CHAPTER V

SITUATING CONGRESS MINISTRY, 1937-39

I. TENANCY LEGISLATIONS OF THE MINISTRY

The Congress Ministry came to respond to the predominant agrarian tensions of the rural Orissa by initiating a distinct agrarian programme which was quite popular in nature. This attempt by the Ministry was in tune with the agrarian programme which Nehru envisaged around 1937 in his diagnosis of the agrarian problem facing the country. The kind of agrarian programme undertaken by the Ministry was meant to create a New Order in the country.¹ This was a perspective which encompassed both anti-colonialism and agrarian radicalism; the latter however to be attained through class adjustment than sheer class struggle. This understanding was reflected in various measures of tenancy legislation which the Congress Ministry initiated. The objective of the Ministry was to meet the challenges offered by the Act of 1935 by undertaking popular and ameliorative agrarian legislation. The strategy was to undermine the hegemony of colonial state by redressing rural mass level grievances. This could help the Ministry acquiring the

¹ Nehru in a letter to the leaders of the Congress parties in the provincial assemblies observed: "the questions on land and rural debt are complicated. If an attempt is made to deal with them thoroughly, some delay is inevitable. But it is necessary that some relief should be given to the peasantry almost immediately. Such efforts should be made on the lines indicated by Congress resolution, i.e., the agrarian resolution of Faizpur Congress. This will be an earnest of the better system that we aim at; and the masses will realise b this if nothing else, a new spirit moves the new cabinet and provincial Government". J. Nehru, Selected Works, Vol.8, p.280.

Also in an interview to the press (7.8.37), he stated: "Congress policy on agrarian reform will vary slightly in certain provinces but fundamentally it will be uniform. Different problems will be tackled keeping in view their urgency in particular provinces". Referring to the system of abolition of Zamindari system he observed: "It is always desirable to avoid major conflicts and the cost thereof by giving some compensation. The Congress cannot easily deal with this problem. So, its immediate task (Ministry's) will be to lessen the burden on both tenantry and petty Zamindars" (7.8.37). Nehru, Selected Works, Vol.8, p.291.
status of a popular representative and also help overcome the post-CDM disillusionment with the Congress.

The three measures of agrarian legislation which we have taken up for consideration bring out the nature of the Ministry's approach to the existing agrarian problems. The bills are: A. Madras Estate Land (Orissa Amendment Act) Bill, 1937; B. Orissa Tenancy (Amendment) Bill, 1937; C. Moneylenders Bill, 1938. It is noteworthy that such agrarian legislation in the sphere of tenancy laws defining tiller-Zamindar relations and rural indebtedness facilitated popular links of the Congress.

MADRAS ESTATES LAND (ORISSA AMENDMENT ACT) BILL, 1937

The first tenancy legislation undertaken by the Congress Ministry was Madras Estates Land (Amendment) Bill. This bill remained a controversial issue till Ministry's resignation in 1939. The bill was specifically meant for those areas which had been annexed to Orissa from Madras Province in 1936. In these areas, the Zamindars charged high rents from the tenants as per the provisions of Madras Estates Land Act, 1908. The rent was calculated on the basis of cash-equivalent of half the gross produce of the land and so compared to the other Ryotwari areas of Orissa was quite a lot higher. In the Ryotwari areas of Orissa the rent was half of the net produce. To iron out such glaring disadvantages faced by a part of the people of the same province the bill was introduced in the Assembly on 23rd September, 1937. The bill proposed to lower the existing rent in these areas to that of the nearest Ryotwari areas for similar lands with similar advantages. The bill also suggested a margin of only two anna excess in a rupee for


Zamindari rents over that of ryotwari ones.  

The legislation according to the Ministry was "necessitated for giving relief to the ryots of private proprietary estates in the area of Ganjam that had been ceded to Orissa from Madras Province in 1936 by fixing a fair and equitable rent." In fact, the Congress election manifesto had proposed the abolition of permanent settlement affecting Parlakhemundi and a number of smaller landlords in Ganjam. Introducing the bill, the Prime Minister, Biswanath Das highlighted the chief provision of the bill as the substitution of half the net produce in lieu of half the gross amount as rent in the newly merged Zamindari areas of Ganjam, and observed that the condition of peasants was particularly "helplessly miserable and much oppressed." The opposition to the bill, spearheaded by the Raja of Khallikote who had a great personal stake in it dubbed the legislation as "revolutionary in measure and expropriatory in character". The Raja of Khallikote moved a resolution that

5. Indian Annual Register, Vol.I, 1937, p.261. Also, the Samaja (18.9.37), observed:
   "In South Orissa, the raiyats pay half of the produce as rent to the Zamindars. In ryotwari/khasmahal areas, however, the raiyat pays as revenues only half of his net produce after meeting the necessary costs of cultivation. In some of the Zamindari areas... (like Surangi), this half share of the entire produce is being converted into cash by means of settlement. The rent, per acre, therefore, amounts to sixteen or seventeen rupees in Zamindari areas, as it is mainly based on bhag. The same quality of land has to pay only 6 or 7 rupees as revenue in raiyatwari areas... what a serious difference."
7. As per the Government of India Act, the head of the ruling party in the legislature was referred as Prime Minister.
   The average land revenue per acre for Cuttack was Rs.3-6, for Balasore Rs.2-12, for Puri Rs.2-8, and for Sambalpur 8 annas only. In contrast, in the ex-Madras areas of South Orissa, the rate of rents varied from Rs.5 to Rs.16 in case of wetlands and in the case of rain fed lands from Rs.3 to Rs.8.
consideration of the bill should be postponed till the Madras Government amended the Madras Estates Land Act, 1908. He also further suggested:

"as the ryot in private proprietary estate would not pay to his landlord more than two annas in the rupee in excess of the rates prevailing in the ryotwari lands in the neighbourhood, so the under-ryot of the tiller of the soil should not also pay to the ryot anything in excess of the margin of two annas in the rupee over the rent...."10

He thus pointed out that the benefits, contemplated in the proposed legislation for the ryots as against the landholders, of reduced rent should not stick with him but should filter down to the under-ryots or the tillers of the soil. The opposition insisted on the point that in South Orissa, the tenant was not the tiller of the soil in majority cases, indicating that the Prime Minister himself owned tenancy rights over hundred acres of proprietary land.11

Replying to the criticism of the opposition, Das wondered "when did the Rajas develop this sense of responsibility for the tillers of the soil and what did they do during these long period for those for whom they are anxious now"?12 The allegation of the opposition on the issue of the definition of ryot and under-ryot was refuted by the President, Ganjam D.C.C. who said that peasants occupying "50 acres or more of landed property were not more than 80 only whereas raiyats of 3 acres or less than that numbered


It commented: "the Hon'ble C.M. of Orissa is behaving like a child as his statement are as much inexplicable as the remarks of a child. Biswanath Basu styled himself as a Krushak (cultivator) at Gaya. When the Raja of Paralakemedi became a member of the Agriculture Commission, some people said that he was a big farm land. Babu Biswanath Das is probably an agriculturist in that sense... he is not really an agriculturist but an inamdar or Zamindar and takes a greater share of the produce from the actual tillers of the soil than the Raja of Khallikote overtakes from his tenants. If a person commits any sin it is absolved in a sacred place but a sin committed in a sacred place (in the form of Das telling a lie in calling himself as a Krushak in a place like Gaya) is never absolved."

36,563"\(^{13}\), thereby constituting 95% of the near total 50,000 lease-holders. Referring to the various agrarian classes comprising of Zamindars, raiyats, under-raiyats and labourer, Biswanath Das observed that the Congress Government epitomised their interests by "organising these classes and working towards relieving them from their distress". In his view the legislation "was an attempt to improve the lot of these people and increase thereby rural happiness and contentment".\(^{14}\) The bill was passed by the assembly on 5 February, 1938 and submitted for Governor Hubback's assent. However, in May 1938, Hubback came out with a blunt refusal to give assent to the bill and reserved it for "Governor-General's assent or to return it for the reconsidered of the Assembly".\(^{15}\) This decision of the Governor was strongly criticised by the Congress leadership. Gopabandhu Choudhury, President, P.C.C., lashed out against the decision of the Governor as a clear "encroachment in the field of ministerial responsibility". Das too saw in the Governor's move "practically a refusal of his assent to such an important bill which was reasonably moderate in its scope".\(^{16}\)

The opposition was also keen to persuade both the Governor-General and Governor to kill the Bill. In February 1938, the raja of Parikuda met the Governor-General and asked him to persuade Gandhi to handle the issue. But, Linlithgow expressed his helplessness and pointed out that:

*Great as may be one might feel for landlords and little as one would like to see, what has on the whole, been an invaluable conservative influence disappear; I fear that the extent to which we can effectively intervene on their behalf, is, under present circumstances,


\(^{15}\) Linlithgow Collection (hereinafter LC), Hubback to Orissa Assembly, Vol.I, 1938, p.61.

\(^{16}\) Ibid.
very limited and they (zamindars) clearly realise that.\textsuperscript{17}

The landed elements submitted a memorandum to the Governor over the bill which described the bill as confiscatory as it negated the guarantees offered to the landholders by the permanent settlement. It also saw the provisions of the bill as "unfair to the landholders since it proposed to reduce their income". Besides, it alleged that the bill was rushed through the assembly without seeking public opinion.\textsuperscript{18}

The Governor, in turn, suggested to the Ministry to hold a round table conference involving the Ministry, landlords and Governor. This was ruled out by the P.M. who observed that the bill which restricted the power of Zamindars and reduced rent was passed by an overwhelming majority. He also pointed out that there had never been an agreed solution of problems between tenants and Zamindars in the whole history of British India and insisted on not accepting a position which would "compromise with the decision of the legislature".\textsuperscript{19} However, at this juncture, the AICC intervened and deputed Rajendra Prasad to participate in such a Conference. But it viewed the bill as "very reasonable and necessary in the interests of both the parties".\textsuperscript{20} Interestingly, Sardar Patel also advised Das to give a patient hearing to the people whenever there is a genuine demand from any of them, even though it would be somewhat "awkward for you" at this stage after the bill had been passed in the assembly. He observed in his letter to Das: "in the Conference, you can put Government's point of view firmly and confront the Zamindars with facts and figures; but it should

\begin{itemize}
\item \textsuperscript{17} LC, Linlithgow to Hubback, 9.2.38.
\item \textsuperscript{18} Ibid.
\item \textsuperscript{19} LC, Vol.I, B. Das to Governor, Orissa, 2.8.38.
\item \textsuperscript{20} Ibid.
\end{itemize}
not mean that you are prepared to enter into some act of settlement with Zamindars."\(^{21}\)

Pointing to the reports of Madras Land Act Committee and the Madras Agricultural Debtors Relief Bill (passed by Madras Government) around this period, which were pro-tenant in character and offered immense relief to the peasants, Das noted that the ryots of South Orissa could have availed such benefits if South Orissa were in Madras. And he repeated: "my bill as accepted by the Assembly gives the landholders many times more than what was reserved for them under the permanent settlement regulations, though it reduced the present income".\(^{22}\)

The Governor's Conference on Madras Estate Land Act commenced on 1 February 1939. The Rajas of Khallikote and Parlakhemundi and the Zamindars of Surangi represented the opposition in the conference along with Rajendra Prasad who acted as the observer. In the Conference, Das lamented the obstinancy on the part of landed elements over the bill and cited as examples the radical nature of tenancy legislations passed in Madras and Bihar. He admitted that the Government had refrained from initiating such measures in Orissa but cautioned: "...people of Orissa have been watching what was happening in Madras and Bihar all of which made the position of the Ministry exceed-

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also criticized the opposition's earlier demand for dropping the bill and await the decision of Madras Estate Land Act amendment bill, sponsored by Madras Government. It said that the nature of the Madras Bill as passed was more far-reaching and drastic in its character in being pro-tenants and it would considerably reduce the income of the Zamindars. The Madras Committee, it pointed out, "have recommended that the rent should be brought down to the level prevailing in 1802 when the permanent settlement was introduced in the Madras Presidency... and rent for trees should be lowered to the level of 1802 and all other miscellaneous rents should be abolished and the management of the Zamindari forest should be taken over by the Government...." In view of this "what ground have the South Orissa Zamindars against the Orissa measure?" it asked.

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ingly difficult". He, therefore, urged the landlords to co-operate by supporting the bill.

At the same time, Biswanath Das rejected the possibility of any compromise with the landlords as their terms were unacceptable. In this connection, it is important to note that the rightist opportunist forces, led by Nilakantha Das (President, PCC in 1939) and Chintamani Mishra (editor of the Conservative and pro-Zamindar newspaper Lokmata) grouped into an anti-ministry faction levelled serious charges against the bill. They pointed out that since the bill was expropriatory, it ran the risk of the Governor not giving his assent to it. Besides, they said that the bill was not for the benefit of the ryots or under-ryots but the personal benefit of the P.M. They also condemned Das's refusal to seek a compromise with landlords over the bill.

Responding to the charges, Das argued that the bill was endorsed by the Congressmen at Digapahandi, in which Nilakantha Das and Godavarisha Mishra were present and had welcomed the bill, adding that the question of local level compromise had not fructified. However on the question of P.M.'s personal interest being served through the bill, the report of the enquiry made by the AICC to probe the charges against Biswanath Das made very interesting observations.

*It is true that Prime Minister himself being the member of a family which holds ryots lands in Zamindari of Khallikote will be benefited by the Bill but there are thousands of other tenants who will get the benefit of the bill. The Prime Minister does not gain as much by being a tenant in Khallikote Zamindari as he loses by being a Zamindar of some other villages and inamdar in respect of another village.... The reduction in rent that his family would be entitled to claim under the bill cannot exceed Rs.3 to 4 thousand in all. His family owns 4 villages, 3 as landholder and one as inamdar. The bill would affect all the 4 villages. The reduction in rent that his family would have to give to their tenants would come to Rs.3,000 in case of one village and in case of another village

23. LC, Hubback to Linlithgow, 9.2.39.


25. AICC Papers, F.No.PL-7, Chintamani Mishra to Patel.

26. AICC Papers, F.No.PL-7 - Report of Enquiry Committee made against the Prime Minister Biswanath Das.
Rs.6,000/-.

A similar reduction of Rs.3,000/- per annum would have to be given in the other two villages. His family thus stands to lose about Rs.6,000/- annually by virtue of new legislation on account of reduction of rent in respect of villages which they held as land-holders and gain about Rs.3,000/- and Rs.4,000/- annually, which they would claim as reduction in their own rent in respect of lands which they held as tenants."

We have however already examined in the context of Peasant Movement how the campaign in favour of the bill was carried on in Orissa since the inception of the bill and particularly the developments in Ganjam in connection with the bill. Around September 1939, Linlithgow when approached over the issue for securing consent to the bill held that the advice of Parliamentary Sub-Committee meant a modification of the scheme as outlined in the Madras Estates Land (Orissa Amendment) Bill, which the Ministry was not adhering to. But the PCC held on to the original position of the bill as passed by the Assembly and urged immediate assent.

We have seen how in Ganjam under the leadership of Banamali Maharana, the Kisan Sabha threatened to launch a Satyagraha by 1 June 1939 in case the bill was not approved and asked the Ministry to resign. So also, the AICC was apprehensive of the refusal of the assent to the bill and appealed to the Congress and Kisan Sabha in Orissa to carry on intensive propaganda for the passing of the bill.29

The Ministry resigned in November, 1939, but even after the resignation, PCC campaigned for the assent to the bill. The PCC passed a resolution in February 1940 stating that "it would hereafter be difficult to exercise restraining influence on the electorate" in view of the delay in assent to the bill. Finally, the bill was vetoed in 1941 by

27. LC, Das to Hubback, 5.9.39.


the Governor General on the ground that the agrarian issue was complicated and due to lack of any preliminary negotiations conducted by the provincial government, with the representatives of the landholders and tenants. Thus the bill met an unfortunate death after three years of a long campaign. But the bill was an indicator of the fact that Congress made a systematic effort to combine agrarian reforms with its struggle against colonialism via office-acceptance.

**ORISSA TENANCY (AMENDMENT BILL):**

The immediacy for bringing in tenancy legislation by the Congress Ministry, once it accepted office, emerged from the fact that the Congress manifesto had clearly advocated the amendment of tenancy acts in various respects to the detriment of landlords and in defence of tenants. It had promised reduction of rents and water rates by half as well as remission of arrears of rent and revenue. In fact, the radical manifesto had helped shape the sweeping success of the Congress in the election. The bill introduced in the Assembly (25 September 1937) aimed at: (a) abolition of mutation fee, (b) providing tenants the right to cut trees, (c) reducing the rate of interest on arrears of rent from 12 1/2 to 6%, (d) abolition of illegal levies. Besides, the bill made provisions for absolute rights of the occupancy tenants over plants, flowers, fruits and to fell, utilise or dispose of timber of any tree on their lands. However, where the rights of landlords on these things had been established in civil courts, the tenants had to apply to the Collector and pay a reasonable compensation.

The Ministry rejected the opposition demand for the

circulation of the bill to elicit public opinion and instead referred it to a select committee. In this connection, the Revenue Minister, Kanungo, observed: "the measure which was overdue should not be delayed". The opposition represented by the landed elements characterised the bill as "revolutionary and expropriatory". Brajasundar Das asserted that the bill "smells of Leninism" and would emasculate the landlord class of its predominant rights. P.M., Biswanath Das, countering the opposition's views about the legislation, observed that it was an "irony of fate" to use terms like "revolution" and "expropriation" for a bill which gave a small concession to peasants which, in fact, would touch landholders' income by only 5%. Admitting that the Orissa Ministry was more sympathetic to landlords in so far as it had not levied death duties nor agricultural income tax like other provinces, he cautioned that there should be no opposition to such a moderate bill and particularly in the context of surging nationalisms which were overthrowing autocracy in other countries. Kanungo was equally sharp in explaining the objective of the Ministry vis-a-vis the bill. He went on to observe: "the wishes of the majority must be respected and greatest good of the great number must be achieved; the society must accordingly be adjusted on that basis... (there is) no purpose extinguishing any sections but there must be readjustment of rights." 

Discussing the issue of a mutation fee, the PM held that: "...the bill gives no absolute economic relief, but takes away the rights the landlords secured at a stage when

34. Ibid.
37. Ibid.
people did not have power in their hands". Attacking the landed elements, he justified the legislation, observing that "they are able to see the vision of life - they see the danger ahead... they see unless small things are done by themselves, they as a class will be scrapped" and wondered how long could one enjoy advantages which had "nothing to do with popular feelings and sentiments and much less with economic life and existence".38

The opposition brought in quite a few amendments. The Raja of Madhupur suggested that landlords and raiyats "shall have equal share in timber and flowers... whether planted before or after the commencement of the Act". He also wanted that the raiyats "shall not be entitled to plant any tree... without the consent of the landlord".39 Two other curious amendments proposed by the opposition suggested: (a) "any lawful compensation paid by a tenant to a landlord... shall not be deemed as illegal exactions nor (b) mistakes in calculating and apportioning rent... be taken as illegal exactions".40 Besides, on the issue of non-transferability, the opposition proposed an amendment advocating the following principles:41 (a) principles of non-transferability to be adopted in cases of tenants having just 3 acres of arable land; (b) mutation fee to be abolished by degrees without upsetting the landlord's income; (c) principle of primogeniture to be adopted for restricting the transfer of land.

Commenting on the "evil" effects of the legislation, an opposition member, Khan Bahadur Saiyyad Ahmed Buksa, observed that the bill did not merely intend to bring about betterment of tenants but "desires to kill the landlord" and

38. Ibid.
40. Ibid.
the abolition of mutation fee would lead to the "extinction of middle class". He deplored that by depriving the landlords of their rights to trees and vesting these rights in tenants arbitrarily, the legislation contravened all principles of justice."42

Reacting to opposition's allegation that the bill was one-sided, Das asked: "if any legislation affecting the interests of landlords in any province was ever hailed by Zamindars as a welcome measure?" He further elaborated:

"it is clear that even when the raiyats had planted trees on their holdings, the landlords could claim a share of the produce or something like that as that was based upon custom; if burning of widows was a sacred custom, it is good for us that it has been stopped. Customs that are bad and unconscionable should be done away with."43

Similarly, Kanungo held on to the view that

"all impositions on a tenant in addition to or in excess of the rent lawfully payable shall be illegal and all stipulations and reservations for the payment thereof shall be void; the fact that an imposition is made over and above legal rent due will be prima facie proof that exactions was imposed on him."44

The opposition's viewpoint was sharply reflected in the press through their mouthpiece, the The Asha.45 It observed that the legislation was not likely to benefit the tillers of the soil (the real raiyats); rather it would help the middle classes like the inamdars, the traders and the moneylenders who stood between the Zamindars and the real raiyats. It hailed the Raja of Khallikote's demand in the

45. The Asha (28 Sept. 1937), under the title "The real exploiters of raiyats", commented:

"(The exploitation of the middle class such as inamdar, the traders and the moneylenders) drives the poor raiyat from his lands and he is ultimately forced to leave his country for distant places like Assam and Rangoon... this middle class never touch the plough but take a share of the produce grown by the raiyat by the sweat of his brow.... Biswanath Das was one of the big tenants (of Raja of Khallikote) and possessed hundred acres of land which he did not till himself... the real cause of regret of the Raja was not so much to lose certain portions of his income as that the middle class such as that to which CM belonged, would really benefit by the measures proposed at the cost of the Zamindars and that the position of the real tillers of the soil would grow worse...."
assembly that the rights of sub-tenants and actual tillers of soil be defined in the Tenancy Act, before any benefit accrued to the tenants at the cost of Zamindary. The justification for this demand, the paper pointed out, was that the remission of rent, as enjoined in the tenancy legislation, would benefit only persons like the P.M. and not his sub-tenants.

Commenting on the limitations of the bill, the radical newspaper *Samaja*, said that the legislation was incomplete and one-sided and was introduced to give certain satisfactions to the impatient ryots and warned the Ministry that the bill "cannot satisfy all sections of people". 46 It further commented that the bill "represents a very small part of the relief" promised to the poor tenants in the Congress election manifesto; and saw no reason for the delay in the consent to the bill by the Governor. Kanungo defined the objective of the legislation as "greatest good of greatest number" and "to create better relations between landlords and tenants" so that "body politic in India should grow up as one nation". 48 However, he conceded that the bill was not complete by itself as the Government of India Act did not permit radical changes in the social structure.

The bill was finally passed with the following provisions: 49 (a) reduction of rate of interest on arrears of

   It severely criticised the bill on the ground that it did not contain any provision to remove the difficulties of baheldars, bajiaptiders and intermediate tenure holders since their number was much less compared to Stithiban ryots.

   It observed that by the abolition of mutation fees and illegal exactions, the economic distress of the cultivators would not be removed. Such provisions should be made, in its opinion, as would increase the value of the land and its income, so that people might take to agriculture as a profitable occupation.


49. Ibid.
rents from 12.5% to 6% despite opposition demand to lower it to only 9%; (b) provision of regular trial by the Collector or deputy Collector with fines as penalty (of Rs.500/- or simple imprisonment of 6 months) in case of imposition of illegal levies or exactions on tenants; (c) besides, a special officer was to be appointed for thorough overhauling and complete unification of tenancy laws in Orissa. However, before such report could be ready, the Ministry had to resign.

**MONEYLENDERS BILL:**

Rural indebtedness was a major feature of the 19th century Orissan economy. The evil persisted till the thirties of the 20th century when the nationalist leadership attempted certain measures to relieve the peasants of such monstrous burden. The report submitted by the Bihar and Orissa Provincial Banking Enquiry Committee (1929-30) clearly brought out the existing high rates of interest on agrarian loans.50 The Ministry undertook to deal with the problem in right earnest from the beginning. In the light of Banking enquiry committee's report, it proposed in the Moneylenders Bill of 1938 to fix the rate of interest at 9% on secured loans and 12% on unsecured loans. The proposed legislation also advocated the old Hindu law of Damdaputa.


The report pointed out that: In the Orissa coast districts much of the annual borrowing for seed and maintenance is in kind. The general rate is 25 per cent payable soon after the harvest, the loan running for a period of 4 to 8 months only. For seed grain, however, 50 per cent is frequently demanded. On the other hand, an occasional rate of 20 per cent is met with. For cash loans, the rate of 18 3/4 per cent for the full years is not infrequent, but the general rate is either 25 or 37 1/2 per cent depending on the credit worthiness of the borrower. For loans on registered bonds without specific security rates of 15 to 25 per cent are met with, while for regular mortgages the rate sometimes falls to 12 per cent. Sudden emergencies such as the need of money for the railway fare to go to Calcutta in search of work (a common feature of rural life in these districts) may tempt a moneylender to put the rate up to 50 per cent to cover the risk of the emigrant not returning to his home. The little business that is done by other agencies than the ordinary village mahajan is done on terms, which vary widely fro 18 3/4 to 75 per cent."

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(of interest not exceeding the amount of principal) to be followed in scaling down of interest rates. Besides, registration of moneylenders and prohibition of compound interest were also mooted. Moving the bill, Biswanath Das outlined the context and objectives of the legislation as offering protection to the debtors, ensuring payment to the creditors, and saving the debtors and particularly the agricultural debtors who were threatened by the consequences of economic depression. He also warned that "the existing pattern of credit system" would lead to serious agrarian trouble. He made a serious critique of the contractual practices of the existing credit system and compound interest. Referring to the opposition's demand for dropping the proposal for registration of moneylender, he lashed out, maintaining that "we are not accustomed to back door method, if we at all choose to attack, it is a frontal attack; we straight forward approach and try to find a remedy." He justified the move for registration of moneylenders on the ground that, with moneylending becoming a registered business; Government and Courts could intervene and control the said business. The fall in the value of land as well as house property with its consequence of adversely affecting the taxable and borrowing capacity was the rationale behind the legislation, the PM emphasised. However, he added that the legislation "in the present form was still and not a total perfection compared to the vastness of the problems" and sought to provide certain amount of protection to the classes of people who needed "protection more at this hour.

of the day".  

Hitting out at opposition's allegations that mahajans like Das having money had secured lands and deprived the cultivators of their lands and thus benefitted at the expense of Zamindars. Das stressed that

"we are out to protect the people both from money lenders and Zamindars... and if we have fallen short of our ideals which the country expects of us then we will be nowhere and the country will be best judge of your action and ours."  

However, he once again focused on the intimate enemy, the clutches of colonialism - as the major irritant against any attempt at a radical measure, when he observed: "if India were free today it would have taken a far more stringent measure than this bill that was being piloted.... Has not England in course of 3 days revolutionised its monetary system?"

It is interesting that E.M. Evans, a nominated member, hailed the legislation saying that people borrowing money at 30%, 40% or 50% would now borrow at 9% for secured debts and 12% on unsecured debts under principle of Damdaputa which would be definitely beneficial. He commented that debtors like dumb crowd look to the members of the house for relief in the face of money lenders organised opposition to kill the bill.

Looking at the stand taken up by the ruling Congress in

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"Of the three Ministers of Orissa, two are well-known money lenders and it is said that Hon'ble Mr. Nityamanda Kanungo before he became Minister used to lend money at an interest of 25% and the Hon'ble Mr. Biswanath Das belongs to a family whose prosperity is due to money lending". It further pointed out the limitations of the legislation stating that it was meant to benefit a few as it did not make allowance for the debtors who had borrowed money from the Government, Banks, Co-operative Societies to improve agriculture or increase the fertility of the land, nor did it incorporate provisions to protect the tenants whose land was sold for paying off Zamindar's rents etc.

advocating tenancy legislation, it becomes evident that the Ministry put in a systematic effort to integrate the need for agrarian reform with its struggle against colonialism. As has been pointed out at different stages, Ministry came to represent popular hopes by initiating such legislations openly admitting its inadequacies in undertaking full-fledged reforms due to the stranglehold of colonialism. But within its limited scope, the Ministry revealed a certain capacity to undermine the semi-hegemonic rule of the Raj by providing the Ministry a popular and representative character. Nityananda Kanungo, reflecting on the inadequacies of the agrarian legislation deplored the difficulties in the way of bringing "radical change in the existing social structure" under the mischievous act of 1935. He equally accepted the fact that such measures of legislation could not be "complete in themselves". 59

The Ministry, to a certain extent, reflected the ideals of the left and distanced itself from the pressure of the rightwing forces so far as tenancy legislation was concerned. For instance, the rightwing Asha observed about the Ministry that the Ministers were influenced by socialist ideas, because, it argued, the confiscatory provisions of Madras Estate Land Bill certainly smacked of such an idea, even though the bill might or might not have been actuated by a desire to distribute the Zamindari of the Zamindars among the tenants. 60 The analysis of the nature and role of mobilisation of the peasantry by the Congress leadership and its efforts at translating the election promises and popular expectations into concrete tenancy legislation at least

60. The Asha, 20 Nov. 1939.

It ascribed the reason for the passing of Madras Estate Land Bill to the inspiration exerted by the Socialist ideas though it might not have been taken up due to the pressure of socialism. So also added: "it is on account of this Bill, that the administration is being accused of expropriation...."
points to a subtle strategy. The strategy which the Ministry followed was one of exposing the inadequacies of the Act of 1935 not only by constantly fomenting popular demands but also trying to satisfy them to a limited extent. The limitations were meant to convince the people of the illegitimacy of foreign rule. Consequently, the leadership, far from being co-opted by the reformed legislature, used office acceptance to fight the official policy of co-option underlying the Act of 1935.

The failure to take more radical steps for transformation was crucially due to, as repeatedly emphasised by the Ministers, the stranglehold of colonialism and the very limited scope of reform available under the 1935 Act. Secondly, an all out war against landed elements could not have been possible so long as the Ministry was conscious of the fact that its number one economy was colonialism and not the internal vested interests like landlords and moneylenders. The Congress being a multi-class movement, under any circumstances (more so in the context of office acceptance) had to follow a strategy of adjusting "mutually clashing class interests" to sharpen the fight against imperialism. In other words, the only viable option before the Ministry was to 'neutralise' the landed elements as far as possible. What is important to note is that office acceptance was just a part of struggle against colonialism and not a fight to finish a class which either could be neutralised in the fight against colonialism or at best not found to ally fully with the colonial rulers. To put it briefly, it was the very centrality of "class adjustment" that lay behind the Ministry's approach towards tenancy legislation. Finally, it was not all that easy to find instant or quick solutions to the agrarian problems due to the complex and complicated nature of the agrarian structure and the issue of moneylending within a short period of 28 months in which Congress exercised its so-called "power".
The other significant socio-economic measures undertaken by the Ministry can be discussed briefly as follows.

**Orissa Co-operative Land Mortgage Bank Bill:**

The Congress Ministry took interest in restructuring the co-operative movement in Orissa. A report suggesting several measures for the reorganisation of the co-operative movement was submitted to the government by Devasikhamani Mudaliyar (a retired Registrar of Co-operative Societies, Madras) who was commissioned to conduct the enquiry. The Orissa Co-operative Land Mortgage Bank Bill, as introduced in the Assembly, sought to extend facilities of loans to the raiyats at a low rate of interest from the mortgage bank for development of land and other agricultural purpose. A sub-committee was appointed to examine the bill and spell out amendments to it. On the basis of Mudaliar's report, it was agreed upon to form a Provincial Co-operative Bank to act as the nodal agency for all the Co-operative Banks of the Province.

**Orissa Small Holders Relief Act:**

The Ministry enacted a measure to safeguard the economic interest of small peasant proprietors holding not more than six acres of irrigated land or twelve acres of other land and who were cultivating the land themselves or through farm hands. The Orissa Small Holders Relief Act also sought to prevent the eviction of small holders and the attachment and sale of their movable property. The Act also extended protection to the small landholders by making provisions

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62. *Ibid*.
64. *Ibid*.
under which the land belonging to them could not be sold to recover the debt pending against them by the decree holders of the Civil courts.  

Measures Concerning Industries:

The Congress Government paid due attention to the promotion of industries, though its capacity to do so was limited. Responding to the popular demand for the revival of salt industry in Orissa, it deputed Jagannath Mishra, a Parliamentary Secretary, to study the salt industry in Bengal and Madras. On the basis of his report, the Ministry decided to launch a demonstration farm in Astaranga, Puri for salt manufacturing. But, the Ministry had to face constitutional impediment in its efforts at large scale promotion of salt industry. The hurdle was that salt was not covered under provincial items under the 1935 Act.

Khadi industry was accorded special attention. Promotion of the use of khaddar was sought to be done by asking officials to take to khadi wear and also to purchase swadeshi goods. The Assembly passed a resolution endorsing the use of khadi for official uniforms.

The Ministry also undertook efforts to recognise the small scale industries like horn, tanning and filigree. Government grants were sanctioned for Madhusudan Village Industries, which especially imparted training in weaving, handspinning and other village based industries to fifty selected probationers who also availed government stipends.

66. Indian Annual Register, 1939, Vol.I, p.409. In fact, the PCC had passed a resolution to the effect that people should be allowed to manufacture and sell salt, free of duty, as salt was the only subsidiary industry for the people of Orissa.
69. Ibid., p.157.
The idea was that the probationers, after completion of this training, would cover villages and impart training to the people in village industries. So also, an experiment to produce gur from 'palmyra' juice and date trees was taken up. In fact, seventyfive workers were trained to popularise the expertise for this at village levels. All these efforts by the Ministry were in keeping with the Gandhian village reconstruction drive. In fact, during this period, Gopabandhu Choudhury's Bari Gandhian Ashram became an active centre for the experiment and promotion of honey, date-palm, sugar, paper, pottery, and sacred-slippers.70

Welfare of the Backward Classes:

Biswanath Das reiterated the Ministry's commitment to the welfare of Harijans and backward classes in his maiden budget speech. He observed: "It is our earnest desire that these classes, kept backward and depressed, should have their due place in society and make their best contribution to the highest well-being of the country".71 In accordance with this commitment, subsidies were granted to Spinners' Association to encourage spinning and weaving among the panas of Angul. Harijans of Sambalpur and Angul were given permission to freely use forests for rearing cocoons. A building, named as Kaibalya kutira, to be used as a hostel for Harijans, was financed through government grants. Departments of government were asked to accord preference to Harijans in the matter of appointments.72 So also the government made provisions for stipends, scholarships, remission of fees, free supply of books, and slates as well as

70. The Niankhunta, Dt.16.6.38.
ensuring hostel facilities to Harijan students.  

**Measures Concerning Prohibition:**

Even though, revenue to the tune of thirty four lakhs of rupees was raised from the sale of excise articles like opium, Ganja and liquor, the Congress Ministry true to its Gandhian commitment, resolved to take up measures on prohibition. The district of Balasore had gained the notoriety of having the maximum number of opium in the whole of India. The Ministry dealt with this menace by closing down all opium shops from 15 October 1938 except 14 shops on the borders of the district. Provisions were however, made to supply the addicts (after due medical examination to ascertain whether they were regular opium takers) opium at fixed rates. The addicts were required to register themselves in the specified centres. Besides, carrying of opium to the district of Balasore from other parts of the province was banned. A prohibition officer was appointed to monitor the implementation of the scheme. Thus, the Ministry intervened in the problem of opium addiction through a policy of restricted and regulated sale of opium backed by a campaign against opium addiction.

The Ministry also initiated measures like banning of sale of intoxicants after sunset, prohibiting the carrying of liquor back home from a shop after purchase, discouraging the sale of toddy, restricting issue of licenses to excise shops (for instance, all shops opened in 1937-38 were closed down), and shifting the excise shops from sensitive localities. The Opium (Orissa Amendment) Bill and Orissa Prohibition Bill were passed in the assembly with the central

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75. *HPD, FNR*, 17.10.38.
objective of ensuring total prohibition in the province, by
appointing excise officers to deal with offences covered
under the Opium Act.

**Jail Reforms:**

The Ministry also proceeded to impart prison environ-
ment a humane look by abolishing the gradation of political
prisoners into 'A', 'B' and 'C' categories. Rather, all
political prisoners were henceforth, treated as 'A' class
prisoners with all privileges except items of food.77 Spinn-
ing and activities concerning cottage industry were
launched as a part of vocational occupation for the prison-
ers to enhance their economic productivity. The 'inhuman'
elements of the 'Criminal Tribes Act' were sought to be
removed by allowing more freedom to particularly Dandasi
tribe of Ganjam, to ensure a full-fledged growth of their
personalities.78 Interestingly, the practice of bowing down
to any of the colonial officials by the prisoners and wish-
ing Sarkar Salam - a ridiculous colonial practice - was also
discontinued.

**Civil Liberties:**

The maiden performance of the Ministry when it took
office was to declare the release of all political prison-
ers.79 So also, political prosecutions were withdrawn.
Restrictions on organisation of public meetings and taking
out of demonstrations without license were given up immedi-
ately. The Ministry also repealed the emergency powers
vested in the executive - a provision contained in the Bihar
and Orissa Public Safety Act.80 The proscription of books

77. OLAP, Vol.IV, 1939, p.23.
79. Mahatab, History of Freedom Movement in Orissa, Vol.IV,
    pp.5-7.
80. HPD, FNR, 14.12.37.
and leaflets imposed since 1930 was also removed. The press was sought to be rescued from the clutches of colonial restrictions by refunding the deposits of newspapers and the printing presses.81 The police manual was imparted a new look by revising old rules and instilling a sense of duty towards the people in the police.82 A branch of the Indian Civil Liberties Union also started functioning after the formation of the Congress Ministry. Under the presidency of Bichitrinanda Das (M.L.A.), Lingaraj Mishra (M.L.A.), Laxmi Narayan Sahu (Servants of India Society) acted as Vice-Presidents. The association intended to focus on the infringement of civil liberties in the Orissa states.83

Ministry's position over Governor's Leave:

We may also try to briefly touch upon one of the constitutional issues over which the ministry got involved. The Governor of Orissa, Hubback, was granted leave from 5 May 1938 and J.R. Dain, the Revenue Commissioner, was officially appointed to function as the Governor of Orissa during the absence of Hubback. This decision was in fact, effected without consulting the Ministry. This decision brought in vehement opposition from the Ministry, which objected to the fact on the ground that a person subordinate to the provincial Government could not act as the Governor of the province. Nor could any decision for such an appointment be taken without consulting the Ministry.84 The issue was widely debated not only in the province but in the whole of India. The AICC under Bose presidency condemned

81. HPD, Orissa, 1936-37.
82. Lal Mohan Patnaik, Resurrected Orissa, p.92; and HPD, FNR, 28.4.38.
83. HPD, FNR, 14.9.38.
the decision and urged the Governor-General to appoint the
Chief Justice as the acting Governor.\textsuperscript{85} Gandhi and Patel
also put in their weight behind this campaign of Orissa
Ministry. Finally, it was decided that, in case the order
was not revised, the Ministry would resign on 5 May 1938 -
the date of the new Governor's assumption to office.

The campaign against the decision was intensely high­
lighted during the National Week Celebration in Orissa from
6-13 April 1938.\textsuperscript{86} The PCC fully backed the decision of the
Ministry to resign. A resolution passed by PCC called upon
people of the province to be in readiness for any emergency
to face the situation.\textsuperscript{87} By 4 May, the ministers and par­
liamentary secretaries had already tendered their resigna­
tions. But when Das was about to tender his resignation,
Hubback averted the crisis by cancelling his leave "in the
interest of the province". This was regarded as a victory
in the Congress circles, as also in popular perception.\textsuperscript{88}
This incident also reflects the Ministry's ever-preparedness
to face a constitutional deadlock while working the 1935
Act.

On an overall estimate, within a brief spell of twenty
four months, since the installation of Congress Ministry,
the latter sought to enhance the nationalist hegemony by
projecting the Congress as the representative of popular
opinion, despite immense constitutional constraints enjoined
under the Act of 1935. The Ministry's track record, in
terms of redressing rural mass level grievances through
tenancy legislations and initiating socio-economic develop­

\textsuperscript{86} Mahatab, \textit{op. cit.}, Supplement, p.9.
\textsuperscript{87} HPD, FNR, 28.4.38.
\textsuperscript{88} Nanda Kishore Das, \textit{op. cit.}, p.114; and HPD, FNR,
14.5.38.
ments in a limited manner; and more importantly securing civil liberties for the people in general and states people in particular, was quite impressive. Moreover, the Ministry sought to function in an assertive style, by threatening to resign when it felt that a significant issue was involved. This in fact, sent the right signal to the people that the Ministry phase was very much a part of Congress struggle against colonialism. Besides, the Ministry's functioning was meant to impart to popular perception the notion of Indian ability to rule themselves. The existing popular perception regarding Ministry was summed up by Mohan Das, who was also the Secretary of the Socialist Provincial Youth League. In an article published in the Krushak, he wrote:

"After the resignation of the Congress Ministry, I have got the occasion to tour in most parts of the Puri Sadar sub-division and to explain the present situation to the people in public meetings in their hundreds. They feel pride and joy that their Ministers have come away tendering resignation. Anxiety for achieving Swaraj has been expressed in all quarters and the eagerness of the people to stand by their Ministers would be evident if the Government were to dissolve the legislature and order re-election...."