CHAPTER VII

ECONOMIC CONDITION OF THE PEOPLE

Tripura was primarily an agricultural area with a predominantly ruralised population and a subsistence economy. Its economic condition often swung with smile or frown of nature. By virtue of geographical contiguity and trade outlets, markets in the adjoining British districts had its impact upon the economy and its people.

Section I : The raiyat

The cultivators in the plains of Tripura had not been as poor and improvident as the Jhumias. As earlier stated, plough cultivation was limited to a narrow strip of land lying along the boundary which divided the State from the adjoining British districts, and the patches of land in the interior. In the plains, where the cultivation was practised in the same manner as in Bengal, the peasant's holding was considered fairly large if containing above 15 Bighas or 5 acres in extent. Six Bighas or two acres of land was recognised as a very small size of holding. Towards the last quarter of the past century the farm of about 12 Bighas or four acres in extent constituted a fair-sized and comfortable holding for the cultivating raiyat.1

1 Hunter, W.W., op.cit., pp.502-03.
In the first quarter of the 20th century a 5-acre holding could somehow manage a living for a small family.¹

Paddy which had been mostly one crop was the principal cropping pattern in the plains of State. The other crops being a less important part of it, the paddy yield index in Tripura would go a long way in determining the gross agricultural income of the holding in a general term. A fair yield of paddy, according to the estimate of Hunter during 1876, was calculated at 12 Maunds per Bigha.² Allowing 25 per cent general wastage, three Maunds of rice are still today obtained from a quantity of four Maunds of paddy when husked. In 1872 the common variety of rice sold at Rs 1-4-0 a Maund. Although its maximum price per Maund had shot up at Rs 3 during the year of the Orissa Famine (1866), the average price of common rice for the decennial period in 1864-73 was just over Rs 1-10-0 per Maund³ in the State. Towards 1883 the price of rice fluctuated from Rs 2-0-0 to Rs 2-8-0 and a famine loomed large in the State and the neighbouring areas.⁴ This may be peculiar of the year when the price had gone up suddenly. The decadal rise would have been much less.

Basing upon the average paddy yield per Bigha along

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¹ Tripura Rajyé Trish Batsar (Kailaschar Bibhag), op.cit.,p.9.
³ Ibid, p.504.
⁴ Tripura Bartabaha, Shravana Issue, 1290 B.S. (1883 A.D.).
with its rate of conversion into rice, and corresponding market-value of rice per Maund, the gross income of the fair-sized and comfortable agricultural holding can be estimated in a general way. The gross agricultural income of such farm was to approximate to Rs 135 in 1872. The classification of Adda rates fixed in 1898 generally confirms this estimate. The minimum income derived out of a farm above 12 Kanis or say 5 acres in extent, was equated to Rs 200 in the economic slab of the Adda tax. Comparing the gross annual income of the fair-sized holding of 4 acres as obtained in 1872 with that of a 5-acre holding in 1898 on a simple equation, it can be said without least hesitation that there had not been much basic difference between these two estimates, and this difference may be due to a slight rise in the price of rice.

A husbandman cultivating such a fair-sized holding was no doubt well-off by the prevailing standard. But his

Position of a raiyat as compared to a respectable shopkeeper or an employee social status fell below the mark as compared to the social respectability of a shop-keeper or a monthly wage-earning employee of the State, even though he earned less than a cultivating raiyat. One of the possible explanations lies in the fact that the shopkeeper or trader

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1 Adda Kar, op.cit., Rules 14, p.5.
constituted rural power structure which alone decided the position of social respectability. The element of uncertainty in agriculture was not a less important factor. The poor raivat naturally relied on the traders for consumption loans in their adversity and remained tied to them. With the emergence of a new agrarian trend, the land had become a commodity, and was being concentrated in the hands of non-agriculturists representing traders, money-lenders and urban middle classes. The power structure was thus re-aligned with the absentee proprietors.

The salaried employee in the State administration was viewed as a symbol of authority and was much more feared than respected. The corruption being rampant in the Zamindari-like administration at the early stage, the poor raivat extremely dreaded the Midas touch. These apart, in determining the class of State witnesses for daily allowance, the cultivating raivat was placed lower in the rung than any class of the employees. Nearly double was the amount the employees received in comparison to the raivat for performing the similar State duties.

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1 Memo No. 36 of State Revenue Department dated 7 Agraahayan, 1301 T.E. (1891 A.D.).
2 Circular No. 56 of State General Department, dated 8 Falgun, 1301 T.E. (1891 A.D.).
3 T.S.G., Part VI, No. 5 of 1317 T.E. (1907 A.D.), op. cit.
The status consciousness of the non-agriculturist cast adverse effects upon the society. A proprietor tenant in the State being in possession of just one acre of land generally employed labourers to cultivate for him. Even a hill-man who had recently adopted plough cultivation in the plains got his land cultivated through engagement of paid labourers, mostly Bengali Muslim. The rate of the wage for agricultural labourers varied between annas two and three. To compensate the missing mandays the labourers were paid daily allowance at the rate of annas three in 1907 for their acting as the State witnesses. All these are indicative of the emergence of a new class of hired agricultural labourers in the State, who worked sometime for the agricultural entrepreneurs of the non-agriculturalist class, and sometime for the big farmers.

In and around the last quarter of the 19th century, the cultivating raiyat in the plains of Tripura was generally free from debt. He could somehow withstand the failure of crops or a short fall in production with his surplus. Successive failures of crops spelt ruin for the poor farmer and led him to the toils of the money-lenders for

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1 Hunter, W.W., op.cit., p.503.
3 T.S.C., Part VI, No.5 of 1317 T.E. (1907 A.D.), op.cit.
4 Hunter, W.W., op.cit., p.503.
consumption loans. In favourable circumstances too he unhesitatingly borrowed money, especially for any domestic ceremonies, such as marriage, first rice-taking and obsequial ceremonies. But this material condition of the poor cultivating classes changed fast at the turn of the century, particularly in the beginning of World War I. The price of commodities which had gone up during the war years showed no sign of recession and rather got stabilised at high rates, hitting hard the people at large.

In consequence, the usury business thrived to spread its tentacles upon the indigent cultivating *raivats*, who did not know how to come out of the toils. In the total absence of the rural credit institution, occasional *Tukawi* loans (advances of money made by the State to the cultivators at time of failure of the crop which are to be repaid when the crop is gathered) could not come to their rescue. Rural indebtedness that was writ large in the State will be discussed at some length in the Section V of the chapter.

As stated earlier, the classification of *Adda* rates was based upon the financial capacity of the rural people, mostly of the cultivating class enjoying the usufruct of lands by cultivation or letting out. The assessment of these rates,

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1 Loc. cit.
2 *Tripura Rajya Trish Batsar - Bilopia Bibhag (Manuscript)*: *Arthik Abastha Section, op. cit.*
therefore furnishes evidences of economic strata of the rural society during the contemporary period (in and around 1898). For the purpose of Adda rates there had been four economic groups of people. For the sake of convenience it may be recounted here that the holding of 5-acre or its equivalent annual income of Rs 200 occupied the upper stratum. The 4-acre holding equated with the annual income of Rs 150 came next in the rung. The yearly income of Rs 100 or the holding in extent just above 2 acres fell below it. The landless people or day labourers filled in the lowest stratum. These economic strata of rural Tripura can be broadly re-grouped as (1) a class with somewhat comfortable economic holding, (ii) a class with a very small holding and (iii) landless or labour class. The pervasive rural indebtedness suggests that the second and third group constituted the overwhelming percentage of the population.

The State Income Tax Act, 1354 T.E. (1944 A.D.) presupposes three broad economic strata for the purpose of income tax\(^1\) (a) people below the income bracket of Rs 3,500, (b) people above the income bracket of Rs 3,500 but less than Rs 25,000 and (c) people with an income above Rs 25,000. Though time gap for about five decades changed income pattern enormously since 1898 with the price rise in agricultural commodities, the

\(^1\) Addakar, op.cit., Rules 14, pp.5-6.

corresponding rise in consumption goods must have neutralised the net income of the first group in which clustered the overwhelming majority of the cases. It is probable that only a few cases of traders, landed gentry and big agricultural entrepreneurs filled in the second rung while select tea magnets stood at the top.

The agricultural income tax was also envisaged separately in the Act. On the first Rs 3,500 of the total income derived from land in use for agriculture was exempt from the taxation, and above the amount was only taxable at the rate of 6 pies per rupee. The rate progressively increased with higher economic bracket. This rate was lower than that of general income tax. But the nature of allowances provided towards the cultivation and, transportation cost etc. raised the income ceiling of the agricultural tax further. In tea industry where a combination of agriculture and manufacture was involved, 60 per cent of the total income of the tea estates had been assessed as agricultural income. All these indicate that the agricultural income tax was intended to bring big agricultural entrepreneurs, farmers, and tea magnets under its ambit and the ordinary cultivating raiyat remained outside the tax pale.

\[\text{\[1\] Ibid, pp.38-39.}\]
\[\text{\[2\] Ibid, Section 13, pp.12-13.}\]
\[\text{\[3\] Ibid, Explanation below Section 2, p.2.}\]
No doubt the introduction of income tax opened a new dimension of the revenue potential, but its magnitude cannot be assessed in a quantitative term because of its amalgamation under miscellaneous head of account.

Section II: The hill people

The hill people were, as a rule, very poor and improvident. The living conditions of the people were reflected in their houses, in their food and clothing as well as in their general unwillingness to work as day-labourers even when they were doing nothing, and had the offer of work in the plains on a daily wage basis.

A good season with the hill people merely plenty of pigs to eat and feast, and plenty of country spirits to drink and dance. They grew their own food and bred their pigs and fowls. Rice, pumpkins, dried fish, fowls, condition goats and pigs constituted their chief articles of food. Til, cotton and mustard seed formed cash crops enabling them to buy dried fish and salt among other important essentials of life. Even today many of the hill-men prepare Ksharpani (salt water) by burning bamboos. The bamboo-burnt ashes were used as a salt substitute. The clothes they needed

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2 Ibid, p.499.
were home-spun, the raw material being obtained from the Jhum. The short waist-cloth and a turban-like cloth on the head constituted the dress of the male gentry, and Bhia (breast garment) and Pachhra (waist-cloth) for the women folk. The Tonzghar (the house of the hills people constructed on a raised bamboo platform) is built with bamboos and thatch abundantly available in the hills and procurable without any royalty.

The cooking vessels they require even these days are earthen pots, and when they cannot afford to buy, their substitutes are used. They make shift with the closed tube formed by a piece of bamboo cut off below the joint. The shell of ripened gourd is also used as a container. Their beddings include home-made coarse matress, pillows, and Roijis (quilts indigenously made of old rags or spun cotton strip interwoven with coarse cloth) for winter. The Takkal or hill knife is practically the only costly agricultural implement that they require to procure from outside. The very mode of Jhum cultivation made it unnecessary for the hill-men to keep any large cattle as generally owned by the plains people. The migration in search of new Jhum lands rendered it difficult to raise it. Sometime cows and buffaloes of the petty brokers were reared in the tribal houses on a share-yield basis.¹ A few Gabay or wild cattle

¹ Tripura Rajya Trish Bataar Sabrum Bibbag (Manuscript), Artik Abasha Section, op.cit.
were frequently raised by some tribes in the northern part of the State. With this exception the live-stock of the hills people consisted only of pigs, goats, fowls and pigeons which were reared for food and also as articles of trade.

All these suggest that their needs were simple and few as they remain today. Those needs were met out of Jhum produce, home-bred livestock and home-spun clothes, and, as such, it is difficult to estimate the cost of living among them. The hill-men lived in the lap of nature and physiologically subsisted on her bounties for bare necessities of life. They were hardly dependent upon the external munificence unless nature was red in her tooth and claw.

Drought and flowering of bamboo giving rise to enormous growth of hill mice proved next door to starvation. But bad seasons had scarcely any edge upon them to depart from the traditional mooring of life. The consumption loans dragged them to the toils of money-lenders until these were refused in consideration of their capacity to repay. Bamboo and jungle roots were even tried in worse cases for subsistence. Yet the drive was not pronounced in them to come out of the sylvan shadows and

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join in the file of day labourers. What with social inhibition and what with general aversion to any other work, the conscious effort on the part of the hill-men to improve their living conditions was conspicuously absent and the shadow of abject poverty has lengthened in their life even today.

The Jhum cultivation depends mostly upon the freaks of nature. Uncertainty and low yields entail it. Although shifting cultivation provides a living to the hill-men no matter whether it ekes out a modest living or otherwise, ultimately it leads to serious economic loss to the State. Jhuming cannot be possible without de-

Measures for induction to plough cultivation — results forestation which results in soil erosion and loss of fertility. For this reason the same area cannot be cultivated for more than three or four times. And they have to look for new areas after a period after the fertility is exhausted. The idea to replace Jhum by permanent cultivation had been occupying the minds of the Rajas from Birachandra down to Birabikrama-Kishora Manikya as a possible way out for raising the standard of living of the hill people on the one hand and economic potentiality on the other. The land utilisation being considerably low, suitable lands could be found out in the valleys.

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2. T.A.R., 1323 T.E. (1913-14), op. cit., p.II.
Birachandra spelt some concrete measures for introducing plough cultivation among the hill-men. His steps included practical training in plough cultivation, farm demonstration, extension service and propaganda, agricultural subsidy, and loan at an easy term towards purchase of agricultural inputs. To encourage the tribal Jhumias to adopt permanent form of cultivation, extensive tracts of waste land were offered to them on a very attractive term under the initiative of Radhakishora. A period of remission sometime to the tune of five years was granted. The attempt to settle the Jhumias in plough cultivation is reflected in the Gharchukti Act of 1329 T.E. (1919 A.D.) where full remission of the house tax was allowed to the hill-men who had discarded Jhumming and switched over to plough cultivation. It was also provided in the Act to allow tax reduction in case both forms of cultivation were practised. All these incentives were practically directed to encourage the individuals rather than the community. Such attempt could hardly yield the desired results. The lure of unlimited virgin land and the spirit of community migration had been too irresistible to the hill-men.

Towards 1931 there was a shift in policy in regard to

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1 Rajci, op.cit., p.184-85.
2 Memo No.7 of State Revenue Department dated 3 Magh, 1302 T.E. (1892 A.D.).
Jhumia rehabilitation. As a result, a Tribal Reserve was constituted in Kalyanpur for the group settlement.\(^1\) This was an experiment with the adoption of permanent method of cultivation in the backdrop of sylvan shadows to which the hill people were nostalgically attached. It proved a pretty success. This experiment was repeated in a massive scale and as many as 1950 square miles were ear-marked for the Tribal Reserves.\(^2\) Soon it was discovered that the hill people could not quietly adapt themselves to these alien situations. In order to ensure a gradual switch-over to the permanent form of cultivation it was necessary to de-reserve and attach 251 square miles of forest tract to the newly grown holdings as a part of the necessary area for Jhum cultivation.\(^3\)

All these efforts suggest that the induction of the Jhumiagr to plough cultivation was not an easy task and the chance of success is always limited. This problem is somewhat inherent in the ancient social customs and habits which have been followed by generations of the tribals in the absence of any serious attempt to modernise agriculture and raise the standard of living. Supplementing the Jhum cultivation by other subsidiary occupations may be one of the alternative approach to raising the standard of living of the hill people, but social inhibition persisted among them. It was not


uncommon that the hill people engaged in any trade or work were socially ostracised. A royal order was required to be issued to restrain the leaders from such acts. All these organised efforts confirm that the thinking of the Later Manikya rulers was in the right direction.

But it must be admitted that in spite of these efforts the hill people still remained in abject poverty. During 1942-43 this dismal poverty, combined with successive failures of Jhum crops and the repressive Sardari (rule of headmen) system, assumed the character of an open revolt, popularly known as the Riang Revolt (1943) under the leadership of Ratanmani. Although the revolt was organised by the Riang, one of the tribes of Tripura and they had, in particular, genuine grievances against the repressive Sardari system, it virtually gave the mute expression of the agony and distress of the poverty-stricken people of all other tribal communities. The failure of successive Jhum crops was the last straw on the camel’s back in the wake of the Bengal Famine which caused corresponding price spiral of consumption commodities beyond the purchasing capacity of the ordinary hill people. It brought the hill sections practically in the

throes of famine. The procurement drive of the State for
the army, and cheap ration for the people of Agartala took
in of the residual quantity of crops at the bait of handsomely
high price.

In any case the tribal people were hard hit. But the
revolt against the authority and the authorised feudal agency
could hardly be tolerated. The Riang Revolt was ruthlessly
quelled as a lesson for the other communities. The acute
poverty, mixed with extortionate exploitation of the Choudhu-
ries, served a prelude to the Riang Revolt under Ratanmani.

Section III: Wages and prices

It is extremely difficult to investigate the trends
of prices and wages and living standards of the people in the
State of Tripura from the last quarter of the past century.
The task to undertake a long-term study of prices and wages
must remain somewhat hazardous for the simple reason that the
data needed for a clear analysis are not — indeed, by nature
of things, just cannot be — available, as the State was poised
to come out from the slough of medievalism only towards the
later decades of the 19th century. Therefore inferences can
be drawn only with many provisos as the insufficient data may
frequently permit qualitative judgment rather than quantitative

2 *Tripura in Transition*, op.cit., p.16.
analysis. We propose to examine these trends for the period from 1875 (from the road to modernism) to 1947. This period may conveniently be divided for the purpose of a study of prices and wages into the sub-periods from 1875 to 1913 (when data on prices and wages began to appear in the gazettes and administration reports), and from the commencement of the World War I in 1914 to 1947. The rationale behind dividing the substantive part of the study into the above two sub-periods is the basic difference in the behaviour of prices and wages over these two sub-periods.

Writing about the daily wages of labour and artisan classes in 1876, Hunter observes, "Within recent years the rate of wages has increased. Agricultural labourers a few years ago earned two annas (3d) per day; they now receive 3 annas (4½ d). Smith who in former times received 3 annas (4½ d) now get 5 annas 6 pies (8d) a day. Carpenters' wages have remained stationary at annas 4 (6d) per day". These rates of wages are somewhat comparable with those of their counterparts in the contiguous British district of Tippera during 1871. It may be seen that the labour and artisan classes of the district earned higher wages, when the price of the principal item of food, that is rice,

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1 Hunter, W.W., op.cit., p.504.
did not vary in any significant way in these two parts of the country.¹

It may be seen from the account of Hunter that the wage rise in case of the agricultural labourers was to the tune of 50 per cent in the State towards the last quarter of the 19th century. Although this rise in wages is indicative of the dearth of agricultural labour forces in a general way, and the labour supply from British districts in particular,² the possibility that the rural people in the State might have some share in the land is not ruled out. The rate of minimum wage for the agricultural labourers remained practically stationary till 1913,³ even though a rising trend of common rice, the principal and the virtually the only item of consumption in the subsistence economy, is noticed during the period 1875-1913. There had been no appreciable change in the minimum wages for the skilled labour or artisans in 1913. The minimum earning for a month was calculated at Rs 10/- for this class.

The average price of common variety of rice during the ten years ending 1872 was Rs 1.10.5 per Maund in the State. Its price fluctuated between rupees two and rupees two and a half.⁴

¹ Ibid, pp.396-97.
² Bengal Administration Report, 1883-84, p.12.
⁴ Tripura Bartabaha, Falgun Issue, 1290 B.S. (1883 A.D.).
in 1883. With marginal fluctuations in the preceding years

Prices of rice and paddy—decadal rates comparison

the average price of common rice per Maund in 1905 did not change significantly from what had been in 1883, the average price of paddy being just a rupee.¹ In 1907 there was a spurt of price and the minimum prices for both rice and paddy per Maund were Rs 5-0-0 and Rs 2-0-0 respectively² which partly declined in 1912 and 1913. The average price of common rice and paddy per Maund had been between Rs 4-0-0 and Rs 1-12-0 respectively in 1913 against Rs 2-8-0 and Rs 1-4-0 of the previous year.³

In an economy where no elaborate controls are exercised, prices represent, ex post, the balance between aggregate supply and demand. Prices also reflect incomes. But from the meagre data it is extremely hard to draw any inference on the behaviour of the grain prices and its effect upon the disposal money income without taking into consideration other variables. Generally an oscillatory behaviour of grain price is manifest which is connected with an erratic character of the monsoon. The unseasonable climatic conditions had been responsible for the price spurt in 1907 and 1913.

¹ T.S.G., Part IV, No.1 of 1315 T.E.(1905 A.D.), op.cit.
² T.S.G., Part VI, No.3 dated 31 Ashad, 1317 T.B. (1907 A.D.).
In view of the heavy dependence of output on the monsoon, an increase in grain prices having followed low output meant a lowering of the disposal money income of the cultivating classes during unpropitious years, when its staying power was limited or curbed by the system of Dadan or hypothecation of a large part of the output by the indebted cultivating class. These variables may have similar effects upon them in case of good harvest. The issue of certificates to auction off the agricultural lands in default of revenue dues amounting to 3 paisa (1/64 of a rupee) may be considered an extremely typical illustration. Altogether 3,798 certificate cases, covering an aggregate land revenue demand of Rs 1,16,334 were dealt with by several Original Revenue Courts during 1913 against 3,659 and Rs 1,27,489 respectively, the corresponding figures for the previous year. The total amount recovered in 1913 under this procedure was Rs 40,025 against Rs 55,707 of the preceding year. The number of mortgage deeds which had been 2,200 in 1912 rose to 2,398 in 1913. All these are indicative of deeply-trenched poverty of the agricultural community. In the absence of any cheap credit, it is reasonable to suggest that they were led to the toils of the money-lenders for consumption loans. The benefit of increased price in foodgrains did not accrue to the toiling tillers of the soil.

In the virtual total absence of irrigation facilities

1 Ibid, pp.4,12.
in the State, the erratic nature of the monsoon had not only an impact upon the output and the price of foodgrains but also its impact upon the cropping pattern. Adjusting to the whims of the monsoon with its early or late arrival, the shift in the cropping pattern was noticed in the State. Towards 1907 jute and mustard seed emerged as cash crops, and nominal duties on their exports to the neighbouring British districts were levied. The fluctuations of price followed its own pattern of behaviour generally unconnected with the movements of prices outside the State, especially foodgrains. The communication difficulties in the interior stood in the way of proper distribution of agricultural produce in the State and provided an artificial stimulus for export and smuggling to the detriment of the people including the growers themselves, who were placed at the mercy of enterprising outside traders. In more than one sense the pattern of crop prices in the State had been largely indigenous over 1875-1913. This remark applies to the sub-period in a general way.

At the beginning of World War I the prices of common variety of rice and paddy did not show much upward trend; the minimum prices per Maund ranged from Rs 3.12-0 to Rs 1.2-0 for rice and from Rs 1.12-0 to Rs 0.12-0 in case of paddy. This position

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continued till the early part of 1917. A number of looting cases of grain market, reported in the later part of 1917 suggests that the prices fluctuated far more largely than it was officially reported. As the market arrivals of most crops have had a bunching tendency over brief periods after the harvest time, the average annual prices hardly reflect its true nature of fluctuation. The higher range of prices which had often stood double the minimum prices for a particular reference year was probably nearer the truth. The price of rice\(^2\) in 1917 ranged from Rs 6-8-0 to Rs 1-8-0, and the higher range of the price can alone explain the motivation of the looting of grain markets, not resorted to mere casually. The similar price situation lingered in 1918.

To grapple with the situation Panja Debyer Mulya Miva-mak Bidi (Act relating to control of prices of saleable commodities), Act II of 1329 T.E. (1919 A.D.) was promulgated in 1919 in order to regulate the export of foodgrains and to control the prices. The price of rice was at first fixed between Rs 6 and Rs 5 and that of paddy at half of those amounts\(^3\).

In determining the price, the cost price, incidental charges


\(^3\) T.A.R., 1330 T.E. (1920 A.D.), op. cit., p. 16.
and wastage were taken into consideration and annas 4 had been allowed as profit margin per Maund.1 The Collectors were authorised to turn out the middleman in the grain deal.2 But with the rise of the price in the neighbouring British districts, the initial rate so fixed had to be raised to Rs 7-8-0 for rice, that of paddy being similarly raised to half that amount in 1920. The restriction upon export was withdrawn in the same year and the price of quality rice per Maund consequently rose to Rs 10-8-0 per Maund.3 A rising graph of prices of foodgrains during the later years of World War I is thus exhibited.

The erratic monsoon had a positive bearing upon the behaviour of the prices of the foodgrains during the years of World War I. The unseasonable and ill-distribution of rainfall alternating with drought and floods seriously affected the crops not only in the plains but also in the hills, particularly cotton. The scarcity or good yield of food grains in the neighbouring British districts had its effect too upon the prices.4 The continuous upward trend of imported items

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1 Parva Drabver Mulva Niyamak Bidhi, Act II of 1329 T.E. (1919 A.D.), Note below Section 5, p. 7.
2 Ibid, Section 6, pp. 7-8.
of daily necessities made a drain upon the slender income of agricultural classes deriving benefit of higher prices.

The wages of labour and artisan classes did not show much indication of upward trend in the initial year of the War. With the passing of years the daily wages rose from annas 3 to 10 for the daily labourer and from annas 8 to 10 in case of the artisan including the carpenters and smiths. During 1919-20 the wages settled at the peak. The entry of women into the labour force exhibits a new phenomenon in the State and their wages generally had been 30 to 50 per cent less than those of their male counterpart. People outside the State filled in the labour force as usual. All these show that there had been a general rising graph in the prices of daily necessities on the one hand, and in the rate of wages on the other during World War I, which had abated after 1920 as will be seen in the following pages.

A somewhat lower plateau of prices of rice and paddy is discernible from 1921 till the onset of the Great Depression in 1927. The minimum average price of common rice per Maund ranged from Rs 6-8-0 to Rs 3-5-0, that of paddy often being less than the half of those amounts. The peak price of rice that pitched at Rs 6-8-0 in 1923, as explained in official records, was due to increased capacity of the peasantry to hold off the stock for better price. The daily wages for the labour and

artisan classes showed the sign of a general upswing during the period. But the wage fluctuation was generally limited to 20% in case of the day labourer and 25% for the artisans, the minimum wages for them being annas 10 and rupee one respectively. The prices of commodities of daily necessities that had gone up during the First World War practically remained unabated. The landless people or the wage-earning class, without any income from land, were hard hit during the years preceding the Depression.¹

The pinch of the Great Depression was ere long felt in this distant sylvan State. Towards 1932 the State had been badly affected by a slump and collapse of prices of indigenous crops, rice and paddy in particular. The price of rice touched at ₹ 1.6.0 while that of paddy at annas 10 per Maund. During the period of the Depression the minimum price of common rice per Maund ranged between ₹ 1.6.0 and ₹ 4.8.0 and that of paddy varied from annas 10 to ₹ 1.6.0. The downward trend was exhibited from 1930 on to 1932 when it was climaxed.² From this terminal year the prices showed a sign of slow and uncertain recovery³ until the commencement of World War II. Jute proved no more a paying cash prop. The propaganda to restrict jute cultivation was launched towards 1934.⁴

forest produce in the neighbouring British districts considerably dwindled as an effect of the Depression. The scarcity of money was felt all over. The daily wages of the labour and artisan classes had considerably gone down. In case of the day labourer the decreases in wages was generally to the extent of 60% while it was 50% or less for the artisan class over the rate obtaining in the pre-Depression years.

A spurt in prices is noticeable during World War II and this upward trend continued even in the post-war years. The minimum price of common rice per Maund generally ranged from Rs 3-0-0 to Rs 8-0-0, that of paddy from Rs 1-4-0 to Rs 4-0-0, with occasional abnormal behaviour in the wake of the fall of Burmah and Bengal Famine when the price of rice shot up even to Rs 50. The maximum prices of rice and paddy had been roughly three times more than the minimum ones, and this behaviour is well manifest from 1942 on to the end of the Second World War in 1945. In the post-war years till independence (1947) the minimum and maximum prices per Maund varied between Rs 12-0-0 and Rs 22-8-0 for common rice, and between Rs 5-0 and Rs 6-0 in the case of paddy.

This upward behaviour of the prices is the aggre­
gative effect of different factors. The erratic monsoons
caused drought alternating with unseasonable and ill-distributed
rains, sometime floods, and the net results had been the loss
of crops in the plains and hills practically for consecutive
three years\(^1\) since 1942. With the strife in the Indo-Burman
front embittered, the territories of the State virtually
turned into an active battle-field and a sense of insecurity
among the people prevailed which often found expression in the
compensating behaviour of storing foodgrains beyond their
immediate requirement. The hoarding tendency among the traders
was intensified for profiteering motive. There had been urgent
needs of building up buffer stock of foodgrains for the State
Forces, Militia and Civil Defence personnel,\(^2\) including their
families. Acute scarcity verging on famine prevailed for a
time in the neighbouring British districts, the reaction of
which was not slow to come upon the State. An inrush of
distressed people that followed too affected the price of
foodgrains.\(^3\)

During the war years the minimum wages of the labour
and artisan classes showed a gradual ascending curve from

\(^1\) T.A.E. (consolidated), 1950-52 T.E. (1940-43 A.D.), op. cit.,
op. cit., pp. 2-4.
\(^2\) Ibid, pp. 2-4.
\(^3\) Ibid, p. 2.
The abnormal rise in the rates of wages is discernible in the period between 1943 and 1945 when the male labourer generally earned from Rs 2-0-0 to Rs 2-8-0 and the artisans from Rs 3-0-0 to Rs 3-0-0 per day. The imperative necessity that continued since 1941 for speedy execution of many elaborate military constructions irrespective of cost, generally profited the labouring classes. But in the post-war years rates in wages had considerably dwindled. While the benefit generally accrued to the agricultural segment of population, of course with fairly comfortable holdings by the high prices of grains all round during the war years, and also to the labouring class from rise in the rates of wages, the landless middle classes with limited and fixed income were brought to the level of breakdown.

From the discussion in the foregoing pages it has been amply made clear that there had been basic differences in the nature and behaviour of prices over the two sub-periods: 1875-1913 and 1914 to 1947, and their impacts on the wage rates. The price fluctuations which had been mostly indigenous over 1875-1913 were subjected to external factors not only during the two world wars but also during the period intervening them, besides the vagaries of the monsoon dominating agricultural prices.

1 Ibid, p.48.
2 Ibid, p.2.
Section IV: Economic conditions of Tripura during the World Wars

Tripura remained secluded in sylvan shadows and enjoyed a unique status among the native states of India. Complete independence was there in the financial control and management, although the State was unified with overall monetary system of the paramount power. But because of a somewhat indigenous character of the subsistence agricultural economy, the unification of the economy was not as much felt in the State as in the present century. It was only during the World Wars as also in the period of the General Depression, the economic unification was increasingly recognised in the crucial period of history.

The monsoon played an important part in affecting the agricultural output in the plains in the conspicuous absence of irrigation facilities, and in the hills on account of the very nature of Jhum cultivation, and via agricultural output, income generally. There had been certain markedly bad years and in many of these years, the indicators of economic activity, namely the collections of land revenue, the export volume of crops showed an expected decline while the registration of sale and money deeds displayed a rising graph. But these fluctuations in economic activity during the wars had been much more subjected to external influences, and more severe than that of the situation arising merely from the
failure of the monsoon. Bearing this in mind we propose to examine the economic conditions of Tripura during the two world wars.

The year before World War I proved very unpropitious for the State. The abnormal climatic conditions and consequent failure of Jhum crops, aggravated as the situation was by heavy floods and rat pest, materially affected the State revenue. Although crops generally suffered owing to unseasonable rainfall, the yield of food crops in the plains had not been so much unsatisfactory. The agricultural classes in the plains were, on the whole, well-off on account of high prices obtaining in foodgrains. The hill people, on the other hand, fared very badly not only because of the poor outturn of Jhum paddy but also for the failure of commercial crops like cotton and mustard seeds. The export volume of cotton dwindled more than 50% over the export of the previous year (1912). A sudden drop in prices immediately after the cotton harvest also affected the trade in commodity. With this economic background the State was poised to receive the pinch of World War I.

The impact of the First World War began to manifest

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3 Ibid, p.16.
itself immediately in 1914 and this was accentuated by the loss of crops both in the plains and in hills due to abnormal and ill-distributed rainfall. Aus paddy (rice ripening early, being sown in February/March, and ripening in August/September) suffered practically throughout the State owing to heavy rains, while Aman (winter rice) was damaged for the reason of drought. Jhumas, for the most part, yielded poor harvest on account of the same unsettled climatic condition. The only silver lining was that the outturn of Rabi crop was fairly well.

The vagary of the monsoon was too repeated in 1915. The net result was the failure of the crops, the heavy rains equally affecting the crops in the hills and the plains. An unprecedented flood in Jyestha (May-June) destroyed nearly the whole of jute and Aus crops. Heavy rains in Ashwin too caused extensive damage to the cotton crop in the hills.

Scarcity in the adjoining British districts From Kartik to Pausan (October-March) there was want of rain which affected the Rabi and Boro (a rice variety grown in swampy ground). Occasional drought alternating heavy rainfall damaged both Aman and Aus crops in certain parts of the State.

Both til and cotton suffered heavily and the outturn of the latter crops was unusually poor. Sharing the common climatic belt and similar cropping pattern with the State, the neighbouring districts of Sylhet, Tippera and Noakhali suffered the same fate in respect of their indigenous agricultural produce. A general scarcity of foodgrains prevailed there which had its reaction in the State and gave a strong impetus to export and smuggling. A general rise in the prices of food grains had resulted in.

The average price of common rice ranged from Rs 3-8-0 to Rs 8-0-0 a Maund at the initial year of World War I. In 1915 it showed a slight upward swing and its minimum and maximum price variation had been between Rs 3-12-0 and Rs 6-8-0.1 Although the minimum price of rice registered a decline in 1916, its maximum price settled at Rs 8-0-0.2 Since the market arrivals of most of the crops have had a bunching tendency over brief periods after harvest time, there is reason to believe that the average minimum prices had been much higher than they were officially recorded in annual returns. The control rate of rice for the municipal area of Agartala was fixed at Rs 4-0-0 in 1914 and remained operative during the war years.3

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The impulse behind the price fluctuations was not due to the influence of the monsoon alone. The failure of cotton and jute markets and the general rise of prices in other ordinary consumption items consequent upon the outbreak of the war had no less effect upon it. In 1913 a drop in cotton price manifested itself in spite of its very poor outturn.\textsuperscript{1} The cotton yield was consecutively affected from Slump in the cotton and jute markets 1914 to 1916 for unseasonable rainfall and the extremely dull market due to the war had its discouraging effect upon the grower of this commercial crop. The prospect of jute had been no better in consideration of its output and market price.\textsuperscript{2} A slump in the cotton and jute markets added to the prevailing war conditions all round not only affected the cultivating people in the hills and the plains but also made the pinch felt in the behaviour of business activity. A temporary reduction of the export duty was made as a concession to the cotton growers in 1915, but with no tangible success.\textsuperscript{3}

Whatever the disposal income accrued to the agricultural classes from high prices of foodgrains, the corresponding rise of prices in imported necessaries of life made a serious erosion on their income and neutralised the benefit.

\textsuperscript{1} T.A.E., 1323 T.E. (1913 A.D.), op.cit., p.16.
\textsuperscript{3} T.A.E., 1325 T.E. (1915 A.D.), op.cit., p.16.
A rise to the extent of 50% in the minimum wage over 1914 mark was the outcome of the prevailing high cost of living. The commercial crops could have been the compensating factor, had it not been subjected to the erratic monsoon and to external influences and disturbances arisen from the War. The limited control over the prices of imported consumption items for the municipal area of the State capital answered only its limited purpose and the most parts of the State had been left to the mercy of unscrupulous traders. The miseries of the people were further accentuated with their attempt to raise the prices of these commodities artificially. The successive failure of Jhum crops and a slump in the cotton trade had quite an embarrassing effect upon the Jhumias; the war-time increase of prices of consumption commodities was only to deliver a staggering blow to their already improvident pecuniary circumstances.

The war effects combined with erratic behaviour of the monsoon affected the State revenue also. A steady decline of collection of land revenue in regard to the current demand is discernible during the period from 1914 to 1916. The percentage of collection that had been 65 in 1914 fell off at 59.3

1 T.S.G., Part XII, No. 16 of 1324 T.E. (1914 A.D.), op.cit.
in 1915 which further dwindled to 56.76 in 1916. The decline in the collections of land revenue is indicative of the difficulty faced by the tenants in the plains owing to the freaks of nature and failure of crops, as also to the general rise in the prices of imported necessaries of life consequent upon the War.

The great demand for the State timber as was exhibited in the past years had been considerably low in 1916 and a fall in the forest revenue was regarded an indirect effect of the War. The high price of corrugated tin due to the War had the discouraging effect upon people of the surrounding districts to construct tin-roofed house, for which State timber was often in great demand. The failure of cotton crop and its dull trade also materially affected the State revenue during the period 1914-16.

The registration of documents, particularly of mortgage and sale deeds and money bonds may be taken as an index to the general condition of the people in the particular reference years. The triennial average number of mortgage, sale deeds and money bonds had been 2,576, 3,720 and 517 respectively in 1914-16 against 2398, 3,560 and 599 respectively.

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2 Ibid, p.16.
of the preceding year 1913. The cases of non-registered money bonds to the money-lenders may explain its decrease. Apart from the increase or decrease in the number of cases, the number itself suggests the appalling poverty of the rural populace. The unsettled weather conditions, loss of crops and, above all, the war conditions merely exposed it.

The period in 1917-18 had favourable rainfall to yield good outturn of both Aus and Aman paddy crops. But unseasonable and ill-distributed rains in the later half of the year generally affected normal cotton yield. The output of Jhum til however was, on the whole, fair, while the mustard oil-seed occasionally suffered for want of the winter shower. So far as the staple food crop was concerned, the outturn of paddy was extremely fair during these years.²

The maximum price of rice reached Rs 6.8.0 per Maund in 1917. The main impulse behind this price fluctuation was the war-time increase in prices as reflected in the artificial rise of other consumption commodities. A number looting

Sharp fall in the export incidents of grain markets of paddy, rice and cotton fringing the frontiers of the state in the later part of 1917³

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suggests that the high prices of rice continued for some time. The value of rice in the interior came down to Rs 1-8-0 per Maund for want of the demand in the market. As there was a good harvest in the neighbouring British districts in 1917-18, the export in rice and paddy sharply dwindled. Despite the price of the cotton picking up, the smallness of the cotton yield extremely lowered the scale of export.¹

With the sharp decline in the export of agricultural produce, rice and paddy in particular, there had been a fall-off in the price of these indigenous articles. The economic strain on the people in general, and the agriculturists in particular, was very great, as their expenses went up considerably with the enhanced values of the unavoidable necessaries of life. Even when the foodgrains evinced a general rise, the price of staple food crops in the State still remained at a low ebb till 1919. As a result, there was a large fall in the land revenue of the State and the percentage of the collection from the current demand was 46.42 in 1917-18. This abnormal falling off was mainly due to the monetary stringency felt by the tenants owing to the war conditions.

inflation of prices, an Act to regulate the export and control
the prices was promulgated in 1919. As indicated earlier, the
price of rice was first fixed between Rs 6-0-0 and Rs 5-0-0 and
that of paddy at half of those amounts. But with the rise of
the price in the neighbouring British districts the above rate
had to be raised later (1920) to Rs 7-8-0 in order to give
relief to the cultivators. 1

The after-effects of the Great War (1914-1919) made
them felt in this distant native State. The prices were ruling
high and showed no signs of going down. The pecuniary condition
of the agricultural class was far from
satisfactory. The comparatively high
prices of the paddy and rice could not compensate for the heavy
rise in the prices of other necessities. 2 The minimum daily
wages that had been raised from annas 6 to 10 for the labour
class in 1919 were hardly commensurate with the price rise of
the staple food crop and they were further pauperised.

In the previous Section we have noticed the general
trends of prices and their impact upon the conditions of the
people during the inter-war years. After the war-time increase
in prices somewhat lower plateau of prices is discernible till
the onset of the Great Depression in 1929. The slump and

2 Ibid, p. 16.
collapse of prices after the Depression show the sign of slow and uncertain recovery until the commencement of World War II.

The improvement that was noticeable in the general economic condition at the end of 1936 continued, and the people looked forward to better days in view of apparent upswing trend of prices of indigenous crops, while some fall-off in the prices of jute and cotton in evidence was counterbalanced by increased demand for exports, especially of forest produce. On the outbreak of the War in 1939 the prices of some imported necessaries suddenly shot up, taking away a good deal of income from the agricultural population. The position of the middle class people was made extremely critical. At the initial year of World War II the State revenue had been Rs 20,55,555 which was higher than its trential average of Rs 18,81,356 for the period in 1936-38.

With the advent of Japan in the arena about the close of 1941 the European War turned into a world conflagration. It was not long before the war front in east vis-à-vis India, came to the very gates of the State. The fall of Rangoon (1943) exposed the State to the close perimeter of the war zone via Hill Tract.

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of Chittagong. Tripura soon attained a place of strategic importance in defence.

The danger of the situation was soon amply in evidence, and was unfortunately accentuated by hostile forces of nature at work—unsettled weather conditions, heavy floods Loss of crops and and loss of crops. As a result, high prices the the price of rice, practically the tribal people in the sole consumption item for the rural throes of famine folk and the hill people, registered a steady rise. Commodities of bare necessities spiralled abnormally. Because of unseasonable rains occasioned by the spell of drought, the yield of Jhum crops was extremely meagre, and made the situation in hill sections of the State extremely grave. The prevailing high prices of rice provided a strong impetus to sale and export, and the hill people hardly considered the consequences that might entail at bad harvests. This practically happened. The loss of cotton and other cash crops in successive years (1940-43) frittered their purchasing capacity. Resulting from all these factors together, the tribal people were virtually in the throes of famine.¹

The prices of rice registered a steady rise since 1941 onward and abated a little only after 1943. The average

minimum price of common rice which had been Rs 3.0.0 per Maund went up to Rs 4.8.0 in 1941, just 50% rise over the preceding year. This price shot up to Rs 8.0.0 in 1942 and remained steady in 1943 too. The minimum and maximum prices of rice during the quinquennial period in 1941-45 ranged between Rs 4.8.0 and Rs 28.0.0 which were Rs 3.0.0 and Rs 5.8.0 per Maund in 1940.¹ In most places the rates were generally much higher than the minimum range, which remained unabated for the longer period of the year after the harvest-time downswing.² The price of rice was, on the whole, considerably lower than that of the adjoining British districts.

Partly with the erratic monsoon and low output, and partly with the war-time inflation and grain speculation, an artificial scarcity of food grains was created towards 1942-43. Shortage of stock and high prices in British districts and its impact upon the State snapped to respond to any contingency of food deficit as in previous occasions. Like many parts of Bengal, the stock of foodgrains in adjoining British districts ebbed so alarmingly low as to accentuate price spurt. And these

high prices had their immediate reaction in the State and provided a strong impetus to export and smuggling.\(^1\) As a preventive and precautionary action, the State raised the rate of levy upon the export of paddy, rice and its allied items from rupee one to Rs 5-0-0 in 1943 (July-Aug.)\(^2\). But this measure hardly proved sufficiently deterrent.

By then the food scarcity deepened in many parts of the country, particularly in Bengal, and the fury of famine was soon felt in the British districts adjoining the State too. This had a chain reaction upon the rice market largely because of the free trade policy followed by the Government of India between the native states and British provinces.\(^3\) In some of local grain markets of the State the price of rice shot up to Rs 50-0-0 per Maund and the position of food stock in the State fast deteriorated. The shadow of an acute shortage of foodgrains in some Divisions of the State gradually lengthened. The position in some of the neighbouring British districts was even more critical where rice was not only rocket-high and beyond the purchasing power of the common people, but the commodity was extremely scarce as well.

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3. Ibid., Towards 1943 this policy was temporarily suspended from its operation and the states and provinces were allowed freedom to restrict the movement of foodgrains.
This unprecedented situation in the neighbouring districts provided a strong fillip to export and smuggling. Some stringent measures were therefore needed to counteract the erosion on the slender food stock lest the famine could overtake the State. The rate of levy which had been revised only some three months back was further raised to Rs 15-0-0 per Maund upon any kind of export of rice, paddy and their allied commodities.¹ This imposition of restriction upon the export registered a sharp decrease of revenue to the tune of about half a lac of rupees in 1943 under the Road Improvement head.²

The changed condition of the rice market came in, no doubt, as a matter of somewhat relief to the agricultural population — and perchance of gain to middlemen and traders, but the middle class people and the landless classes with a fixed income were soon thrown on the verge of breakdown. Wages of labour also went up maximally to Rs 1-4-0 over the maximum rate of annas 6 prevailing in the initial year of World War II. In spite of a rapid influx of labour population, the wages of

Landless middle class on the verge of breakdown — cattle epidemic and further worsening of economic condition of rural folk

labour were not affected as new and attractive sources of diversion emerged in the field of war-time constructions.³ The

³ Ibid, pp. 2, 36.
rural folk, the majority of which still clung to agriculture for better days were hard hit by high prices of essential consumption commodities. Whatever they gained from the wartime increase of rice prices, very limited though was its output in 1943, was seriously eroded by high prices of other commodities of everyday's use. During 1942-43 the cattle epidemic raged with the virulence and caused havoc in many places of the State. It proved a grave menace in the complications of the economic situation, particularly for the rural folk.¹

With the strife in the Indo-Burmah front embittered, the State turned into an active battle-field and all risks and dangers of the situation prevailed during 1943-45. The imperative necessity that continued for speedy execution of elaborate military constructions, irrespective of cost, enriched a number of people, which the labouring classes generally profited by an abnormal war-time increase of wage rates, and the agricultural population having the better staying capacity, by the high prices of grains all round.² The minimum wage for a male day labourer was Rs 2.0.0 which is much above the maximum rate of the preceding triennium (1940-43).³ It was only the landless middle class with limited and fixed income that was, as before, brought down to the level of

¹ Ibid, p.2.
breakdown. The war-time inflation affected them badly.

During the early part of 1943 the rainfall was unevenly distributed, so much so, that absolute drought in some places alternated with heavy floods in others. This naturally affected food crops. The position of unsettled weather condition in the adjoining British districts was not very different from it being in the same climatic zone. As hinted earlier, the Bengal Famine of 1943 was the outcome of aggregative factors. The loss of crops and low output for successive years had been one of them. The war-time inflation, grain speculation and, above all, the loss of control over Burmah that had proved usual source of rice replenishment in deficit areas, may be regarded some other important reasons for the Bengal Famine.

It has been seen in the previous pages that the prices of rice always remained much lower in the State than those prevailed across its border. Acute food scarcity verging on famine engulfed the neighbouring British districts in 1942-43, and its reaction was keenly felt in the State in no time. An inrush of distressed people followed in streams and made the food position of the State extremely critical, over and above the constant strain on the stock by the army. Prices of rice shot up to even Rs 50.0.0 per Maund in 1943. Special measures were promptly adopted to cope with the unprecedented situation.  

\[1\] Ibid, p.2.
The immediate measure was the establishment of the State granaries in the capital and in all Moffusil towns of the State in order to supply foodgrains mainly to the State employees, pensioners and also to their families at fair prices. Their counterparts in the Zamindari of Roshnabad also came under its purview. Later on consumer goods and other commodities were also stocked in these granaries and sold at rationed prices. A new department was soon organised in 1943 under the name of the Food Control Department to streamline the activities of the granaries and efforts in food controls. The State venture in the food granaries involved an outlay of heavy capital expenditure in the region of 16 lakhs of rupees for the period 1943-46 and the loss that the State incurred for subsidy aggregated over six lakhs.¹ A brief resume of the State effort in the food front before and after 1943 will give us an inkling how the State responded to it during World War II.

At the commencement of the Second World War when the prices of imported essential commodities showed an upward trend, the State immediately introduced regulatory measures to sell all these articles at fixed prices within the notified jurisdiction.² At the beginning of 1942 the prices of articles

¹ Ibid, p.16.
of everyday's use registered a sudden spurt with the entry of Japan in the far-east theatre of the War and it was necessary to control the price spiral and also to prevent hoarding and profiteering by the whole-sale and retail dealers in the State. Involving representatives from the public and traders' guild, the prices were fixed by the State War Committee. Notices warning the dealers not to sell above the rate fixed for essential commodities were posted at prominent places for the information of the general public. This soft policy hardly proved a success to curb unscrupulous dealers in their profiteering zeal.

In 1942 a bold action was initiated to handle the black-marketeers and hoarders with strong punitive measures, in case the dealer having the stock refused to sell any commodities at fixed prices or declined to issue a cash-memo. It was the imperative duty of the dealer to hold the required stock for sale. Even he was not allowed to wind up his business except under exceptional circumstances. The violation in any of the conditions was punishable by imprisonment to the extent of three years, concurrently with fines. In 1944 the price list of the essential commodities was revised for the capital

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1 War supplement to T.S.G. dated 14 January 1942.
town of Agartala.\textsuperscript{1} This was needed to cope with the spiral of wholesale prices of imported articles on one hand and to curb with a the profiteering tendency/reasonable profit margin on the other.

To regulate and control the abnormal fluctuation of prices, consumable raw materials like vegetables, fish, meat etc. were brought under the purview of food control activities in 1944 at first for the capital alone and then for the entire area of Sadar Sub-Division.\textsuperscript{2} The food control measures were not withdrawn immediately after the cessation of the War in 1945. In the early part of 1946 the minimum price for rice producers and the ceiling price for rice dealers at Divisional Headquarters had been fixed at the average rate of Rs 8-0-0 and Rs 8-6-0 per Maud respectively.\textsuperscript{3} As soon as rice was decontrolled in the later part of the year, its price went up to Rs 22-8-0 with the minimum price lying at Rs 12-0-0.\textsuperscript{4} The variation is roughly 50% between the lowest prices at two points of time in the same year and between the controlled and de-controlled prices.

All these measures adopted by the State during the war years are of curative import. On the preventive side 'Grow More Food Campaign' was vigorously pushed on in 1943

\textsuperscript{1} Baidi, op.cit., p.319.
\textsuperscript{2} Ibid., pp.321-24.
with an attempt to utilize all available lands for cultivation and to grow more foodgrains by double cropping in suitable fields.

A Special Officer, Food Production, was put in charge of the campaign. Considering both curative and preventive measures together, it may be said that it was possibly the autonomous outlay by which the State Government succeeded in redressing the critical food situation obtaining in the State. Apart from the enormous expenditure on the food front, the State had to incur heavy extra expenditure in various war efforts during the Second World War. The total strength of manpower organised by the State in expansion of its forces to meet the emergency came up to over 8000. The extra expenditure incurred in such expansions and ancillary measures, direct and indirect, stood at the end of the triennium 1943-46 at Rs 29,66,000 and direct cash contribution at Rs 75,402, aggregating altogether Rs 31,63,402, while investments in defence bonds amounted to Rs 6,35,000.

For a petty State like Tripura whose net balance in the State coffer was worked at Rs 22,80,873 and Rs 23,32,862 and Rs 17,55,151 for the trienniums 1943-46, 1940-43 and 1937-40 respectively, the financial involvement of the State in the War

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2 Ibid, p.4.
may be considered enormously vast. But this was needed to prove the loyalty of the State as an ally of His Majesty's Government in its dire need of the War. The result was the drastic slashing of financial commitments for the developmental programmes of the State. Yet the State was not devoid of material gains during the Second World War. The network of improved roads, and the airfield at Agartala were two valued additions to the existing communicational system. With a slight occasional drop in the year 1940 and 1941, the revenue of the State increased steadily during the war years which is indicative of overall comfortable position of the State finance.

Section V: Money-lenders and the people

There is hardly any two opinions that the chronic shortage of capital of the great bulk of the cultivating peasantry is the decisive factor in Indian agriculture today as it was in the past. The general inelasticity of the aggregate farm output even in response to price changes is ascribable primarily to the lack of initial capital to invest in farm equipment and farm improvement, and a general state of indebtedness. Social practices like the inheritance system have made for increasing subdivision and fragmentation of agricultural holdings which add teeth to it. After meeting their consumption needs the bulk of the agricultural classes is not left with enough surplus to be sold to open market. Whatever may be the
quantity, the lack of staying capacity on the part of farmers particularly at a time when prices of crops are at their lowest eludes the gain from the prices which generally tends to be higher after the harvest time.

In the certain markedly bad years of harvest, the farmers are weighed down when the flow of institutional credit for consumption and farm needs could alone deliver them out of their plight, but unfortunately this is practically absent even today for the bulk of small farmers. For the nature of the subsistence agriculture they are not, however, left with any alternative but to borrow capital from the indigenous financiers at high interest, of which only very little could be invested in their cultivation beyond meeting consumption needs. Because of general poverty and limited repayment capacity, combined with the well-known practice of Dadan, their debts often accumulate beyond proportion. It is the usury capital operating in the rural scene upon which they can easily lay their hands.

This contrarily follows that there exists a good amount of surplus circulating in agriculture through the indigenous money-lenders. It is just possible that the initial amount has been brought in to agriculture from outside or from its accumulation elsewhere. But through exorbitant rates of interests the initial amount soon gets inflated. This growth through accumulation of interest may appear, on the surface,
to be no real surplus. But repayment and continuing indebtedness converted to various kinds of bondedness constitute appropriation of real surplus; loans are given to be repaid either in cash or in kind, viz., produce, Bazar (free labour) or they are given to remain outstanding. In the first two modes, appropriation is immediate while it is only deferred in the third. Thus unproductive appropriation of the surplus has no mean role in the stagnation of Indian agriculture. Indebtedness and bondedness are definitely associated with much of low productivity.¹

The exploitation of usury capital is possible when farmers are small and impoverished. When the ownership of land passes from farmers to the money-lenders-cum-traders, on being entwined in their toils, the latter lease out the land in small plots to the original holders and make their existence even more precarious. As most of the purchasers are not of the agriculturalist class and could not till the fields themselves, ex-proprietory farmers are not often dispossessed of at least a part of the land. Thus the flow of credit from these non-institutional resources is both strengths and weaknesses at the same in the absence of any viable alternative until recently. As the assets of the small farmers are extremely limited, the credit offered to them proportionate to

¹ Bhattacharya, S.: Rural Indebtedness and Bonded Labour in the Amrita Bazar Patrika dated 26 April, 1980
their assets hardly meet their requirements under the existing system of institutional finance. It is possibly one of reasons why the private money-lenders until recently dominate the rural scene as revealed by the Reserve Bank's study of rural indebtedness in India (1961-71).¹

These observations on the role of money-lenders generally remain valid in the context of Tripura during the first half of the twentieth century and in the last quarter of the nineteenth as well. The accumulations of capital, when acquired, were usually hoarded or lent out at interest and hardly invested in land. Different kinds of rates of interest were prevalent in the plains as well as in the hills. The rate of interest charged in the plains was 36 per cent per annum for small transactions against articles of pawn. In large transactions where a mortgage was given on moveable property, the interest was usually charged 24 per cent per annum. In cases where a mortgage was given on house or land, a lower rate of interest to the tune 12% was generally charged per annum.²

In the hills the interest was charged for a bloc of years. Nothing was paid for the first year, 36% for the second, and 72% for the third; and no further interest was charged however long the debt remained unpaid. By virtue of the composition of the contemporary society the farmers or Jhumias were

¹ Aurita Bazar Patrika, dated 26 September, 1977.
the largest borrowers of the usury capital. Besides the money-lenders-cum-traders, the State officials were also engaged in usury, particularly in lending out money to the hill-men.\(^1\) The money-lenders willing to carry on their trade in the hills required the State authorisation on payment of rupee one\(^2\) which somewhat resembled the license fee for the money-lenders. This system of nominal control introduced in 1879 continued till 1903 when \textit{Kusid Niyamak Bidhi} (Acts relating to control of money-lending business), Act II of 1313 T.E. (1903 A.D.) was promulgated to exercise effective control over the money-lending business in the State.

Section 3 of the enactment provided that the money bond whether its period for re-payment was specified or not would be deemed to be invalidated after three years.\(^3\) The provision eliminated the debt to remain outstanding beyond three years and saved the borrowers, particularly the small farmers who had borne the main brunt of heavy debt burden. Incidentally it may be pointed out that the effective provisions for relief of indebtedness of agricultural debtors in Bengal and also for the regulation and control of transactions of money-lending in Province of Bombay had been made three or four decades later.\(^4\)

\(^1\) Ibidm p.309.
\(^2\) \textit{Ibid}, op.cit., p.291.
\(^4\) cf. \textit{The Bengal Agricultural Debtors Act, 1935}; \textit{The Bombay Moneylenders Act, 1946}. 
The other provisions, namely Sections 4, 5 and 6 were also intended to protect the indigent borrowers. The interest of the borrowed money, if so accumulated on account of erratic repayment, should not exceed the amount of the principal in any transactions and the court was empowered even to reduce the rate of interest if, in the opinion of the Court, it appeared exorbitantly charged in the document. But it is doubtful how these judicial remedies could benefit the rural debtors when the money-lenders were too crafty to manipulate the rate of interest and the principal to their advantages over the written documents. The unassailable position that the money-lenders occupied in the rural economy could hardly be challenged by the debtors against the dictates of the money-lenders.

The rates of interest prevailed in the State during the third decades of the present century varied from 2 to 12\% per cent per month or from 24 to 150 per cent per annum.\footnote{Tripura Rajya Trish Batsar Series of Dutta, B.C., written during the third decades of the present century have furnished Division-wise information on the rates of interest for the contemporary period.} This bears a clear testimony to the ineffectiveness of the Act of 1313 T.E. (1906 A.D.).

In 1939 a set of rules was constituted to regulate and control the money-lending business in a better way. It was provided that no money-lending deed would be registered...
unless the deal was transacted by the licensed money-lender. The unlicensed money-lender was punishable with fines and a term of imprisonment in its default. The money-lending business including banking was classified under five categories, depending upon the amount of investment, and different rates of license fee were prescribed for them varying from Rs 15/- to Rs 150. The investment ceiling for the lowest and highest classes had been Rs 500 to Rs 1,000 and Rs 1,001 to Rs 10,001 above respectively. The license was granted for one year only, and the renewal of license was subject to verification in the same manner as it was initially granted. But this regulatory measures were more directed towards determining the class of the license for the money-lenders than restraining them from charging exorbitant rates of interest. The average annual revenue accruing to the State for the period in 1939-46 was Rs 4054 only on account of money-lenders' license fee. As the private banking business was very much limited, the amount of revenue generally suggests that the number of petty money-lenders had not been very less in the State and the money-lending business thrived upon the debts of the poor rural folk.

2 Ibid, pp. 1-3.
The discussion on the system of credit advanced to the people, particularly the impoverished cultivators, by the indigenous money-lender will remain incomplete without mentioning the practice of Dadan which is the other face of the Dadan system in the hills and rural plains money-lending operation in a different form. A large part of the farm output by the cultivators is hypothecated and hence there is compulsion on the cultivators to sell most of their produce at low prices to the money-lenders at the harvest time. Thus the indebted cultivating folk, in the good or bad years alike, suffer badly at the hands of the money-lenders, and it is extremely difficult to come out of the toils of the money-lenders unless their total liabilities are discharged by some legislative measurers.

In Tripura the practice of Dadan prevailed both in the hills and in the plains. Sometime grains had been lent out for a very short term (say 6 months or a year) on the condition of repayment by grains only one and half times or two times over the principal quantity of grains. The cattle rearing by the Dadan practice was also discernible in the State. The cattle was generally lent out to the hill-men in the plains cultivating by plough or to the cultivators in

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1 State Census, op.cit., p.107.
2 Tripura Rajiv Trish Batsar-Sabrum Bibhag (Manuscript): Arthik Abasha Section, op.cit.
the rural plains on the express terms that the cattle-owner would have his proprietary claim to all the new-born calves and the entire cattle population would be returned to him on demand. The benefit hill-men derived out of rearing the cattle was the capital in kind for use in the process of cultivation. Sometime they were also allowed milk for their own consumption. In the face of acute shortage of labourers in the hills, the hill-men were booked and given monetary advance well ahead of the commencement of the business season.1

All these are the local variation of the Dadan practice. In the hills this practice thrived, and one of the primary reasons may be that the Jhumias had hardly any valuable goods and chattels proportionate to the credit advanced by the moneylenders, except the crops either standing or that would grow in their Jhum fields. Similar may be the case for the very smaller agricultural households and the landless in the plains.

The banking business in Tripura commenced only during the third and fourth decades of the current century and it grew not as a response to the credit advance to the agricultural sector chronically suffering from its short supply, but as a big demand from the growing tea industry in the State. The Tripura Modern Bank Limited came into being in 1929 which was followed

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1 Circular No. 2 of State Forest Department, 1339 T.E. (1929 A.D.), op. cit.
by the Girish Bank Limited in 1920. Of all these private banks in the State, the Associated Bank of Tripura Limited was the late comer (1934) in the field. The main function of these banks was to accept deposit and advance cash credit.\(^1\) This banking business at the private sector provided a strong impetus to the State to embark upon the banking business under the auspices of the State.

In 1929 an act to constitute a Tripura State Bank was promulgated.\(^2\) But it did not immediately spring up with the passing of the Act. It was as late as in 1932 one banking department was started in the General Treasury and in its peripheral units in the State. It offered 6 per cent interest in the minimum and 7 per cent in the maximum for the fixed term deposits, varying differently from one-year to four-year terms.\(^3\) Because of one-way traffic it assumed more of the role of a safe custodian than of a real banker.

The act to constitute the Tripura State Bank came into force by the official notification on July 4, 1934 and the Bank started functioning immediately. It was run by the State itself with the Minister as the authority to control all its transaction through the Accounts Department and the General

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Treasury Officer worked as its ex-officio Secretary. Besides usual banking functions, the State Bank acted as banker to pay, receive, collect, and remit money, bullion and securities on the behalf of the State of Tripura.  

Beginning with an insignificant deposit of Rs 21,450 and a net income of Rs 412 in 1935, the Tripura State Bank showed the sign of gradual expansion within a decade as will be seen from the table below:

Table No. 31: Growth of the Tripura State Bank (1936-37 to 1945-46)

<table>
<thead>
<tr>
<th>Years</th>
<th>Deposits</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936 - 1937</td>
<td>1,02,451</td>
<td>730</td>
</tr>
<tr>
<td>1937 - 1940</td>
<td>3,81,372</td>
<td>11,290</td>
</tr>
<tr>
<td>1940 - 1943</td>
<td>8,45,417</td>
<td>37,094</td>
</tr>
<tr>
<td>1943 - 1946</td>
<td>28,27,941</td>
<td>1,39,598</td>
</tr>
</tbody>
</table>

The principal beneficiaries of the bank credit had been the wealthy classes of contractors and tea industrialists. The urban people of means were next to derive cash credits advanced upon the securities. It is doubtful whether it could reach the small farmers or the landless labourers simply because their assets were

1 State Bank, op.cit., Sections 4, 6, pp. 2-3.
2 Table constructed by the author from the Tripura Administration Reports for the relevant years.
extremely limited. It was perhaps natural for the State Bank not to take any risk by offering credit disproportionate to the assets held by them. In the total absence of any institutional finance the dominance of the private money-lenders in the rural economy was inevitable, and the State effort limited to the grant of Tukari loans during the years of crop failures could prove too meagre to protect the victims from the clutches of money-lenders even in bad years. Loans from the Nij Tahabil (special fund in the personal possession of the Rajah) were issued at a nominal interest which only the privileged class within the halo of the king could avail.¹

The Tripura Rajya Ganaparishad which championed the cause of agrarian population in 1939, demanded the abolition of the extortionate money-lending institution and the introduction of agricultural credit bank in the State.² But the demand for the institutional finance received no sympathetic consideration at the hands of the State authority during the period under our discussion. The fate of the improvident small farmers and the landless remained tagged with the indigenous money-lenders and the volume of rural indebtedness grew steadily on.

¹ Tripura District Gazetteers, op.cit., p.207.