt in my mind that a campaign on these lines would have most unfortunate consequences... quite apart from the political difficulties with which it could confront us and the exultation which it would create in Congress circles all over India. It is not necessary for me to emphasise how very unjudicious it would be to precipitate anything of this kind, specially when no important principle is at stake.

The British colonial government also gained by the political damage that this agrarian legislation caused to their chief opponent, i.e., the Congress. The dilemma of the Congress was highlighted by the confidential fortnightly report of the Punjab Government for July 1938:

296 IOR/L/5/9/567, 1940, Craik to Linlithgow, 26 Jan. 1939.
297 GL 1 Home Poli, F. No. 18/7/38, July 1938.
The Congress Party, both in and outside the legislature, has found its position extremely difficult. It has been strongly urged by Urban Hindu organisations to oppose the Bills, but under pressure from above has found itself unable to show itself hostile to measures which are clearly intended to benefit the masses and are popular with the great majority of electors. The Congress members of Assembly have therefore adopted a vacillating attitude which has evoked the severe condemnation of the Hindu nationalist papers, the Hindu Mahasabha leaders and a number of Congress workers who disapprove of the new legislation.

In the opinion of the Punjab Governor, expressed to the Viceroy in September 1938, the vacillating attitude of the Congress regarding the agrarian legislation in Punjab had the following result:

It's prestige is probably lower than it has been for many months. It has, however, now come down pretty definitely on the side of the non-agriculturists and against the Bills. This move is certainly not likely to increase the Congress' chances of strengthening its hold on rural areas.

The Punjab Congress President acknowledged this in a letter to the All India Congress Committee in December 1938:

Although the Congress is not clear about agrarian legislation this provides the Unionist Party with a handle to defame the Congress. They say that the Punjab Congress is opposed to measures which help the agriculturists. This point should be cleared otherwise there is no chance of the Congress becoming popular in the masses, majority of which are agriculturists.

The agrarian acts were indeed used extensively by Chhotu Ram to attack the Congress for its ambiguous attitude towards

298 Linlithgow Coll, 87: Craik to Viceroy, 6 Sept. 1938.
299 AICC Papers, F. No. PL-10, 1937-39, Dr. Satyapal to Subhas Chandra Bose, 8 Dec. 1938. Differences within the Congress on this account were openly acknowledged by the Tribune, 7 July 1938, p. 3; 14 Aug. 1939, p. 1.
them. In all this Chhotu Ram was ably helped by newspapers like the *Statesman* and *Civil and Military Gazette*. The effort of some of the Punjab Congress leaders to show that the agrarian laws were against the interests of agriculturists was not successful. These endeavours of the Congress, together with its own vacillating stand on agrarian issues, and the solid opposition offered by certain non-agriculturists in the name of entire castes, justified, in the eyes of the general rural public, the criticism made by Chhotu Ram that the Congress was an association of sahukars and shopkeepers and hence 'anti-agriculturist'. In fact, it was the agrarian legislation of the Unionist ministry which did the greatest damage to the Congress. H.D. Craik, writing about the Congress in September 1938, commented:

> It is torn by internal dissensions and has been thoroughly discredited even among the rural population by its equivocal attitude towards the recent legislation.

The agrarian legislation of Punjab, therefore, stood to directly strengthen the social base of the privileged landowners.
favoured by the British since 1900 and also to weaken the Congress. Both these factors noticeably stood to strengthen the British hold in Punjab.

All in all, the agrarian legislation in the late thirties was the outcome of a successful alliance between colonial government and the landowners of Punjab. The attempt of Chhotu Ram and his colleagues was not so much to protect the economically poorer agriculturists, whose socio-economic condition deteriorated noticeably as seen in the case of Rohtak district, but to safeguard and promote the interests of the comparatively stronger landowning strata in Punjab. There could possibly be no one policy in agrarian field which could produce uniform legislation for all the different categories and classes of agriculturists. For example, the agrarian legislation of Punjab theoretically operated in relation to all landowners, big or small, and also the tenants and agricultural labourers. However, the latter classes, who generally borrowed from the landowners, did not even formally fall in the category of 'debtors' because the lending authority, i.e., the landlord lending to his tenants, etc., was not included within the scope and definition of a 'moneylender'. Interestingly, Chhotu Ram who had strongly condemned the exclusion of landlords from the definition of the moneylender as being "illogical" when the Registration of Moneylenders' Bill was under discussion in 1925 and had said "that if the landlord was not included he would become from a landlord a pure moneylender", himself

303 See Punjab Alienation of Land (3rd amendment) Act 1938, \textit{op.cit.}

304 IOR:F/11649/1927, see proceedings of the Committee on Punjab Moneylenders' Registration Bill, 7 to 9 Sept. 1925.
excluded the landlord from the scope of the definition of a money-
lender while helping to frame a similar bill in 1938.

In practical working, therefore, the agrarian reforms of
Punjab benefited the bigger landowners at the expense of small
landowners as well as the non-agriculturist moneylenders, while
producing marginal benefits for the small landowners. For the
small landowners it was a mere substitution of one sahukar by
another; one as rapacious, if not more, than the other. This fact
did not find adequate public expression at the time because the
major critics of the agrarian legislation were the rich non-
agriculturists who made this point to protect their own exploita-
tive position. Often the opposition, beyond saying that the
agrarian legislation benefited only the big zamindars and jagirdars,
was unable to explain why this was so; nor was it able to project
an alternative legislative programme that would benefit the small
landowners, tenants and agricultural labourers at the expense of
both the agriculturist and non-agriculturist landlords, money-
lenders and big landowners. The Congress attempt at defining
the "smaller men" among the landowners to be restricted to those
with an income of Rs. 1,200 and below was a rather petty effort
in this direction.

The report of Punjab officials on the working of agrarian
legislation in Punjab made a very relevant and interesting
observation regarding this point:

305 See above p. 339.
In 1939 many zamindars were still in doubt whether the acts were golden as their sponsors alleged or of some baser metal.

For Chhotu Ram such doubts did not exist. Speaking on behalf of all zamindars he publicly claimed that as a result of agrarian legislation, "ninety percent of our debts stand extinguished".

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