CHAPTER-I

ORISSA AGRICULTURE DURING THE BRITISH REGIME

INTRODUCTION

The glorious Hindu rule in Orissa came to an end after the death of Mukundadev, and the State went into the hands of the Afghan Sultan, Suleiman Karani in 1568 A.D. The Mughal switched over to a centralised system of land revenue administration and divided the State into two main regions: plain and coastal areas known as Mughalbondi and the hilly region called Garjat. For administrative convenience, the Mughal emperors appointed local revenue collectors who, in due course of time, became zamindars in their respective jurisdictions. It was thus the Mughals who implanted the zamindari system in Orissa.

With the arrival of the Marathas in 1751 A.D. the division of the State into Mogalbondi and the Garjats continued. Further, the Garjat areas were under semi-independent rulers and the Mugolbondi area was divided into four revenue districts: Cuttack, Bhadrak, Soro and Balasore. Still further, there were 150 paraganas and smaller revenue units such as taluk, Choudhury, taluk Kanungo, taluk wilayati, taluk Sudder Kanungo, mukadami and mujakari. Among the major changes the deliberate decentralization of the land revenue administration needs to be underlined. In an over all sense, the Maratha rule was adjudged the worst. It crippled the agro-economic conditions of the people.

The cultivators were obliged to pay not only high rates of land revenue to the Maratha Government but had also to supply numerous necessities to the soldiers, practically free of cost. Under such an oppressive regime, agriculture became an unprofitable profession. Very often, the cultivators left their profession and resorted to robbing. It was a period of decadence, and the agro-economic conditions of the people had reached the lowest water-mark on the eve of advent of the British rule in Orissa.  

The East India Company received Southern Orissa (Ganjam, Phulabani and Koraput districts) as a gift from the successor of Salabat Jang Nizam Ali of Hyderabad in 1766. The Northern part of Orissa (Balasore, Cuttack and Puri districts) was brought under the British rule in 1803. The Western part of Orissa had a varying history which had little in common with the Southern and Northern Orissa.

Starting from the last quarter of the eighteenth century to the end of nineteenth century, the British administration was mainly confined to the revenue administration, and augmentation of land revenue was the first target. Since the land revenue was the major source of income to the British Government, it gave early attention to the question of land ownership and its revenue settlement. Until then, the multiplicative relationships between the tenants and the landowners and between the landowners and the Government were so complicated and confusing that the British Government took about half a century to understand the

problem especially in Northern Orissa. For this reason, the problem of land revenue settlements, in their diverse manifestations, continued to be baffling till the end of the nineteenth century. All types of experiments were made and many mistakes were committed. Luckily, this problem was less severe in Southern Orissa.

So, the British rule began in 1776. The period 1776 to 1947 was full of many agrarian changes. A brief survey of this period will enlighten us of the background for the numerous agrarian problems in which Orissa had been plunged till the arrival of India's Independence. This chapter, therefore, gives a broad historical overview of the major developments concerning land revenue administration, tenancy system, stratification of peasantry, size of holding and productivity of land, cropping pattern, irrigation, technology, agricultural credit and marketing, rate of rent and wage, etc. Such a review should apprise us of the type of agrarian structure that Orissa inherited on the eve of Independence; in particular, an inventory of the inherited historical problems should become evident from such a review so that the whole gamut of post-Independence policies and programmes could be critically analysed in the light of historical constraints typically faced by the agrarian economy of Orissa.

The British Government in Orissa initiated the first settlement in 1804. This was followed by a package of alternative solutions to the inherited problems of land revenue settlement. Out of these alternatives, a few stand out namely: (i) to farm out land to the zamindars under a
permanent arrangement as was done earlier in Bengal; (ii) to farm out land to the Zamindars on short-term arrangement and (iii) to employ collectors to collect the land revenue and hold the land under direct (Khas) management.

After a series of temporary settlements extending over 2 or 3 years, in 1837, a thirty-year settlement was concluded. This settlement was carefully based on a field survey and an investigation into the individual rights of each land holder and under-tenant. In 1865-66, Orissa was in the grip of serious famine and the economy of the province was shattered. The condition of agriculture had drastically worsened and vast areas were left neglected. The settlement, therefore, which was to end in 1867 was extended to 1897. A settlement for sixty years was a record in the history of land revenue administration of British India.

However, the land revenue settlement was not less than a farce throughout the British Rule in Orissa. Some of the British experts like Edmonstone, Cecil Beadon, John Lawrence supported the permanent settlement; whereas others like Charles Wood were in a dilemma with respect to its result. Those who were in favour of such a settlement argued that the permanent settlement would create a number of middlemen, in course of time, where the profits of landlords were being distributed among them, and as a result, a large number of affluent groups including zamindars would be subjected to pay income tax and customs, and state would be a net gainer. The argument against the permanent settlement was

that the inelasticity of land revenue under such a system would bring a great loss to the government in the future.

It is a pity that everybody remained reluctant to think about the ability of the tenants to pay rent or about the productivity of land. Their ideas were fixed around the maximum amount of revenue that state should enlist under the simplest possible method of its collection.

Before 1936 some southern portion of Orissa (Ganjam, Koraput and Phulbani) were under the Madras presidency; Cuttack, Balasore and Puri (Orissa proper) were appended to Bengal presidency and Sambalpur (Western part Orissa) was attached to the central provinces.

Taking these Oriya speaking tracks from different provinces, a separate province of Orissa was formed on April 1, 1936. With this territorial amalgamation, however, the tenancy system in Orissa became more diverse and complicated. For example, the Raiyatwari System was then prevailing in the southern part, the zamindari and Khas Mahal in north western parts, and rented feudal lords in Garjat areas, and some areas were rent-free, as well. In the zamindari areas, it observed two systems: (i) permanently settled areas and (ii) temporarily settled areas. A committee was appointed by the Government of Orissa in 1946 to recommend legislative and other measures for straightening out the diverse systems of land revenue collection that were in vogue in different parts of the province. In pursuance of the recommendations of this committee, the government abolished

intermediaries in land tenure system by paying compensations. This work was completed by 1951.

Soon after the conquest of Orissa, the British found that the cultivated lands of the Mughalbandi areas were tilled by two classes of ryots: 'thani' or resident cultivators, and 'pahi' or non-resident cultivators. The thani ryot had a hereditary right of occupancy in their lands, whereas the pahi ryots were mere tenants-at-will. The thani ryots had many advantages over the pahi ryots. The thani ryots could possess the best land in the areas and were allowed to enjoy communal rights to pasture, firewood and thatching grass. They held their homestead and garden land free of rent. They could not be ousted so long rent was paid regularly. The pahi ryots paid a much lower rent than their thani brethren, but on the other hand, they were liable to be turned out of their holding at any moment. 6

For conferring the occupancy rights on pahi ryots, a special provision was made in Act-X of 1859. Under this provision, the pahi ryots who had been in possession of their holdings for twelve years or more, could get occupancy rights. The only distinction between the thani and pahi ryots was that the rent for the pahi ryot was not fixed; on any specific ground, the amount of rent could be raised.

The lower stratum of peasantry was sub-divided into: (a) peasants with little land and some implements for cultivation were called marginal peasants, (b) peasants with land but devoid of capital stock for pursuing cultivation

were generally called share croppers; these peasants leased-out their entire land to the marginal cultivators or to the agricultural labourers; (c) peasants without land and having some fixed capital earning their livelihood largely by working as agricultural labourers and at the same time, cultivating a few plots of land obtained on lease from the rich tenants or share croppers, called agricultural labourers and (d) the destitute peasants having no land and no capital earning their livelihood by working as day labourers, usually defined as labourers. 7

The first two categories had to depend on the rich tenants for cultivation, and after the transfer of their land to the affluent peasantry, they became share croppers which developed a new phenomenon in the second phase of the nineteenth century. Hunter Commission noticed that sub-letting of land for share-cropping (bhag chasa) was not widely prevalent. After the 1866 famine and subsequent rise in population, the class of share croppers in Orissa became prominent. 8 According to an official estimate in 1946, the percentage of families living mainly as share croppers was as small as 3.5, but the percentage of land cultivated by them was as much as 15.6. 9

Agricultural labourers were 'Bar Masiya' who were engaged throughout the year as servants in the agricultural establishments of the ryots. In many cases, 'bar

8. Ibid, p. 244.
masiya' (agricultural labourer) leased-in some plots of land from his employer (ryot) on share cropping basis, in which ryots' demanded share produce which was to be adjusted against the annual wage of the barmasiya. On the other hand, a nagmulia labourer was committed to engage himself for the whole year in the ryots' fields, without the support of boarding and lodging. In many cases, he was promised a reward in kind on the basis of his performance. For all practical purposes, both these classes of labourers were bonded labourers. The 'thicca mulia' or 'danda mulia' (different types of labourers) who were engaged on daily basis, were paid either in kind or in cash.  

According to Maddox Report, the landless labourers constituted 44.0 per cent of total population in 1897; out of which, agricultural labourers were 2.5 per cent, daily labourers 5.0 per cent, artisans, servants and professionals 26.0 per cent and beggars were 0.5 per cent.  

According to another report in 1946, the percentage of agricultural population was 72.68 per cent, the percentage of landless labourer families was 31.00 per cent of total families, whereas landless agricultural labourer families constituted 13.5 percent.  

The continuous growth of population led to subdivision of land holdings under the operation of law of inheritance. The British Government could not take any step  

to prevent such fragmentation of holdings. The process of sub-division continued unabated. The zamindars were in favour of such sub-division, because, they thought that the smaller the holding the greater were the chances of rack-renting and easier was the process of revenue collection.

In 1900, the average size of operational holding excluding waste land in Balasore, Cuttack and Puri was 1.86, 1.26 and 1.82 acres respectively. The average size of holding including waste land was about 3.00 acres in all three districts. In the same year, the average size of a field (parcel) excluding waste plot were 0.34, 0.24 and 0.20 acre in Balasore, Cuttack and Puri districts respectively. Thus, on an average, actual land area owned by a typical ryot was considerably higher than the size of cultivable land area. In terms of actual production potential area owned could not, therefore, describe the poor agrarian reality of Orissa.

On the eve of Independence, there was glaring disparities among the tenants in distribution of ownership of land area as shown in Table 1.1. It is evident that a fairly big percentage of tenant households had owned with tiny land area say, less than one acre. On the other extreme, an extremely small percentage of tenant households were located in higher size class possessing a relatively much larger percentage of ownership land areas.

The decline in productivity of land was another striking phenomenon which shook the agrarian economy of Orissa during the British regime. Banerjee's report on

average outturn of paddy in Cuttack district, between 1885-86 and 1888-89, can be taken as an imposing instance.

Table - 1.1

<table>
<thead>
<tr>
<th>Size of Tenant holding (acre)</th>
<th>Percentage of tenant households</th>
<th>Percentage share of total ownership area</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 1</td>
<td>26.70</td>
<td>3.30</td>
</tr>
<tr>
<td>1 - 3</td>
<td>32.10</td>
<td>13.60</td>
</tr>
<tr>
<td>3 - 6</td>
<td>20.40</td>
<td>18.60</td>
</tr>
<tr>
<td>6 - 10</td>
<td>10.30</td>
<td>16.60</td>
</tr>
<tr>
<td>10 - 20</td>
<td>7.10</td>
<td>20.80</td>
</tr>
<tr>
<td>20 - 40</td>
<td>2.60</td>
<td>14.20</td>
</tr>
<tr>
<td>40 - 75</td>
<td>0.60</td>
<td>5.30</td>
</tr>
<tr>
<td>75 - 150</td>
<td>0.15</td>
<td>3.30</td>
</tr>
<tr>
<td>150 - above</td>
<td>0.05</td>
<td>4.30</td>
</tr>
</tbody>
</table>


Table-1.2

Average Net Outturn of Paddy in Irrigated and Unirrigated Land (mound per acre)

<table>
<thead>
<tr>
<th>Year</th>
<th>Irrigated</th>
<th>Unirrigated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1885 - 86</td>
<td>18.02</td>
<td>13.16</td>
</tr>
<tr>
<td>1886 - 87</td>
<td>18.01</td>
<td>14.15</td>
</tr>
<tr>
<td>1887 - 88</td>
<td>13.92</td>
<td>10.50</td>
</tr>
<tr>
<td>1888 - 89</td>
<td>14.47</td>
<td>12.58</td>
</tr>
</tbody>
</table>

Source: N.N. Banerjee, op. cit. Appendices pp.(xx viii-xxix)
It is clear in Table 1.2 that the average net outturn of paddy in Cuttack district faced a consistent decline since 1885-86 not only in unirrigated but painfully in irrigated areas as well.

The decline in land productivity during the British regime could be attributed to numerous factors, more important among them were: (i) the increased cultivation of less productive land areas contributing to a decline in the over-all yield rates, (ii) the absentee landlords not taking any interest to increase the productivity of land, because, during the period of short-term settlements, the landlords hoped that the future settlement would be the permanent settlement, in which the same occupied area would not come under their possession; (iii) the landlords apprehended that any increase in production might mean ultimately a higher assessment of their estates, and accordingly they made attempts to see that agriculture was neglected; and (iv) the exorbitant rate of rent including different cesses by the zamidars discouraged the tenants and destroyed their initiatives to work hard and produce more.

The British Raj had endeavoured to introduce commercial agriculture in Orissa. In addition to rice, sugar-cane was one of the principal food crops. But, due to unsuitable soil, lack of adequate capital investment by the private enterprise and lack of encouragement from government or from the landlords, the sugarcane cultivation remained a crop only for local requirement. For example, by 1883, in Cuttack district, a mere 2,000 acres were sown with cane, and in Sambalpur, it occupied one percent of total cropped
Towards the end of the 19th century, there was an improvement only in Balasore district due to private initiatives. Grams, pulses and oilseeds were among the principal rabi crops of Orissa in the 19th century. It occupied around 7.0 per cent of total cropped area in Cuttack district in the year 1900.

The cultivation of jute, tobacco and indigo not very popular. A Muslim merchant introduced indigo cultivation in Cuttack. The cultivators in Balasore district adopted jute cultivation towards the last decade of the nineteenth century. However, jute cultivation failed to become popular as there was no jute mill to use the raw material. Tobacco cultivation, which required rich alluvial soil, was largely undertaken in Cuttack and Puri districts. In Cuttack, it occupied 200 acres in 1873, which rose to 10, 140 acres in 1891-92. But the poor quality of tobacco discouraged capital investment. The soil in Orissa proved unsuitable for extensive cotton cultivation, where largely inferior quality was cultivated. Moreover, with the increasing popularity of imported clothes, because of its fine yarn and cheapness, the cotton cultivation reached the lowest ebb.

Besides, failure to irrigate land for commercial crops (in many cases, the zamidars did not allow

17. O'Malley, L.S.S. B D G: Cuttack, calcutta, 1909
the tenants to use canal water for cash crops production), it led towards monoculture instead of diversified agriculture. The absence of outside market for agricultural produce except rice and limited internal market, did not provide any incentive to peasants to produce commercial crops on a big scale.

With respect to rent and wages, we notice that between 1837 and 1897, the rent enhancement by the Government was the highest in Cuttack and lowest in Puri districts. For example, the increase in the rate of rent per acre in 1897 over the year 1837 was 43.32 per cent in Cuttack district, 26.00 per cent in Puri district and was 37.00 per cent in Balasore district. In response, the zamindars and other intermediaries enhanced the rate of rent per acre arbitrarily and it had no linkage with the Government rates. Since a majority of tenants were poor, the incidence of increased rent rates coupled with various other cesses and fines imposed by the zamindars was much higher than that in most other states. The Government rarely interfered to check the arbitrary enhancement of rent and extraction of different cesses by the zamindars. In the early years of the British rule, remission of revenue was granted to the zamindars in the years of bad harvest with instructions to discontinue collection of rent. But, in spite of Government order, the zamindars continued to collect rent from the cultivators. Not only that, the timid tenants were also compelled to pay a number of extra cesses known as 'awab' on items, such as growing grass, bettlenuts, mango, cotton, and even on

celebrating marriage. Then taxes like 'derivalla', 'Najaya' and 'Palatak' worked as penalty taxes imposed on the tenants. Over-burden of such penalty taxes compelled many a tenant to desert his land and migrate to other areas.

Moreover, under the 1837 settlement, the zamindars and subordinate holders were allowed to retain 30.00 per cent of the collection as remuneration. In course of time, it was raised further and in 1897, it reached a very high level of 60.00 per cent. Besides, the percentage share of revenue, what the zamindars received in terms of cesses, taxes and penalties was entirely consumed by the zamindars.

The wage to the agricultural labour and rural artisans was in the form of kind or in cash. In the rural sector, the most preferred mode of wage was in kind. In Table 1.3, we see that while wage in kind remained stagnant, wage in cash for agricultural labourer had increased by 50.00 per cent between 1814 and 1898.

<table>
<thead>
<tr>
<th>Year</th>
<th>Money Wage A-P</th>
<th>Wage in kind (in seers)</th>
<th>% of increase in money Wage</th>
<th>% of increase in wage in kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>1884</td>
<td>2 - 0</td>
<td>2 to 2 1/2</td>
<td>----</td>
<td>-----</td>
</tr>
<tr>
<td>1898</td>
<td>3 - 0</td>
<td>2 to 2 1/2</td>
<td>50.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>


The price rise of essential food stuff proved fatal to the interest of marginal farmers. The price rise had increased by 206.00 per cent between 1836 and 1898. Thus, the money wage earners were to suffer much more acutely as
their real wage was declining continuously. For this reason, most of the labourers preferred wage in kind to money wage.\(^\text{19}\)

In the second part of the 19th century, the company's Government conceived that an elaborate irrigation system would act as a safeguard against famine and would encourage commercialisation of agriculture and navigation. The utility of irrigation was very little known to Oriya cultivators till 1866. Wells and canals were non-existent. Sugarcane and sometimes tobacco were irrigated from tanks and springs. The East India Irrigation and Canal Company was thus formed in August 1860 for building irrigation works in Orissa. The works finally started in November, 1863 and water was available for irrigation at the beginning of 1866.

In 1873, the Government found that the capacity of existing canals was to irrigate 195,000 acres of land, whereas only 12,571 acres of land had been actually brought under irrigation, \textit{inter alia}, due to the reluctance of the cultivators apprehending an enhancement of land rent. A large proportion of cultivators knew that, besides the price of irrigated water, they would be called upon to pay an indefinite increase of land rent. There was also a strong feeling among the zamindars that the land revenue of those lands which might be improved by irrigation, would be enhanced in the land revenue settlement. Hence both zamindars and tenants refused to use water from canals.

In order to resolve this problem, in August, 1866, the Government declared that land brought under

irrigation would not be liable to enhancement of revenue in future settlements. According to the recommendation of the Ravenshaw Commission, the water rate was actually reduced. The direct consequences of this was a steep rise of area under irrigation from 12,571 acres in 1873-74, to 98,495 acres in 1877-78, and further to 133,028 acres in 1882-83. Since then, larger and larger acreage of land area was brought under irrigation. For example, we see in Table-1.4 that the average irrigated gross cropped area was 172,981 acres during 1890-91 and 1892-93, and it increased to 219,076 acres between 1902-03 and 1904-05.

Table - 1.4

<table>
<thead>
<tr>
<th>Triennial Period</th>
<th>Average annually irrigated land (acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kharif</td>
</tr>
<tr>
<td>1890-91 to 1892-93</td>
<td>169,383</td>
</tr>
<tr>
<td>1893-94 to 1895-96</td>
<td>110,211</td>
</tr>
<tr>
<td>1896-97 to 1898-99</td>
<td>183,364</td>
</tr>
<tr>
<td>1899-00 to 1901-02</td>
<td>198,248</td>
</tr>
<tr>
<td>1902-03 to 1904-05</td>
<td>213,745</td>
</tr>
</tbody>
</table>


During the second quarter of the present century, there was an appreciable enhancement in irrigation by canals and wells. The Government and private canals could irrigate 355,000 acres of land in 1936-37 (Table-1.5), which increased to 426,000 acres in 1943-44. Similarly, the areas irrigated by tanks and wells was 303,000 acres in 1936-37.

Table- 1.5
Area Irrigated by sources and crops (000 acres)

<table>
<thead>
<tr>
<th>Source</th>
<th>1936-37</th>
<th>1940-41</th>
<th>1943-44</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Govt. Canals</td>
<td>305</td>
<td>314</td>
<td>374</td>
</tr>
<tr>
<td>2. Private canals</td>
<td>50</td>
<td>54</td>
<td>52</td>
</tr>
<tr>
<td>3. Tanks</td>
<td>295</td>
<td>300</td>
<td>491</td>
</tr>
<tr>
<td>4. Wells</td>
<td>8</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>5. Other sources</td>
<td>697</td>
<td>728</td>
<td>688</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1355</strong></td>
<td><strong>1405</strong></td>
<td><strong>1635</strong></td>
</tr>
</tbody>
</table>

Crops irrigated
1. Rice             | 1233    | 1259    | 1462    |
2. Cereals spulses   | 217     | 69      | 93      |
3. Sugar cane        | 30      | 39      | 30      |

**Total**            | **1521**| **1408**| **1656**|


and 521,000 acres in 1943-44. Further, although Irrigation by canals and wells was expanding steadily, still the traditional sources of irrigation continued to command the highest rank. Out of total irrigated cropped area, the percentage share of rice was the highest, ie. 81.07 per cent in 1936-37, which increased to 88.29 per cent in 1943-44. Incidentally, a unique feature of irrigation in Orissa during the British regime was that the Government canal irrigation concentrated only to coastal districts of Balasore, Cuttack and Puri.
With respect to technology in agriculture, Oriya cultivators continued to work with the traditional mode of production without any appreciable change in the implements for cultivation till Independence. The Agriculture Department was started in the Bengal Presidency in 1891 with the objective to influence the peasantry for improving their technique of farming by using modern tools and by adopting scientific methods. It did not make much impact till about the last decades of the 19th century.\textsuperscript{21}

Agricultural production was largely based on labour-intensive technology. The farmers were using certain implements such as spade, axe, chopper, cloud breaker and harrow, etc. which were made of iron extracted out of the native charcoal furnance by the local blacksmiths. However, towards the end of the century, due to availability of imported steel, utilisation of native iron declined.

In some regions like Mayurbhanja and Bamra, the rulers introduced scientific farming to educate the peasantry in modern technique of cultivation. The improved farming machinery like thrashing machine and iron saw were imported from Calcutta. But these farm implements did not gain wide popularity as these proved beyond the reach of ordinary peasants.\textsuperscript{22}

Drought cattle were a part of the fixed capital that the peasants invested in their land. For better cultivation, better bullocks were required. But the poor

\textsuperscript{21} Jit, N.K. op. Cit. p. 183.

\textsuperscript{22} Cobben Ramlym, L E.B Feudatory States of Orissa, Calcutta, 1909. p. 121.
peasants had largely a stock of poor quality cattle which, under general economic duress, they could not maintain them in good health. The high incidence of the death among the under-nourished cattle constantly exposed to cattle epidemics was a general phenomena. Cowdung and garbage were used as manure in cultivation. Till Independence, the farmers in Orissa had no knowledge about the use of chemical fertilizers in agriculture.

In brief, traditional techniques of agricultural production held complete sway in Orissa agriculture till the eve of Independence. Neither the governemnt nor the cultivators themselves had tried to bring a change in the old techniques of cultivation.

During the British period, the traditional money institutions were the source of borrowing for the cultivators. The cultivators borrowed mostly for paying wages to daily labourers, reclamation of land, minor irrigation, purchasing seeds from landlords, payment of rent to the zamindars (especially, during the failure of crop), and so on. The small and marginal tenants resorted to borrowing from the village moneylenders, mahajans, big tenants etc. to defray their family expenditure on foodgrains and other necessaries for life.

Towards the close of the last century, an average peasant possesing 10 mana (6.4 acres) with five family members found himself perpetually in debt. According to Kingsford, Revenue officer of Balasore, in 1990

the average income of such peasant from cultivation was 41 rupees 10 annas 6 paise (Rs. 41.68), but his annual expenditure was 46 rupees 10 annas 6 paise (Rs. 46.68). The net deficit of Rs. 5 was made up through borrowings. The traders, money lenders, contractors and superior cultivators both in tribal and coastal regions, were responsible for cash credit expansion, due to introduction of money market mechanism. Besides these agents, the bulk of the rural credit (in terms of goods) came from the village mahajans. They were the small scale corn dealers-cum-affluent peasantry of the village who aimed at controlling the produce, labour and land of the rural areas.

There are no firm statistics for the total credited amount. From the contemporary official records, folklore and literature, we know that the whole range of agricultural operators and landless labourers were found to be perpetual borrowers. The poor peasants were forced to sell their crop output at cheap rates at the time of harvest and were left without reserve stock for survival in times of frequent scarcity and droughts. The low price of corn, lack of marketability of the produce and inadequate development of infrastructure and stagnant wages in kind for the labourers created an atmosphere for making money-lending an integral institution of the agrarian economy.

Besides, frequent occurrence of drought and flood became an important factor for keeping agricultural production at low levels. It caused a very high incidence of rural poverty in Orissa. Throughout the 19th century, flood,
inundation and drought played havoc in the agrarian sector. For example, the years: 1803, 1806, 1808, 1809, 1813, 1817, 1828, 1830, 1837, and 1842 were drought years in Orissa. In 1815, there was a severe flood. In 1831, there was a major cyclone, which damaged extensive areas in Balasore district and was described as the worst calamity that had ever visited the earth. The province had not yet recovered from the earlier shocks when it was visited by a devastating flood in 1834 and a severe storm in 1842. During the second half of the nineteenth century, there were repeated floods affecting the life of people. There were floods in 1851, 1853, 1855, 1856, 1857, 1862, 1866, 1868, 1872, 1874, 1877, 1879, 1880, 1881, 1885, 1892, 1894, 1895, 1896, and 1900. In the years 1866, 1872, 1874 and 1892, there were severe cyclones which destroyed much life and property. Of all these calamities, the worst was the famine of 1866 (Nanka Durbhikhya). Its severity was felt very acutely in every nook and corner of Orissa and one million (ie. 30 per cent of population) people were reported to have died of starvation.

AGRARIAN ORISSA ON THE EVE OF INDEPENDENCE

When the British regime ended in 1947, agriculture in Orissa was fairly backward. It showed a number of structural and institutional weakness; in particular the agrarian structure left behind by them posed many formidable challenges to the post-Independence policy makers.


On the eve of Independence, sharp regional variations were discernible in land tenure system within Orissa which had continued to exist, with certain minor modifications and rearrangements from time to time, since the inception of British Rule. After a lot of experiments with short-term settlements from 1804 to 1837, the British Government had concluded the zamindari and khas mahal (direct management) land tenure systems in the northern part of Orissa comprising Balasore, Cuttack and Puri districts. Also, in the western parts of the state (Sambalpur with seven feudatory states) the same zamindari and khas mahal systems continued to prevail till Independence. In contrast, in southern Orissa (Koraput and Ganjam districts) the raiyatwari system had prevailed till Independence.

In 1945-46, about 69.43 per cent of total area was under the zamindari system; out of this 44.30 per cent was under the permanently-settled estate and 25.13 per cent under the temporarily-settled estate. The area under the raiyatwari-khas mahal and revenue-free estates constituted 29.02 per cent and 1.55 per cent of total area, respectively, In its neighbouring state of West Bengal, about 87.87 per cent of total area was under the zamindari system in 1945-46, where the permanently settled estates and the temporarily settled estates claimed 80.66 per cent and 7.21 per cent respectively, rent-free land area was only about 4.25 per cent. Similarly, in Madras and Assam, in the same year, the land under zamindari system was 31.71 per cent and 15.84 per cent respectively. It is thus evident that in 1945-46, in
Orissa and Bengal, a very high proportion of land was under the zamindari system.27

In the zamindari areas of Orissa, two systems had been in operation since 1897: (i) permanent settlement and (ii) temporary settlement. The khas mahal was under the direct control of the British Government, and rented feudal lords were controlling garjat areas, where there were no British influences.

In sum, a multiplicative land tenure system was prevailing in Orissa on the eve of Independence: zamindari and khas mahal in northern and western parts of Orissa, raiyatwari in southern Orissa, rented feudal lords in garjat areas, and some small pockets were still continuing as rent-free zones.

The existence of a large number of proprietary intermediaries between the actual (tenant) cultivator and the government was a gift of the British regime. These intermediaries were variously known as zamindars, choudhuries, kanungoes, makadams, village headmen, jagirdars, and the like. These categories had emerged after the introduction of the 30-year settlement in 1837. Gradually, they became powerful in controlling the rural economy and were acknowledged as the most privileged class in the rural society. The zamindars paid their land revenue direct to the British Treasury, while the sub-proprietors like choudhuries, kanungoes, etc. were to pay their collected revenue through the zamindars of the estates within which their land lay.

27. Abstract of Agricultural Statistics in India, op. cit.
Within them, there were also lakheraj bahaldars or holders of revenue free lands, who had been possessing a permanent right to hold their land free of land revenue since the native rule. In the garjat areas, the tenants were paying rent directly to the chiefs (kings) through administrative officials appointed by them. In the raiyatwari areas (in southern Orissa), the village headmen were collecting rent from tenants and were directly paying to the British Government till the abolition of intermediaries took place in the fifties.

Thanks to the formidable authority derived under the numerous acts and settlement arrangements, the zamindars and other intermediaries continued to levy a number of extra-rent cesses (awabs) on tenants as late as the arrival of Independence; perhaps, even a little beyond that. Sometimes, the tenants were compelled by the zamindars to pay a number of extra cesses and the British Government rarely intervened effectively in this matter. Then, there were some absentee zamindars who had left behind their estates under the care of amals, who too exploited the tenants in many different ways. Although the British Government had been making provisions, laws and enactments, from time to time, to lend more security of tenants, yet it seemed that on the eve of Independence, the tenants were far from being happy as regards their security, rights and privileges.

In the face of continuing pressure of population, the law of inheritance was causing the land holdings to get sub-divided. The British Government also encouraged the policy to sub-divide the holdings, because the process of
rack-renting and rent collection would then be easier. For example, in Cuttack district, the number of holdings rose from 54,000 in 1837 to 319,000 in 1897 and in Balasore from 15,000 in 1837 to 75,000 in 1897. The process of subdivision continued unabated till Independence, and the British Government had not taken any concrete step to prevent the menace of rising fragmentation of holdings. It is, however, important to note that during the last few decades of the British rule in Orissa, large forest areas were cleared and fallow lands reclaimed for cultivation purposes. But for these measures, the continuing process of subdivision of holdings might have drastically reduced the average size of holding. So big was the impact of forest clearing and reclamation of falls that the average size of holding in fact increased from 3.0 acres in 1900 to 4.72 acreage in 1946.

The progress of reclamation of falls, to some extent, can be known from the percentage share of falls to total area at different time points. For example, the percentage of area under falls in the years 1936-37, 1940-41 and 1945-46 was 8.23, 7.72 and 6.58 respectively; the percentage of cropped area was 34.17 and 35.24 in the years 1936-37 and 1945-46 respectively; and area under forests declined slightly from 12.81 per cent in 1936-37 to 12.66 per cent in 1945-46. All this shows that a large percentage of annual addition to total cropped area was coming through

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29. Ibid. p. 182.
the reclamation of fallows during the closing years of the British empire.

Similar to the pattern observed for many other states, the land distribution structure in Orissa was fairly acutely skewed when the British rule ended in 1947.

Blyn's study shows that the yield of foodgrains (especially rice) per acre in Greater Bengal had been declining since 1911. Non-foodgrains yield per acre was moving steadily upward, but the rate of increase was not as rapid as in most other regions. He argued that the drastic decline in yield per acre was mainly attributable to the Bihar-Orissa portion of Greater-Bengal. The annual average yield of rice per acre in Bihar-Orissa was 5.60 quintal during 1912-13 and 1916-17 (period -I) and 4.48 quintal during 1932-33 and 1936-37 (period-II). The decline in annual average yield per acre in period-II was 20 per cent of that in period-I.

Again, during the years 1937-38 to 1945-46, the average yield of rice per acre was declining continuously. The average yield of rice per acre was 0.32 ton in 1937-38 and it declined to 0.25 ton in 1945-46 (about 22 per cent decline). The national averages of yield of rice per acre was 0.37 ton and 0.32 ton in the years 1937-38 and 1945-46 respectively (percentage decline was 13.5). That means compared to the whole nation, the decline in yield of rice


32. Abstract of Agricultural Statistics in India (1936-37 to 1945-46), op.cit.
in Orissa was higher and average yield per acre stood at a fairly low level during 1937-38 to 1945-46.

Thus, productivity of land showed a declining trend till the eve of Independence. The probable reasons for such happening were: (i) in the period starting with 1931-32, sugarcane acreage expanded, at least in part, by moving into the more fertile rice lands and causing rice to shift to less fertile lands; 33 (ii) the rainfall during a number of years since 1911 was very low or untimely and this was partly responsible for a fall in the productivity of land; and (iii) lastly, the negative attitude of the tenant cultivators as well as land owners to invest in land improvement was another factor contributing to the secular decline in agricultural productivity.

On the eve of Independence, the cropping pattern was very heavily dominated by rice cultivation. For example, in 1945-46, rice covered 71.80 per cent of total cropped area.

In addition of rice, sugarcane was the next principal food crop grown in Orissa; but it was a crop only for local requirement. In 1936-37 sugarcane, cotton, jute, tobacco and oil-seeds (commercial crops) constituted only 0.44, 0.11, 0.20, 0.41 and 2.40 percentage of gross cropped area respectively; it increased to 0.50, 0.13, 0.29, 0.46, and 2.54 percentage in 1945-46 respectively. With respect to increase in productivity to some extent, sugarcane was in a better position than other nonfood crops. The yield of

sugarcane was 18.12 per cent higher in 1945-46 over 1936-37. Similarly, in the case of jute, it was only a 6.28 per cent increase in 1945-46 over 1936-37. The yield rates for cotton, tobacco and oil-seeds actually declined in the year 1945-46 by 15.40, 17.00 and 10.80 percentage respectively over 1936-37. In the case of tobacco the situation was still worse.

The incidence of rent and various awabs (cesses) with penalty taxes was much heavier on the lower strata of peasantry. Over burden of such awabs and penalty taxes was compelling some tenants to desert their land and migrate to other places. This was seen to be continuing even till the abolition of zamindari system in Orissa. The wage to the labourers and artisans was in the form of cash or in kind. The wage in cash was increasing, but real wage was declining due to relatively higher increase in the prices of essential goods that occurred continuously between 1900 and 1947. Moreover, the conditions in the labour market were so bad that the labourers had no way to fight for an increase in wage rate in the rural economy. The increasing number of labourers was absorbed at constant wage rate (especially in kind) till the eve of Independence.

The irrigation base in Orissa was poor on the eve of Independence, and was concentrated only in a few regions. To protect crops against frequent occurrence of drought, the British Government had initiated to create irrigation facilities through canals towards the end of nineteenth century. We take two consolidated periods: from 1890-91 to 1904-05 (15 years) period I and from 1936-37 to
1943-44 (7 years) period-II. During Period-I, the average annual irrigated land was 180,205.2 acres, which constituted only 11.00 per cent of net sown area in 1900.34 During Period -II, the average annual irrigated land was about 15,28,000 acres, which constituted 22.97 per cent of net sown area. In 1945-46, the irrigated area constituted only 23.09 per cent of net sown area in Orissa.35 During the forties, Orissa's percentage figures on irrigation hovered around the national annual average percentage.

Another remarkable feature of irrigation expansion in Orissa was that the Government canal irrigation was concentrated only in the coastal districts of Balasore, Cuttack and Puri. Moreover, the zamindars were less inclined to allow the tenants to use canal water, because they were expecting that the revenue assessment of such land would then be higher resulting in net economic loss to them.

On the eve of Independence, Oriya peasants were largely using traditional production technology, based on labour-intensive methods of production. Till Independence, in general, the use of chemical fertilizers in the field of production was totally unknown to the Oriya farmers.

The village mahajans, moneylenders, traders, contractors and superior cultivators were the main source of rural credit in Orissa; there were no organised credit institutions till Independence. Because of the usurious practices indulged in by these functionaries a very large of

34. James, J.F.W., op. cit. p. 117.
peasent families led themselves to a state of perpetual indebtedness.\textsuperscript{36}

Output performance varied among farm size categories. This was especially so in the cultivation of rice. The available evidence shows that the small and marginal farmers were producing relatively more on per acre basis than the rich and big farmers. The marginal/small farmers could derive the benefit of higher output per acre primarily because the production technology was highly labour-intensive, and these were the farmers who had sufficiently higher quantum of family labour for every acre of land operated. Moreover, being operated largely with family labour, time-flexibility in the use of labour was a great advantage to such farmers. Still further, mainly on the strength of extensive use of their family labour, these farmers worked hard to ward off the menace of poverty as much as they could. It was, therefore, quite natural that such farmers could raise production on the fixed acreage of land; on the other hand, the big and rich farmers did not perceive special incentive (neither price nor higher surplus) to produce more; in many instances, they preferred to act as middle men in rice marketing.

The hope of the small and marginal farmers to reduce the severity of poverty through raising output was not

\textsuperscript{36} Banerji, N.N., op. cit. pp. 10-20.
always realized. Often, they were forced to sell their produce just at the time of harvest, when the price was relatively lower, because they had promised to defray their debt soon after the harvest, and were left without much stock of food for survival in times of frequent scarcity. The village money lenders, mahajans and big-farmers and all those who were acting as middlemen in rice marketing, were extracting gain from the poor farmers in two ways: (i) purchasing rice at much lower prices and (ii) selling or lending it at much higher prices later during the lean months. In spite of their continuous effort to improve their economic standard, the poor farmers were ultimately trapped by the vicious circle of poverty. This continued to happen in rural Orissa, during the British period, because there was no organised market institutions.

There were thus numerous structural, technological, institutional and economic constraints, which were confronted by the lower strata of peasantry in Orissa till the eve of Independence. The holdings held by these categories of farmers were generally uneconomic in nature in as much as they were projected to provide very limited onfarm employment opportunities to their working members, and quite often, deficit in food even for meeting the annual family consumption. They were exploited through high rates of rent with extra-rent cesses (awabs) by a number of intermediaries and the feeling of insecurity of tenure affected them far more grievously than higher farm operators.

The use of traditional technology in the field of production was believed to be a big deterrent to
agricultural development during the British period in Orissa. Neither the British Government nor the farmers themselves had tried to bring a feasible change in the method of cultivation till independence. The institutional constraints were far more severe for small and marginal farmers. The inputs, product and credit markets were so trapped by the big farmers, land-lords, etc., that there was less possibility for the marginal and smaller farmers to escape from it. The vicious circle of poverty afflicting these strata of peasantry was the ultimate result of the interaction of the above three constraints in Oriya rural economy till the eve of Independence.