"Let me see ten good oxen and ten maunds of mixed grains, the milk of a buffalo and some sugar to stir into it, and a fair assessment after harvest; God give me so much, and I won't say another word", that was the desire of a villager in Panjab, before annexation. According to some writers, in those days few cultivators had more than two meals a day, and for the most part life was sustained on cakes of flour made of wheat or millet, flavoured with turnips, onion or melon (according to the season), and washed down with buttermilk. Dress too was of the simplest. But under the British a change had to take place.

To the young British administrators after annexation, the Panjab with its thirsty plains, unutilized rivers, and willing manly population, was like a newly discovered country with great natural resources awaiting the development which, they claimed, the English brain and organizing power alone could give. Guided by the Lawrences, the business of administration went on apace. Dalhousie was essentially the great road maker of India. During his eight years of office (1848-56) crores of rupees were spent on the neglected arteries of commerce. The

2. Condition of other classes was better no doubt.
Board lost no time in preparing plans and estimates for diverting
the rivers of the Panjab from their beds in the lowest levels
between the doabs to the water-sheds thereof. In the matter of
barracks, court-houses, jails, dispensaries, and the other
material requirements of a settled government, also, construction
proceeded as far as money was available: the varieties of coins
in circulation, most numerous of which was the multiform Sikh
rupee, called Nanak Shahi, were gradually called in, and
replaced by Company's rupees.

The sudden pacification of the province after annexation,
the cessation of military and political employment which occupied
many thousand of persons and caused money to circulate in the
villages, induced large numbers to devote themselves to
agriculture. Formerly a proportion of the agricultural classes
were engaged in war and service of various kinds, and thus they
supported themselves and contributed to the support of those
who tilled the land at home. But now the entire support of all
these classes fell upon the land. Again, there came a cycle of
seasons more favourable than the average of years under British
rule. From all these causes the agriculture became unusually
productive, flooded the market with produce, and reduced prices
nearly 50 per cent. This cheapness rendered it difficult for the
agriculturists to obtain cash for their produce, when they wanted
it to pay their new money assessments. There was less money in
the Panjab than previously; large sums, which would formerly
have circulated in the Panjab, were remitted to other parts of the
empire by the soldiery and other Government employees. Again, the

4. see Finance 1850 Nos. 67, Progs.3, April.
fact that nothing but cash was accepted in payment of the
government revenue, enhanced the value of money. The agriculturist
therefore, with abundance of surplus in his hands, found difficulty
in converting it into money and this difficulty was perhaps
aggravated by the unvarying nature of the Government demand
(however low) with men accustomed to annually fluctuating demand
under the Sikh rule.

All these circumstances combined to distress the
agriculturist immediately after the annexation. But these
days were not to last long. Soon, a large number of the
Panjabi husbandmen enlisted themselves in the army and thus
replaced the soldiers coming from other parts of India. Within
the years 1856-58, it was reported, the Native Army being
Panjabi all the sums formerly drained from the Panjab had been
paid to them, and had been spent at home. Again, many thousands
of Panjabi soldiers were serving abroad. These men not only
remitted their savings, but also had sent quantities of prize,
property and plunder, to their native villages. The effect of
all this was perceptible in an increase of agricultural capital,
a free circulation of money, and a fresh impetus to cultivation.
There had, of course, been a diminution of labouring hand to
till the ground, such large numbers of husbandmen and having
enlisted in the army, but this was more than compensated by the
augmentation of those means which were the sinews of agriculture
as of every thing else. Probably at no time since annexation
had the agriculturists of the Panjab been in such easy
circumstances as they were in 1857-58. The Panjab had just been

blessed for the third time in succession with a bumper harvest, and the people were consequently in a very happy frame of mind.

If the British gave them so much during these years, the Panjabis were not slow to acknowledge it. And the time for it came in 1857, when rumours of British disasters at various places in India circulated. Here and there, it is true, the most ignorant of the more idle and thriftless amongst the Mahommedan tribes - already under British institution beginning to lose status and means of easy subsistence - were growing restive. With these insignificant exceptions - ripples here and there on the glassy surface of a tranquil ocean - the Panjab was as quiet and law-abiding throughout 1857 as during any year before or since. Not only this much, Panjabis fought for the English, so that they could recover their position in the rest of India. There might have been many other causes for this loyalty of the Panjabis during the Mutiny of 1857, but the part which the increasing prosperity of the Panjab peasant played, was great.

When Lord Dalhousie entrusted to the Board of Administration, the Government of the Panjab, he had directed that every effort should be made to develop its resources and to foster trade, and expressed himself in the following terms:

"By prosecuting these projects of employment and directing the energies of the people to new sources of interest and excitement, we may gradually wean them from those schemes of agitation and violence, which the inveteracy of habit and the prestige of long and uninterrupted success under Maharajah Ranjit Singh had hitherto encouraged, and it may be our happiness before long to see our efforts crowned by the conversion of a martial and hostile population, into industrious subjects cultivating the arts of peace and civilization."

9. ibid, 212-213.
The subsequent history of the Panjab till 1857 shows that these expectations were more than fulfilled, for although the martial and hostile population of the Panjab had no entirely thrown aside the sword, their martial energy was more often exerted in the support of order, and of the British Government, than against it.

AFTER THE MUTINY

The Panjab was becoming more and more prosperous, all the reports of the Financial commissioner and Settlement Officers of the Panjab agreed. An enormous increase of cultivation was taking place in Panjab, it was reported in 1879: the sinking of multitudes of irrigation wells, the increased production of more valuable crops; the gradual substitution of masonry dwellings for mud huts, of brass for earthen vessels; increased expenditure on goods from Manchester and decreasing application for agricultural loans from government; were all the signs of increasing prosperity of the country. It was seen also in the fact that, notwithstanding a large export of grain in 1876, the markets were so overflowing that there was a danger of a glut; and that, inspite of a total failure of the autumn harvest of 1877, there was no general distress in the Panjab. In the Sikh times, it was further reported, stock and dairy produce was taxed, and sometimes, heavily. It was now practically untaxed, for assessment of grazing lands was nominal. The local rates and cesses were light. The sum total of Imperial and Local taxation combined in 1876-77 did not exceed £3,762,000, falling at the rate per head of only 3s. 8d. and this was only
a very small part of the total income of an agriculturist.

"I venture to assert with confidence" wrote Mr. T.H. Thornton, the Judge of Chief Court and Secretary to the Punjab Government, after making different calculations of the income and expenditure of an agriculturist in Punjab, "that Her Majesty the Queen and Empress has few subjects more well-to-do (in their small way) few more contended, few more well affected than the peasant cultivators of the province of the Punjab." 12

Further development of all the resources in Punjab was reported in 1891. There were all round improvements in the Punjab. Improvement of sanitation of villages and of drainage works. There was further extension of cultivation under food and non-food crops. Out turn and export of wheat had increased. There was development in production as a result of the development of irrigation. And as a result of an enquiry, which had been made in 1888, reported Mr. Steadman, the Director of Agriculture, there was not a district, nor a tract in the province, neither in the fertile and densely-populated submontane districts, nor in the arid, sparsely populated tracts of Bar and that in the west, in which the people habitually suffered from a daily insufficiency of food. Actual owners of the land were in no danger of starvation. Nor could the village mendicants starve, because their existence was necessary for the well-being of the village. Various measures had been

11. By three different processes, and giving all the benefits of doubt to the agriculturist, Mr. Thornton estimated that an average peasant after meeting all his necessary expenses, could save at least 6 pounds (average rate of exchange in pence per rupee in 1877 was 20.3) a year with his income as then it was. These 6, he further added, were equal to 60 a year of an English peasant, as articles of ordinary use in Punjab were cheaper than they were in England. These conclusions of his were accepted by the authorities—see Material Progress Report Punjab - 1881-1891.

taken to protect the province from the occurrence of famine. There was a development of communication and that of trade, and all this was developing the prosperity of the province.

Love of travel, there could be no doubt, and for adventure especially if it was backed up by the prospects of lucrative employment, was increasing. Especially so in the last decade of the century. The number of third class passengers travelling in the Panjab railways had increased from about 10½ millions per annum at the beginning of the decennial period (1891-1901) to more than 17 millions in the year ending on the 31st March 1901.

Notwithstanding vague traditions of a golden age, and exceptional instances of families and even villages burdened with debt, there could be no doubt that in many respects, the peasantry and especially the land owners in 1901, were much better off than what they were thirty years before. They ate better food and wore better clothing, owned more horses and more valuable utensils and jewels, and altogether their standard of living was much higher. The average value of currency notes in circulation in 1871-72 was Rs. 84,13,359, in 1891-92, it was Rs. 134,17,440 and in 1900-01 it had risen to 2,04,77,985. The postal saving bank in 1891-92 held in deposit Rs. 62,62,584, and in 1900-01 had to account for Rs. 1,09,11,336. Income tax receipts also arose.

14. It was only few years before that special efforts were made to popularise the currency notes. see Rev. Reports for 1865-1870, also for 1875-77, p.44.
15. It was in 1872-73 that the Financial Commissioner recommended the extension of the system of saving banks to all districts. It was repeatedly reported during the following years that the treasury and later on Postal Saving Banks had been a convenience to clerks in government offices and to soldiers in cantonments, but in the rural population they had no effect whatever. see Rev. Adm. Reports, 1872-73 to 1884-85; also see Chapter X, especially for incometax.
European and American made drugs and cigarettes; German watches and patent shoes, were luxuries which were common enough in the towns, and within a few years before 1801, the bicycle had become a common feature in every town in the province. The use of tea as a beverage was extending, even to the villages.

A DEFINITE PROOF

That the general prosperity of the people in the Panjab increased during the British rule, may further be proved from the following facts concerning the labouring classes.

The true measure of the labourer's prosperity is the margin he has left over from his wages after providing for his necessary wants. As compared with his daily food, his other needs are of little importance. For clothing, the agricultural labourer of a poorer class in the Panjab, was content with few garments of coarse cotton and a woollen blanket or two. For shelter, he was happy in a house of some dried bricks, made with his own hands and with the help of his neighbours. For fuel, he or his family could always pick up enough sticks or dung to make a fire to bake his scones, or heat his milk or boil his vegetables broth. He rarely tasted meat or spirits, and his chief luxuries were sugar and tobacco; which were not taxed inside India and were therefore cheap.

After a long experience on famine relief works, it was found that a man doing a fair daily task of spade-work was kept in good condition if he was given a daily wage sufficient to enable him to buy 2½ lbs weight of the cheapest grain; not

that he ate so much grain, but that covered also the cost of salt, 
firewood and vegetables. Few labourers actually consumed more 
than 2 lbs. of flour in a day. Taking, however, the case of a man 
who had to support out of his own earnings a wife and two 
children, such a family could not possibly consume more than 
2 maunds a month. Taking into consideration the rise in the 
price of food-grains, we have the following figures.

17. Wilson, Sir James, 38-39.
18. ibid, Appendix 5.
### Average Prices in Rupees of Two Maunds of Jowar at Lahore. 19.

<table>
<thead>
<tr>
<th>Years</th>
<th>Average Price in Rupees of Two Maunds of Jowar</th>
<th>Margin of Comfort in Rupees.</th>
<th>Average Price of Common Mason, Carpenter or Blacksmith.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1873</td>
<td>5.2</td>
<td>2.6</td>
<td>12.8</td>
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<td>1874</td>
<td>5.4</td>
<td>2.9</td>
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<td>5.4</td>
<td>2.6</td>
<td>13.5</td>
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<td>1876</td>
<td>5.7</td>
<td>2.4</td>
<td>13.6</td>
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<td>1877</td>
<td>5.5</td>
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<td>13.7</td>
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<td>2.4</td>
<td>15.2</td>
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<td>1886</td>
<td>6.2</td>
<td>3.2</td>
<td>15.4</td>
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<td>17.1</td>
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<td>1895</td>
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<td>18.3</td>
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<td>7.0</td>
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<td>18.2</td>
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<td>1899</td>
<td>6.3</td>
<td>4.1</td>
<td>19.4</td>
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<tr>
<td>1900</td>
<td>7.3</td>
<td>6.5</td>
<td>19.2</td>
</tr>
<tr>
<td>1901</td>
<td>7.2</td>
<td>3.7</td>
<td>18.9</td>
</tr>
</tbody>
</table>

19. It reported what the married labour had over, after providing food to keep him and his family in good health, to spend on clothing, comfort etc.

20. This is true for whole of the province.
Thus notwithstanding the rise in prices, the average labourer was much better off in 1901 than he was formerly. The figures show, however, that in years of scarcity when grain was dear, this margin of comfort for the married labourer was dangerously reduced. This was the condition of the married labourer who obtained constant employment at the average rate of wages. But, of course, there were often times when he found it difficult to do so, and must be content to accept lower wages temporarily, or go in search of work, or do without it for a time. This was especially the case in seasons of widespread drought. Formerly such conditions gave rise to famine, and it required all the resources of the State to keep the people alive. Towards the close of the 19th and the early 20th century, however, thanks to the great development of cultivation and irrigation, to the accumulation of capital and to the constant demand for large bodies of unskilled labourers on the canal and railway works, there was now little fear, except in small isolated tracts of the country, of the development of famine conditions to such an extent as to necessitate the opening of large relief works.

Similar was the rise in the wages of the skilled artisan classes.

Press in the Panjab did appreciate this all round development in the province under British rule, and although some of the papers—like Koh-i-Nur and Paisa Akbhar—criticised the

21. For instance in 1897 and again in 1900, the years of famine.
22. Wilson, Sir James, 39-40.
23. Home 1883, Public, May, 125-126 B; see also Home 1885, Public, March; 3-4, B.
general governmental policy violently, the general tone of the press remained loyal. Sometimes, indeed, long articles appeared in the praise of the government. Thus according to Khair Khwah-i-Panjab, the English were brave and kings, in their ruling they (the people) drew comfort, fire, water, air and all were in their power.

Yet this picture of all round developments in the Panjab, was not pleasing enough, on the whole.

That during the British rule an average man became more prosperous there was little doubt. But the great and sudden rise of prices and wages could not be without its hardships, especially to those classes whose income was a fixed number of rupees. Although the great mass of the population of the Panjaf, land-owners, tenants, and labourers, were producers as well as consumers, and there could be no doubt that for them the net result of the rise in prices and wages must be great increase in their wealth and although the number of the peasants under debt was only small as compared with their total population (about 1/8th of the land was under mortgage in 1901), the life in village, generally, was yet simple. An ordinary villager wanted very little beyond actual necessaries; and, with a few

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24. one of the questions often referred to was the discrimination between European and the natives. See Home 1882, Public, March 11-12, B; Home 1883, Public, Feb., 127-128, B.
25. see Home 1885, Public, March 3-4, B; Home 1892, Public, May, B; Home 1894, Public, May, 98-99, B.
26. it was a long article giving an account of the benefit of the British rule - Home, Secret, N.P.R. Panjab, N.W.P. etc. 1868, pp. 35-36.
27. Wilson, 41.
exceptions such as watches, kerosine, kerosine lamps and piece-goods (a very important exception), these wants were supplied by local labour. The agriculturist still got his ploughs, well gear and carts made up in the village. In fact after reviewing the entire field of activities of the British rule for the benefit of the great mass of the peasants of Panjab during these years, the only conclusion that can be arrived at is that the Panjab peasant enjoyed three meals a day, instead of two before annexation, and, except in times of scarcity or famine, was not in want though in many cases his earnings were not more than sufficient to provide him and his family with a fair supply of the necessaries of life.

In the time of famine, however, the things were different. In fact the most striking thing that one observes in this connection is the lack of staying power shown by the cultivating classes, so that the instant the monsoon failed, millions of the people were hungry. The cultivator seemed to be living at the brink of ruin without reserves of cash or kind, or credit, and he asked himself how it was that a generation of railway, and more than a generation of trading with the west, found the people touching bottom, with nothing and less than nothing to show for all the exports and imports and internal developments. The causes of the general poverty of the peasant and of the province as a whole, were not far too seek.

29. Provincial Reports on Material Condition of the People. 1881-1891.
30. History of famine I.G.I.P., i, 94.
A point to be noticed here in this connection is how the whole administration was unconsciously assuming an urban complexion. The prosperity in the country was in fact viewed more from the stand-point of the town than from that of the village, which latter, was the need of the country. The rapid growth of large urban centres was regarded with pride. The construction of rail and road encouraged the process, and the very educational system was adapted more to those who lived by the pen than to those who lived by the plough. In the Panjab the development of the canal system did something to redress the balance, but the villager's ignorance and improvidence robbed the boon of half its advantage, and with the decay of the village community and the establishment of a complicated system of justice administered by town-bred men of desk, the peasant suddenly found himself at the mercy of money-lender, lawyer, and a trader. The first tempted him to borrow, the second to quarrel, and the third to waste. Consequently, the wealth, which rising prices and increasing production brought to the village, was sucked back into the town before it had time to fertilize the soil. The more essential need of the province was therefore the creation of something which could replace the village community which had partially protected him from these evils in the past, but which had now decayed under the British rule. More essentially

there was a need of something which could teach men to combine
to face and remedy these wrongs.

It is astonishing to note that, before the government
considered the question, in the Una Tahsil of Hoshiarpur, the
people themselves had furnished a brilliant example of
co-operative efforts. A Rajput Society of Panjawer, a village
of average size, situated on the inner slopes of the Siwaliks,
was formed in 1892, which was never fostered by government, and
of which the very existence was unknown for nearly 10 years. It
was founded by the lambardar of the village, named Mian Hira
Singh under whose guidance the 55 land owners who joined the
society handed over the whole of the undivided land (about 1500
acres) to an elected committee, which was to apply the income
from the land in taking over the mortgages held by out-siders
on behalf of the mortgagors; and in making ordinary advance,
and generally for the improvement of the village. By 1905
the society had already taken over all the land mortgaged to
outsiders at a cost of over Rs.10,000; had lent about Rs.3,000
on short loans at 6 per cent; and saved the common land from
3
certain dangers, which was also one of the purposes of its
4
formation.

The government themselves proceeded only just after the
end of our period of study. The first step by them in this
direction was taken with the passage of the Land Improvement
(1883) and Agriculturist’s Loans (1884) Acts. But these Acts
were not much successful in their purpose. It was in 1900 that

2. when it was reported upon.
3. like the attacks of chos (mountain torrents)
4. see L.A.I., 222 etc.
5. see Chapter VII.
the review of the Madras Government of the report of
Mr. (later Sir F.) Nicholson who was placed by them on special
duty for the purpose of enquiring into the possibility of
introducing a system of agricultural or other land banks, came
under the notice of the Government of India. About the same
time Mr. H. Dupernex after experimenting with village banks in
the United Provinces had published a little book, "People's
Banks for Northern India," in 1900. This also came under the
notice of the Government of India, and as a result, the question
of introducing Co-operative Credit Societies into India was
considered by a committee which met in Calcutta in December,
1900. This committee was of the opinion that societies on
Raiffeisen lines might prove suitable. There next appeared
the Report of the Famine Commission (May 1901) with the
recommendations in favour of Mutual Credit Associations. The
whole question was thus referred to a committee which met at
Simla in June and July 1901, and drafted a bill and model
rule which were then circulated for opinion and after much
discussion, it was only in 1904 that the Co-operative Credit
Societies Act was passed, which was then put into practice
throughout India.

Of the object of the Panjab Co-operative Societies, said
one of the reports, it was to examine the whole economic
structure of the province, to study the defects which restarted
economic progress, and to discover the factors which contributed
to the comparatively low standard of prosperity and thus to
devisé scheme whereby the people could remedy these deficiencies

and remove those factors by organizing for self-help and mutual help. But unfortunately it was only too late for our period of study.

(B) LAND - A CAUSE OF RUIN

Prior to British rule the English conception of property in land as transferable marketable commodity absolutely owned and passing from hand to hand like any chattel did not exist. The conception of property in land was introduced only with the introduction of settled law and order, fixed moderate assessment and security of right and tenure, which the British gave to the Panjab. The result of all this was that land became a marketable commodity and a striking feature to be noticed in the economic history of the Panjab was the rapid and continuous rise in the price paid for agricultural land. Prior to the Mutiny transfers of land were comparatively rare; but shortly after, they began to attract notice, and by 1872 the increasing value began to cause disquiet to the

9. this is no place in which to trace the history of the land settlements and of the discovery of what really were the rights of the various classes connected with the land. Let it suffice to say that during the later half of the 19th century efforts were made in Panjab to discover, register, and secure the land rights of all parties, and to adjust the assessment of land revenue from time to time in accordance with changes in prosperity, instead of fixing it once for all. The result was that the country was divided into a number of areas (not necessarily contiguous) in which different types of tenure prevailed.
In 1869-70, the average price paid for over a hundred thousand acres was Rs.10 per acre. By 1875-76, it had risen to Rs.20 per acre. Thereafter the movement may be illustrated by the following figures.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price per acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1875-76</td>
<td>Rs. 20</td>
</tr>
<tr>
<td>1880-81</td>
<td>Rs. 18</td>
</tr>
<tr>
<td>1885-86</td>
<td>Rs. 30</td>
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<tr>
<td>1890-91</td>
<td>Rs. 61</td>
</tr>
<tr>
<td>1895-96</td>
<td>Rs. 59</td>
</tr>
<tr>
<td>1900-01</td>
<td>Rs. 77</td>
</tr>
</tbody>
</table>

The remarkable increase in prices within the last decade of the century may further be noticed from the fact that, whereas in 1892 Government sold 8,783 acres on the Chenab canal at an average of Rs.43 per acre, in 1897 an area of 13,895 acres in the Lahore Rakhs was sold for an average price of Rs. 50 per acre. In 1900 an auction of 9,913 acres in the Chenab canal, selected so as to include both good and bad land in order that the price realized might afford a fair indication of the average market value of land, realized no less than Rs.110 per acre. Previously some 5,000 acres of favourably situated land near Lyallpur had fetched Rs.134 per acre.

11. ibid, 101-103; see also the A.R.s for the period.
Without going into the details, it may be mentioned here that an enquiry showed that the people themselves ascribed the rise in the price of land to one or more of the following causes:

(a) Rise in the price of produce.
(b) Increase of wealth.
(c) Improvement in communication.
(d) Development of canal irrigation and the prospects of further development.
(e) Increase of population.
(f) The cultivators were stimulated by the high prices to work at their calling with greater assertion than formerly and so secure higher yields.
(g) The people were more ready to spend money than in former times, they sought to invest in land instead of hoarding it or spending it on jewels.
(h) Remittance of money to Panjab by the Panjabis working abroad which was invested in land almost regardless of the price.
(i) The land had been improved and rendered more fertile.
(j) The continued sub-division of land amongst members of the family, as a result of the customs of inheritance, had increased the demand and so the price.
(k) Decline in the value of money, and especially the paper rupee. To this may be added the increased cost of cultivation.

This remarkable enhancement in the values of land, when multiplied by the cultivated area of the province, implied an enormous increase in capital resources of the land-owners. But it was unfortunate that those to whom had come such sudden

13. This enquiry was conducted through the Inspectors of Co-operative Societies which were established in 1904. But majority of the facts mentioned below are more or less true also for the period prior to 1901.
14. But there was not much improvement in the methods of cultivation - see Chapter VII.
16. This point was not mentioned in the report of enquiry quoted above.
accession of resources convertible into cash or credit were induced to yield to the temptation of high prices. It was not unoften therefore that these high prices of land led to the indebtedness of the peasants— an evil which developed into a dangerous form by 1901. The most unfortunate developments as a result of this rise in prices may be summed up as that, it attracted the lawyer and middleman in general, as well as the cultivator, to invest their money in purchase, rather than improvement; it tended to encourage gambling in a future rise, which appeared more important than increased production; it led to the enactment of special legislation; it supplied the basis for a facile credit which brought immense harm to population insufficiently educated to understand its dangers; it tended to encourage tenancy and to hinder the tenant from rising to the position of a proprietor. To it could be traced not a little responsibility for the economic back-wardness of the province and particularly of the peasant and the labouring class, for it drew into land investment of many crores of rupees that, but for the hope of further rise, might have been forced into industrial enterprise or put to productive use. It made the land too attractive as a source of investment, but it yielded little advantage to the cause of agriculture as a whole.

The rise in the price of the agricultural land, it may be added, instead of benefiting the owner, not in few cases brought a ruin for him. The lawyers and the bunyas (money-lenders) were of course happy.

17. see Indebtedness (following)
18. A.R. 1901-02, p.VIII.
19. see Indebtedness (following)
Another fact to be noticed is that the proportion of the agriculturist to the total population of the province was increasing, and as the conception of property was applied to land, after the death of the father, it had to be divided among sons and further after the death of each son it was to be divided among his sons. Thus division and sub-division took place. The exact number of separate owners cannot be discovered from the official reports, but according to the calculation of Sir James Wilson (published in 1910) the average area owned per owner was 15 acres; the average area cultivated by owners was per owner, 7 acres; and the average area cultivated by tenants was 5 acres per tenant. This average for the province, however, did not represent the actual facts fairly. In the congested tracts, Jullundur, Gurdaspur, Hoshiarpur, where irrigation from wells was common, the average holding was four acres. In the south-east, where there was no irrigation, holdings were much larger, and similarly in the west. Yet, it gave at least the idea as to how the things generally were.

Under most systems of cultivation known to European farmers an area of about 25 acres was necessary to provide for a family. But in the Panjab it was noteworthy that anyone owning 50 acres or more was apt to regard himself as a big landlord, to give up cultivating with his own hands and to rent his land and live on the proceeds. If from the

1. see Wilson, Sir James, 25.
cultivator's income there were deducted the interest on the sale-price of his land and the wages of his labour, there were not many cases in which some profit was left. The holdings in Panjab, were thus getting uneconomic with their division and sub-divisions, with their increasing prices and with the increasing rate of wages.

(D) FRUIT NOT FOR GROWER

A great rise in prices of food-grains in the Panjab during the British rule must also be noticed.

In Sikh times, if in the large cities of the Panjab, wheat was selling at a maund for a rupee, it was considered rather dear than otherwise. Prices in good years before the era of railways were very low, and fluctuation of prices from year to year were not infrequently great and violent. Difference in prices between distant places was large. In those days each place had to be more or less self-sufficient, as means of communication were few. A good harvest gave surplus but there were no means of getting rid of the surplus and prices fell. In a bad year scarcity caused prices to rise, but no importation. In the 'Sán Chalis' famine (1783), price of wheat in the Sialkot district rose to 18 seers, then to 6 and finally to 1½ seers. In the 'Das Maha' famine of Samat 1869 (1812 A.D.) wheat sold at 6½ and Bajra at 8 seers. But after the development of the means of communication, such fluctuations were not possible.

2. Wilson, Sir James, 80-82. 1. see S.R. Sialkot - Prinsep 1863.
The chief feature in Panjab prices is the great fall in them during the first few years after the annexation. Thus in Jullundur after the regular settlement (completed in 1851) prices fell greatly, but after that recovered and thus tended to rise higher and higher, as it will be clear from below.

**Average for the principal food grains in quinquennial periods - (seers per rupee)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat</th>
<th>Gram</th>
<th>Barley</th>
<th>Maize</th>
<th>Jowa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1846-51</td>
<td>31 40</td>
<td>33 42</td>
<td>37 51</td>
<td>46 49</td>
<td>48 49</td>
</tr>
<tr>
<td>1851-56</td>
<td>48 58</td>
<td>64 76</td>
<td>64 100</td>
<td>63 81</td>
<td>62 56</td>
</tr>
<tr>
<td>1856-61</td>
<td>52 56</td>
<td>66 76</td>
<td>65 78</td>
<td>53 65</td>
<td>48 53</td>
</tr>
<tr>
<td>1861-66</td>
<td>30 38</td>
<td>40 48</td>
<td>40 58</td>
<td>43 47</td>
<td>38 38</td>
</tr>
<tr>
<td>1866-71</td>
<td>22 25</td>
<td>19 30</td>
<td>27 32</td>
<td>27 34</td>
<td>21 23</td>
</tr>
<tr>
<td>1871-76</td>
<td>26 53</td>
<td>33 39</td>
<td>32 42</td>
<td>34 49</td>
<td>30 34</td>
</tr>
<tr>
<td>1876-82</td>
<td>22 26</td>
<td>26 36</td>
<td>31 33</td>
<td>25 30</td>
<td>26 28</td>
</tr>
</tbody>
</table>

Prices of staples in the Panjab at selected centres after 1870 and till 1900 were as given below.

2. see above.
4. See also S.R. Jhelum - R.G. Thompson.
5. I.G.I.P., i, 155.

(a) Average prices of trade transaction.
(b) Average prices received by agriculturists.
### (In seers per rupee)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>29.1</td>
<td>15.45</td>
<td>12.5</td>
<td>21.42</td>
<td>7.0</td>
<td>21.60</td>
<td>10.8</td>
<td>15.94</td>
<td>9.03</td>
<td>11.24</td>
</tr>
</tbody>
</table>

Besides the improvement in communication, which was accompanied by the opening of foreign markets, there were other causes of the rise of prices.

Thus the Shahpur Settlement Report noted in 1866 that the large influx of silver from Europe then going on was one of the causes of the rise of prices. This was the cause operating throughout India. But after the Mutiny money was more plentiful in the Panjab for special reasons. The increase in the cost of cultivation must have also played some part. Some settlement Reports give the prices of plough, cattle

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7. See above.
and agricultural implements, which show that costs of cultivation increased during the British rule. Thus in Gujrat, prices of agricultural implements were found to have increased from the total Rs. 72-10-9 during the Sikh times to Rs. 97-8-6 in 1874.

The increase in the prices of food grains, it may be assumed, must have added considerably to the general prosperity of the cultivators. But unfortunately, the following facts show that the actual tiller of land did not draw as much benefit as the other classes did.

A thing to be noticed in this connection is that the number of tenants increased in Panjab by leaps and bounds as the time passed. The following figures make this clear:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tenants at will</th>
<th>Occupancy tenants</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1872-73</td>
<td>650,000</td>
<td>379,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>1882-83</td>
<td>1,096,000</td>
<td>512,000</td>
<td>1,608,000</td>
</tr>
<tr>
<td>1892-93</td>
<td>2,874,000</td>
<td>753,000</td>
<td>3,627,000</td>
</tr>
<tr>
<td>1902-03</td>
<td>3,077,000</td>
<td>940,000</td>
<td>4,017,000</td>
</tr>
</tbody>
</table>

These figures do not represent the exact change as more and more of those shown as tenants-at-will seemed to be proprietors who had rented a small plot from a neighbour; and

8. S.R. Gujrat, 1874, p.35; see further Appendix D.
9. One of the causes of this was the increase in indebtedness among the agriculturists - see Indebtedness (following)
10. An occupancy tenant was he who had right to hold his land so long as he paid the rent fixed by authority, and to pass it on to his descendants on the same terms. A tenant-at-will was a tenant from year to year, and his rent was determined by the agreement between himself and his landlord. The Panjab Tenancy Act of 1868 and of 1887, were passed to protect the right of the tenants on land.

see for details S.M., prs. 196 etc.; L.B.I., ii, 705-9; L.A.M. 54-63 and 70-76. Also see Rev. & Agri. August, 1882, Revenue, 33 and 34 - Amendment of the Panjab Tenancy Act; and The Indian Economist, 1, 1868-70, August 10, 1869, p.16.
the colonization of new canal irrigated areas had led to a large increase in the number of crown tenants. However, there could be no doubt that the number of tenants was increasing.

Another change to be noticed is that the proportion of the area cultivated by tenants to total cultivated area was increasing.

Thus in 1875-76, 44 per cent of the cultivated area of the province was held by tenants. By 1901 the exact area held by tenants increased to 55.6 per cent of the total cultivated area.

Among these tenants was the custom, so peculiar to the province, of payment of rent in the form of a fixed share of the produce. The tendency of rents was, especially towards the end of the century, towards kind rates. Where landlord had the command of the situation, this tendency towards produce rents was most marked. Thus whereas in 1875-76, 52 per cent of the tenants-at-will were paying cash rents in 1900-01, the number of tenants-at-will paying cash rents was only 21.6 per cent. The rates of the rent in kind varied from 1/2, 1/3, 2/5, to 1/4 of the produce and speaking generally the tendency of the rents, especially towards the end of the century, was to rise.

It is clear therefore that when the number of tenants increased paying their rent increasingly in kind, the benefits of the increasing prices of their produce could not entirely

be enjoyed by them. It was not unnatural that these tenants favoured rents in cash but the authority of their master in the matter was stronger.

Further, the assumption that high prices are good for the cultivator can be correct only if he has more to sell than to buy, but if it is the other way round, he benefits no more than another class of consumers. In the Panjab, the man with twenty or thirty acres could generally have more to sell than to buy, and if his land was secured against drought by canal or well, high prices were an obvious advantage. But where a man was lucky if he had half a dozen acres to cultivate, they were as likely as not an evil, for it was only in good years that he had much to sell, while in bad years he might have to buy the very grain he ate. Generally the produce raised on a holding was not more than sufficient, if it was ever sufficient, to support the family of the cultivator. It was only the larger owners who cultivating extensive holdings who had a surplus for sale. For the smaller holders high prices were probably a curse, as for the large they were clearly a blessing.

In this connection it may be mentioned that the increased expenses of cultivation fall on tenants, while the landlord received the full benefit of the rise in value of his share of the produce. The Government demand in terms of produce was steadily declining; thus the return to the landlord was increasing from these two causes while tiller of the soil suffered.

14. many of whom were formerly owners but now after mortgaging their land, had been reduced to this state.
15. see above.
(3) **THE LAND REVENUE SYSTEM**

The system of Land Revenue, too, was a debatable subject. According to some authorities, it was no less a cause of the poverty of the Panjab peasants. The Government themselves were never tired of repeating that the Land Revenue demand under them was much lighter than that under the Sikh rule.

The average assessment per cultivated area was Rs. 1-1-3 in 1868-69, ten years later it was only 15 annas 3 pies; in 1883-89, it was 15 annas 7 pies; and in 1893-99 it was Rs 1-2-0. The rise in the price at which land sold as compared with revenue assessed on it was a clear proof, it was reported in 1896, that the land revenue was not being unduly enhanced. Thus in 1869-70 the average price paid for over a hundred thousand acres which was Rs10 per acre, was equivalent to 18 times the annual land revenue, but in 1900-01, the price per cultivated acre was 39 times the land revenue. And the administration always boasted as in 1859-60 that "The very rare resort to coercive processes in the realization of the revenue was the best possible proof of its general moderation, and of the punctuality of its payment."

But in this connection it must be remembered that while the policy of the Government had always been to keep the assessment fairly light, it was felt necessary that they should be adequate not only on general grounds, but for a special reason.

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1. see Chapter X.
There were several chiefs in the Panjab whose income being wholly or mainly derived from the share of the land revenue assigned to them, rose or fell with the Government demand; if that was unduly light, they not the State, were the sufferers, and in the opinion of the Lieutenant-Governor of the Panjab, their power was great for good and evil, according as they were contend or the reverse. More political danger was to be apprehended from a Panjabi aristocracy impoverished by inadequate assessment, than from a thriving peasantry (as he called them in 1875-76) called upon to pay a moderate and equitable demand.

THE INELASTICITY (1)

It was, however, the inelasticity of the British fixed assessment, light though it was, which was more objectionable. The increasing indebtedness of the agricultural classes under the British rule was it, which called attention to the evil, but unfortunately, it was only very late.

The substitution of a fixed cash payment for a fluctuating payment in kind was a subject objectionable to some. To get coin, said those who objected to it, the ryot had to go to the coin merchant. And the rigid revenue system which had crystallised around the cultivator only increased his dependency as time went on. The policy was only the logical outcome of the British revenue system. Once it was granted that a fixed inflexible tribute was the right thing, there could not be any objection to enforcing it in famine years. The bad year was taken into account when once in thirty years, or possibly less the assessment was revised. Ergo - so ran the official defence -

the ryot should be able in the bad years to disgorge from the surplus he enjoyed in the good one. The only flaw in the argument was that the ryot had not the wherewithal to pay, one reason being that the banya took his surplus.

As early as 1860-61, a doubt was expressed by some authorities if the Famine in the central section of the Panjab was not intensified by the pressure of the Government Land Revenue demand. But Col. R. Baird Smith who was on special duty to report on the famine, denied if it could be possible. In 1871 the Financial Commissioner protested against the suggestion that transfers of land were due to the land revenue demand; he asserted that while in "other parts of India", land was sold for government revenue," we have never taken such harsh means in the Panjab". In 1872, however, the Lieutenant-Governor was disposed to believe that "in some districts of the Panjab the rigidity of the government demand may force the people into debt" but in 1875-76 the view taken was that "revenue system was sufficiently elastic to afford relief to the people where it may be necessary."

For twenty years the fixity was maintained by successive Lieutenant-Governors and Financial Commissioner, under the mistaken belief that as the assessments were absolutely light when compared with the yield of an average year, their rigidity was teaching prudence to an improvident people. For twenty

9. The money lender.
12. To the moneylender for debt.
years the axiom that the profits of good years were, or ought to be, more than a set off against the losses of bad, held good. But as settlements became more and more elaborate and inquisitorial in character, the old axiom was discovered to be a paradox. The sacred principle of fixity had already been broken by Princep's water advantage rate payable only on crops actually irrigated, and the same principle of an assessment which fluctuated with the area of crops actually sown was unostentatiously followed in the assessment of lands in the bed of the Indus and Chenab rivers, such lands being subjected to great vicissitudes owing to the uncertain action of the inundations in the flood season and to the changes in the course of the streams themselves. Similar conditions existed in the desert tracts to the south and west where sowing was impossible without adequate rainfall. The wide extension of the fluctuation system was strongly urged by Mr. Thorburn, and though his proposals were not accepted, they served to extend the steady tendency to extend the fluctuating system in canal-irrigated, desert and riverain areas.

The system of fluctuating assessment was a method which adopted the burdens to the crops of every harvest, and which taxed no more of the ryot's land than was actually fruitful. But the plan was adopted only in districts which relied for their water upon the varying overflow from the rivers. This 'flood revenue' proved practicable and successful, but unfortunately, some system of rain-revenue had not yet been worked out, although it was a burning question of the future among the highest

16. see Chapter X.
18. S.M., 72.
officials of the Panjab government in 1901. By that time, however, the evil part which the inelasticity had played was already such that could give some lesson to those who sometime before had failed to understand it.

About the year 1900, an official inquiry in four districts of the province showed that the proportion of debts for land revenue to the whole was about 11 per cent. But land revenue, being a fixed burden which must twice a year be met, crops or no crops, rain or drought, had more than a quantitative importance. The high officials who conducted the inquiry in question described the part that it played in the peasant's road to ruin:

Ordinarily the small cultivator got into debt by borrowing grain for food after a short harvest, and failing to repay his debt in the ensuing ruby (spring drop). He began to take grain in small quantities in, say November or December, and lived wholly or partially on grain advances until his spring crop was cut. If the yield was insufficient he became involved. The creditor took part of the crop from the thrashing floor, and accommodated the debtor by paying his revenue, in that case the peasant, in five cases out of six, was doomed. Till the catastrophe (of expropriation) came, he was more or less a serf, making over much of each harvest to the creditor, and bound to put up with any debit balance put down against him in the account.

Here was the way how famine could come without any failure of the monsoon.

Another thing that strikes our mind is that the Land Revenue system afforded a fiscal method, under which Government first fixed the standard of living and cultivation, and then proceeded to drain off all the winnings of the people which rose

20. ibid, 223-224.
above the mark that had been fixed, - a process of bleeding, as Lord Salisbury called it, which left the ryot without staying power when famine came. The officer appointed to value the land and fix the assessment made his shot at the average crop and determined the demand which was to hold for the next twenty or thirty years; and in theory it was understood that the cultivator was to enjoy not less than half the profits of his farm, besides the privilege of subsisting on its produce. It was further understood that the good year would enable him to pay for the bad ones; this, indeed, was the very essence of the business. In practice, however, a single drought upset the whole basket of theories. This was the position of the five-acre man, and no doctrine of average relieved him from the recourse to the money-lender to satisfy his essential needs. The remissions and suspensions, such as they were, were themselves an admission that the estimate was too much of a fair-weather forecast. At the end of the assessment period the authorities made another shot. They found that since their last valuation prices had advanced, new railways had been constructed, cultivation had been intensified - or might be intensified under a little pressure; and after the due application of tests of all kinds, geological, botanical, hydrographical, meteorological, arboricultural, etc., it was discovered that land and farmer could bear an extra 30 per cent, or so on the

22. in times of scarcity and drought the land revenue was sometimes suspended and in rare cases remitted.
old assessment. Prices may have been miscalculated, the weather forecast may turn out false, the estimate of family's needs may fall short of the truth - in a word, the whole bundle of probabilities may altogether fail to square with the facts. 

This was in fact the outcome of the fact that the British officials agreed in treating the land tax as in the nature of rent. This policy made the government to squeeze from the cultivator as much as possible. There was no proper apportionment of burdens, in which the wealthy financial and commercial interests, than scarcely touched, could be made to pay their share.

24. see S.R. Amritsar - J.A. Grant, 30-31; S.R. Jhelum - Thomson, 119, 112; S.R. Muzaffargarh - O'Brien, 110; S.R. Montgomery-Messrs. C.H. Roe and W.J. Purser, 155; S.R. Gurdaspur-Mr. (later Sir) L.W. Dane, 39; in all these reports the Settlement Officers show prices of agricultural produce in the Panjab had increased which could justify increased government demand of Land Revenue.

25. Nash, Vaghan, 242-244.

26. rather than as revenue. Without going into details it may be said, there was indeed a great controversy between those who would like to take it as a rent and those who took it as a revenue and it was not merely an intellectual controversy. It could not be indifferent by what name we called the land tax. Because if it was rent, the cultivator would hold (as Lord Salisbury as Indian Secretary said) the government in strictness entitled to all that remained after wages and profits had been paid, and he would do what he would to hasten the advent of the day when the State would no longer be kept by any weak compromises from the enjoyment of its undoubted rights. If it was taken as revenue, the cultivator would note the vast disproportion of its incidence compared to that of other taxes, and his efforts would tend to remedy the inequality and to lay upon other classes and interests a more equitable share of the fiscal burden. Under a system of taxation, it may be added, the demand would be determined by the requirements of government, the burden being distributed according to certain fiscal principles, among the various classes of the State. But in India nothing of this sort happened - Nash, Vaghan, 235-236.

27. ibid, 248-249.
OTHER EVILS (iii)

Connected with land revenue, there were other evils. Thus according to 'Sabha Kapurthala', one of the reasons of the miserable condition of the agricultural classes was the illegal extortions to which they were exposed at the hand of the settlement officials during the settlements and the bribe which the agriculturists had to give to the Tehsil and Thana undertakings, in addition to land revenue and sundry other cesses, was according to 'Rahbar-i-Khanda', no less a cause for his 28 distressed condition.

(F) THE MACHINE RULE

"Under the native States," said a man who knew India as few other men knew it, "there are laws of leather; in British territory laws of iron!" In 1866 when Panjab was absorbed in the legal system of the regulation province the Government of India, through Sir Henry Maine, the then law member of Council, publicly declared that, were the Council to close India with English law, "one of the most cumberous systems in the world", there could hardly be any censure too heavy from them, and that should the attempt be made, it would be a most intolerable hardship for the 250 millions of Indians. But notwithstanding, within the next few years not only was the attempt made, but it was persisted in for about fifteen years, until a symposium of selections and adoptions from the legal system of Europe had become the statute law of India. Right from 1866, the

29. Home, Secret, N.P.R., Panjab, 1888, pp.8, 91
Panjab had been increasingly law and lawyer ridden. We find that in that year five Bengal Regulations and seventy-seven Acts were in force therein, and thereafter, until about the middle of the 'eighties, the annual output of Acts applicable to the province averaged seven, and in the most active mid-period were ten. It was only after 1885 that the produce began to decline.

Particularly in the field of economic and social relations, over the disputes in which the Chief Court and subordinate Judiciary exercised exclusive jurisdiction, the laws in force were conceived through council by English lawyers ignorant with the peculiar position of India with her diverse nationalities and conditions. Hardly any act was passed between 1870 and 1884, which was comprehensible to layman.

Prior to annexation every man managed his own affairs and the social system of Panjab was simple. The villages still followed their old tribal customs administered by committees of elders. The despatch of 1849 constituting the Board of Administration had recognised the importance of upholding native institutions and practices as far as they were consistent with the distribution of justice to all classes, of maintaining village communities in all their integrity and of imposing and consolidating popular institutions. But it was not long before all these principles were forgotten and the policy of the despatch of Lord Dalhousie was thus so far exceeded that in less than twenty years the British system of administering justice had

1. Thorburn, J.S. - P.F.W., 243-244.
2. Ibid, 245.
become the law of the country. All the complications, technical lawcourts, barristers, and pleaders all congregated in respect of the Panjab by Lord Curzon under the contemptuous phrase "the complex paraphernalia of the Chief Court", were introduced. The law governing the simplest of contracts - a loan, lease, or mortgage had now become so complex and artificial that all such cases had to be referred to professional advisors. The masses had neither the intelligence nor the money to do so, and this was the reason that the few who had both aided by the law,exploited the many. And the difficulties of the hair-splitting ruling were same on the criminal side as on the civil.

This legal system of the British Government was in fact one of the causes of the development of indebtedness among the peasants in Panjab. The Acts, Codes, and Rules affecting the relations between ignorant debtors and educated bunniah-creditors, all tended to benefit the latter at the expense of the former.

6. the money-lenders and other such privileged classes. 
7. thus for instance under the Basement Act of 1882, if a villager had familiar pathway closed to his ancestral field, he had to be told in English-translation into any Indian Language, with or without a literature, being impossible - that he must sue "the dominant owner for a release of the servient heritage under chapter iv and v of the Basement Act" As he did not know English-the words were hardly intelligible, -if the man meant to fight and wanted to win, he put his case into the hands of a lawyer, and very likely a year or so afterwards he had to mortgage land to meet his law expenses, whereupon an assault or riot ensued, with consequent complications, all involving expenditure. - Thorburn,-P.P.W., 246-247.
8. ibid, 250. 
The 'Victoria Press' in its issue dated 2nd June, 1888, protested that petition writers charged the zamindars very heavily and induced them to fight out their cases up to the Chief Court. "Zaminder" complained in 1891 that zamindars were being ruined by the money-lenders with the help of the defective Civil Laws. In 1896 wrote Rahbar-i-Hind that as the law afforded no protection to debtors against money-lenders people had commenced murdering the Mahajans. The official reports and papers admitted that the existing Civil and Revenue Laws had proved injurious to the interests of the zamindars. Yet, there was no escape from them.

Litigation was one of the great causes of the poverty of the Panjab peasants, yet unfortunately, it was always on the increase. The total number of suits decided during the two official years 1849-50 and 1850-51, amounted to 23,378 which when compared to the population showed that there had been one suit to every 217.51 persons. Yet, there was a steady increase of litigation and in 1860 the number had reached 33,231. The increase was chiefly observable between bankers or traders and agriculturists. The amount of litigation in Panjab was more than that of Oudh, Bengal and that of Central Provinces in 1868. The total number of original suits instituted in the Civil Courts of the Panjab during 1831 was 254,600 and their total value was returned as Rs.1,64,26,172. In 1901, the

14. see Home, Secret, N.P.R. Panjab, 1890; p.79.
number of suits had reached the figure 232,244 and the value of suits which was Rs.2,4024,131 in 1900 rose to Rs.3,74,73,291 in 1901. Relatively to population, it was reported in 1901, the Panjab was the most litigious province in India. Four fifths of the suits brought in civil courts were claims for money or moveable property. The actual number of such suits in the Panjab was on an average of years nearly double the number instituted in the adjoining United Provinces, where rent litigation occupied the prominent place which in Panjab was taken by suits for the recovery of debt. These debts were for the most part due from agriculturists to money-lenders.

(G) THE INDEBTEDNESS

Jera sahukaran nal rakhe nit rala
Orak wenda us nu kha.

He who trusts in money-lenders, in the end will be eaten up; says the above proverb. Yet to have a moneylender was as big a necessity as to have a Guru (a teacher) because another proverb says:

Guru bin gat nahin,
Shah bin pat nahin.

(without the guru, no salvation; without the moneylender, no reputation.)

19. although this rise had no real importance due to the institution of a single heavy suit in Rawalpindi valued at nearly 1½ crores of rupees.
1. Machonadi's, R - Selected Agricultural Proverbs of the Panjab, 1890, p.203.
There is indeed ample evidence to show that when the province was annexed, though security and credit were at a low ebb, the moneylender was established all over the country, though probably only in the towns and larger villages. In a tehsil of the Amritsar district, thus, most villages were said to have two or three shops of village grocers and money-lenders, who were spoken of as great extortionists. In the neighbouring tehsil of Narowal, the cultivators were described as being in more than an ordinary state of indebtedness. The cultivators of Gujranwala were found to be entirely in the hands of their "shahs" (money-lenders), who reaped all the profits. There are many other official reports of the time, which gave us the similar evidence.

In fact, during the turbulent period which intervened between the death of Ranjit Singh and the inauguration of British rule, amid the constant struggle for the succession, great exactions were made upon the agricultural classes to replenish the empty exchequer and to furnish soldiers for the rival factions. The cultivation of the soil was consequently much neglected, and the tenants, improvident themselves, not being able to meet the requirements of the State on the one hand, and of their own domestic necessities and comforts on the other, and often not being able to provide seed for the periodical sowings, resorted to the bunnias, who lent them money on exhorbiant terms.

2. S.R. Lahore, 1873, p.60.
4. Ibid, 146.
5. S.R. Gujranwala, 1856.
But if debt was common before British rule, the moneylender was not so powerful as he subsequently became. Firstly because of the existence of a vigorous village community, which throughout the province was generally strong enough to hold him in partial check and secondly because of the apathy of the State towards recovery - there being no formal courts of justice, applying strict mechanical law, as under the British rule.

Under the British rule, both of the above checks on the authority of the moneylender, were weakening. The British law afforded no protection to debtor against money-lender, it was rather injurious to the interest of the peasants. Meanwhile, other influences were working towards the increase of indebtedness in the Panjab.

Before the annexation, the proprietary unit being the tribe or community collectively and individual rights in land being restricted to the plot each member actually cultivated; alienation of a cultivating right, unless approved of by the whole body of share-holders, were impossible. But by the limitation of their demand the British created a transferable proprietary right in land vested in owners responsible for the land revenue. When a fixed and comparatively lenient Revenue assessment was imposed upon the cultivator, he knew what exactly he had to pay and in a good harvest found himself with a substantial surplus, which he could dispose of as he

pleased, moreover, with greater security, better communication and growing towns, this surplus could always be marketed. The result of all this was that the price of the land began to increase and the peasant proprietor of the Panjab found himself in possession of valuable asset. With the development of wealth the standard of living of the peasant began to rise. The high-water mark of peasant prosperity, meaning thereby freedom from indebtedness and the possession of unencumbered holdings and a reserve of food-stuff, was probably reached in the Mutiny year, when the harvests were abundant, creditors too fearful to be exacting, and officials too preoccupied to act as debt registrars and collectors. In the following years, however, the tide began to turn with short harvests as also when the system of administration in the Panjab began to lose its early simplicity.

It was in 1860-61, when the first of those famine calamities occurred, which in combination with the British (legal) "system", were the prominent cause of the ruin of a large part of "the finest peasantry in India". Higher standard of living had increased the needs of the agriculturists and during the period of distress, loans at high interest were freely incurred, and with the money, revenue liabilities were met, food provided, and farm stock replaced. The small holder began to borrow more freely than he had done ever before and the mortgage of land that was rare in the days of the Sikhs increased.

In 1871-72, the Lieutenant-Governor of Panjab expressed his opinion that "the loyalty and contentment of the peasant proprietors is of far greater importance than the maintenance of an economic principle however unimpeachable, and he would see with satisfaction any measure introduced which may strengthen the position of the proprietary body against the money-lending class." In 1872-73, the Lieutenant-Governor held, while, speaking generally, there was nothing to cause anxiety in the extent to which or the circumstances under which land in the province was changing hands, individual instances had come under his notice, in which land-holders of substance had become hopelessly involved in dealing with the money-lending classes.

In 1872, in addition to the existing legislation, an officer had suggested a further legislative action to protect the peasant population from usurer and save their land from alienation by sale or mortgage. Inquiries were instituted in the Panjab on his suggestion and commenting on the replies of the different officers on the subject, the Lieutenant-Governor remarked in 1874 after forwarding various arguments, that there was great reason to fear that

16. Measures taken at various times for the protection of the landowners of the Panjab were (a) the enforcement of the custom of pre-emption. (b) The restriction of transfers by landowners belonging to agricultural tribes. (c) Exemption from sale in execution of decree of land and other property of agriculturists (see for details L.A.M.-1903,pp.6-13).
17. for instance he said in Panjab one only out of 125 was annually sued for debt where as in England and Wales 1 person in 22 was annually sued for debt in the country courts alone. During the five years ending 1874; sale of land for debt in execution of decrees of court were almost unknown; in voluntary sales only 1 proprietor out of 334 parted with land in the year; the number of mortgages averaged less than 15,000 in the year, being at the rate of 1 mortgage to 133 proprietors. On an average, not more than 2 acres per mile were annually mortgaged.
to increase the restrictions on the sale or transfer of land, or to further interfere with the freedom of contract between the money-lender and the agriculturist, would operate simply to deprecate the value of land as a security and raise still higher the rate of interest, and, while the measure would fail to teach prudence to the improvident, it would tend to destroy the habit of self-reliance and industry which characterized many of the cultivating races of the Panjab, and was one great cause of its agriculturist prosperity.

In his report on the indebtedness of the Mahommedan population of the Dera Ismail Khan district in 1884 and in his remarkable book 'Mussalmans and Moneylenders in the Panjab', published in 1886, Mr. Thorburn the Deputy Commissioner of Dera Ismail Khan, however, vividly depicted, how the money-lender was increasingly dominating the Panjab peasants, to which, now, exhaustive official enquiries followed.

'Zamindar' in its issue for the month of May, 1891, wrote a long article as to, how the zamindars were ruined by the money-lenders, with the help of defective British Civil law. In fact by that time the press in Panjab had increasingly begun to express their sympathy for the suffering peasantry and in the same year commenting upon the opinion of different officers who had made an enquiry on the subject remarked the Lieutenant-Governor, "from the whole body of opinions as well from the

19. see Home, 1884, Judicial, October, 252-254.
whole statistics it may, I consider, be safely assumed to be proved that it is a fact .....that under the influence of indebtedness and of our present law and Civil Court procedure transfers of land are proceeding in all districts in increasing ratio, and in many with dangerous rapidity, and that measures to check this process, so far as it is due to the action of our laws and courts, are required throughout the province."

"We have in fact", he added, "come to a point where we must soon make a decided change in some direction". And in 1899, again, the Governor-General in Council admitted that political danger from the expropriation of the cultivating classes existed, was increasing, and the Government of India could not decline or even postpone remedial action to which the Secretary of State for India agreed.

The indebtedness of the Panjab peasant was usually ascribed to the sudden enhancement of credit due to new conditions introduced by the British Government; to the abuse of this credit by the clever usurer who encouraged borrowing in order to secure control of the production; to the famines of 1861, 1869, etc. and heavy mortality amongst cattle which drove the cultivators to borrow and so involved them in the moneylender's clutches; to the rigidity of land-revenue collection accentuated by the tactics of the usurer who seized the whole produce and so compelled the cultivator to borrow afresh for the state demand and to system of Civil Law which

22. Lome 1899, Judicial, B, 57.
23. for the press opinion see lome-1892, Public, May, 3/4, Part B; lome-1894, Public, May, 98-99,B.
was unsuitable inasmuch as it favoured the clever moneylender against the ignorant peasant. To this could be added a few more causes like; the smallness of the ordinary holding and its grotesque fragmentation and extravagant expenditure upon marriages and domestic ceremonial. The backward state of education among the zamindars and their inability to keep or check accounts was still another cause.

For twenty years (from 1870) the moneylender had been entirely uncontrolled by either law, custom or authority; and in this brief space situation had developed into serious form. For ten years (the last decade of the century) all the old remedies for usury and many new ones were propounded and discussed; and at last, as the new century opened, the bull was taken by the horns and the Land Alienation Act was passed (1901). Henceforward, the professional moneylender could not dispossess an agriculturist from his land for more than twenty years.

The Panjab Alienation Act, it was reported in 1902 "is one of the most important legislative measures which the Indian Government has ever passed, not only as affecting profoundly the condition of the cultivating ownership throughout the Panjab, but also as being likely to serve as a model for other provinces where the expropriation of the peasantry by the money-lender is a social and political danger."

But before this important Act was passed, it was reported in 1901, 8.6 per cent of the total area and 13 per cent of cultivated area had already passed under mortgage.

**(E) INEFFICIENCY AND WASTE AMONG THE PEOPLE**

The entire British Administration was designed far more for the benefit of a few lawyers and banyas than for the great mass of the peasants. The British Raj and the Banya Raj, it was usually said, ate up the crops of the agriculturist, and what one left the other devoured. Some of the papers in the Panjab in fact had the opinion that the very existence of the British rule in India was a cause of the poverty and indebtedness of the peasants. The country, according to them, was being gradually drained of its wealth to supply to the requirements of England. But let us not too much blame, for the poverty of the Panjab, the British government and their system. The people, too, had a part to play.

Generally speaking, it may be said, the poverty of agriculturists was due to the absence of thrift in him, due to his inefficient implements and the lack of skilled direction. Panjab as a whole was poor because it was not organized on the lines that lead to wealth. Social organization was almost entirely on religious lines, and unfortunately the religious bodies had not made economics their study. The Mahommedan view of interest had not, served to stimulate thrift, for the reason that, while refusing to accept, they had not hesitated

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1. Nash, Vaghan, 94.
2. (Original) Home, 1884, Public, B, Feb., 172-173.
3. They are by their religion, forbidden to take interest.
to pay interest. The Hindu veneration for the cow imposed an insurmountable barrier to its exploitation as the most valuable animal known to man, and prevented the growth of a profitable animal husbandry.

Of the positive causes of the poverty of the Panjab, and particularly of its agriculturists, one was waste due to the high death rate, which removed from productive employment many who were of the best ages, or who had gathered skill or experience. There was a waste in the defective agricultural system that resulted in men doing little or no work for a considerable portion of the year. There was waste in the number of unnecessary middlemen engaged in distribution. There was a waste in the diversion of the best educated brains from productive into non-productive channels, such as the law. There was waste in the relation between landlord and tenant, whereby the former provided no skilled guidance to the latter, supplied practically no capital to his enterprise and himself remained ignorant of what was best for the soil. A waste in the miserable system of rural credit. The drain of interest into the hand of usurers if devoted to improvement, could yield results of incalculable benefit. A waste of female labour, due primarily to custom and prejudice against their employment in the productive works. There was a vast waste from the depredation of insects and other animals, due to the religious objections to the destruction of harmful and destructive vermin. There was a waste in the use of infertile seed. A waste of manure. A waste from the weak sense of discipline. A waste from the fragmentation of holdings. There was a waste in the

utilization of land for crops other than those which could prove most profitable. There was a waste in the uses to which various products were put. There was a waste in the vast areas left to nature to wreak her capricious will upon. There was a waste in the curious system of occupation tribes or castes. There was a waste in the fact that the higher castes were not themselves handworkers as they regarded the agriculture as work of the menials. There was a waste in the system of diet of the mass of the people. A waste in the heavy mortality amongst cattle.

In a country where mendicant excited more respect than an efficient artisan, where Government or God was expected to make good all the deficiencies of the people; the main causes of the poverty, to sum up the argument, lay in its history. There was no savings inherited from generations gone by and there was no capital earning incomes for the present.

It is unnecessary to continue the catalogue further. In brief, it may be said; everywhere there was waste - waste of intelligence, of skill, of human-labour, of capital and of energy. And no wonder, although Panjab became more prosperous under the British rule than it before was, it was yet a poor country.

More was possible than was done, and for this the blame lay upon both the GOVERNMENT as well as upon the PEOPLE.

*THE END*

5. Cotton seed, for instance, was fed to cattle in a crude form which was beyond the power of the animals to digest. From the seed there should be extracted the short fibres, which could be used to make felt or hats etc.; the husk should next be crushed to separate the oil which is of value as cooking material, or as a basis for soaps, etc.; the resultant cake is a food which cattle can digest, or which would serve as an excellent manure.

6. Where a natural aptitude for work is suppressed because that work is the task of another caste. In one respect, it is probable that the system serves to maintain the stagnation of agriculture.

7. In Denmark and Holland easants o
class butter and their fresh eggs to the big industrial centres of England and Germany, and would consume less valuable butter and eggs from Siberia. Many in Persia scoffed at the idea of the potato becoming an article of diet; they were 125 years behind Europe in this respect.