

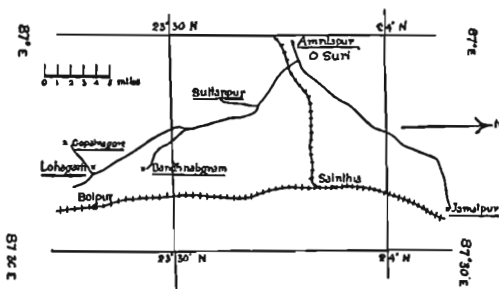
A SURVEY OF RURAL INDEBTEDNESS IN SOUTH-WEST BIRBHUM, BENGAL IN 1933-34

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This paper gives the results of an enquiry into the indebtedness of the rural population in the south-west part of the district of Birbhum in Bengal conducted in 1933-34 by the Sriniketan Institute of Rural Reconstruction. The investigation covered the following six villages:

- | | |
|----------------|-------------------|
| (1) Gopālnagar | (4) Bāndhnabagrām |
| (2) Lohāgar | (5) Sultānpur |
| (3) Jāmālpur | (6) Amritapur |

These villages are distributed over different parts of the area, as shown in the sketch map, and, taken together, are fairly representative of the south-west part of Birbhum district. They were selected as being specially well-known to the workers.



SKETCH MAP OF VILLAGES UNDER SURVEY.

With two of them we were already intimately acquainted in the course of previous surveys or village welfare work. In the other four an enquiry into the cost of production of crops¹ was being carried on by us. This had helped us to get into touch with the villagers and to gain an intimate knowledge of their economic position. Such intimacy was very useful in an investigation of this type into the domestic affairs of each family, and helped in securing reliable data.

METHOD OF ENQUIRY.

The method was similar to that followed by Jack.² A form was drawn up which was filled in by investigators who visited each individual family. This was not done

¹ An enquiry into the cost of production of crops was undertaken in Birbhum jointly by Sriniketan and the Bengal Agricultural Department, as part of an all India scheme financed by the Imperial Council of Agricultural Research and the Indian Central Cotton Committee.

² J. C. Jack: *Economic Life of a Bengal District*, 1916.

mechanically, but due care was taken to check the statements made and, where figures were not directly supplied, to make necessary estimates. In many cases the villagers were unable to supply the information asked for. They could tell us the amount originally borrowed, and could name the lender, but few could give the exact amount of outstanding principal or interest. Neither could they give us precise figures of income and expenditure. We had to estimate the agricultural income from the area of land cultivated, the kind of crops sown, the yield per acre, and the market price. As regards expenditure, each item had to be separately collected, and the figures checked against one another. Where necessary the neighbours were also questioned. The figures of loans from Co-operative Societies were supplied by the Rampur-Hat Central Bank, the Visva-Bharati Central Bank, and the Secretaries of the village credit societies. The figures of registered debts were obtained from the Registration Office at Səri.

GENERAL INFORMATION.

General information about the villages is given in Table 1.

(1) Gopālnagar is a Hindu village in Hāmbūzār Thānā (Police Station), situated at a distance of 8 miles from Bolpur, with which it is connected by a metalled road, and where the villagers usually do their marketing. The bulk of the population is agricultural; and 66 families, out of a total of 74, are directly dependent on land (see Table 1). The cultivators are hard-working, and produce a large variety of winter crops. But, in spite of their industry, they are handicapped by the lack of irrigation facilities, a factor which is responsible for their indebtedness.

TABLE 1. GENERAL INFORMATION.

Name of Village (1)	Number of Families			Popu- lation (5)	Tenants		Land- less Cult. (8)	Agricultur- ist Total (9)	Arti- sans (10)	Miscer- aneous (11)
	Hin- dus (2)	Mus- lims (3)	Total (4)		Non Cult. (6)	Cult. (7)				
Gopālnagar ...	73	1	74	280	12	26	28	66	7	1(s)
Lohāgar ...	37	86	123	535	4	63	54	121	—	1(s, 1)
Jāmālpur ...	67	—	67	325	14	26	26	66	—	1(b)
Bāndhnabāgram ...	47	—	47	223	14	17	15	46	—	1(b)
Sultānpur ...	46	13	59	265	6	26	24	56	—	2(l)
Amritāpur ...	56	—	56	259	11	10	22	53	3	—
TOTAL ...	326	106	426	1892	61	163	179	403	10	7

(2) Lohāgar is a predominantly Muslim village in Bolpur Thānā situated at a distance of 4 miles from Bolpur. Out of a total of 123 families, 121 depend on agriculture for their living, and there is no subsidiary industry. There are 37 families of Hindus all belonging to the lower classes.

(3) Jāmālpur is a Hindu village in Monreswar Thānā situated at a distance of 2 miles from Mollarpur railway station. 66 families, out of a total of 67, depend on agriculture. Irrigation facilities are very inadequate, and the cultivators are entirely dependent on the rainfall. The soil is poor and the yield of crops is generally low. The only crops grown are paddy, potatoes and sugarcane.

(4) Bāndhnabāgrām is in Bolpur Thānā, situated at a distance of 5 miles from the railway station. Its economic condition is much the same as that of the villages mentioned

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

above, and 46 out of 47 families are agriculturists. Though the soil is fertile, the lack of irrigation facilities make effective agriculture impossible. There is no subsidiary industry; and when the crops fail, most of the villagers have to borrow in order to keep themselves going till the next harvest.

(5) Sultānpur is a small village in Suri Thānā, situated at a distance of 10 miles from the Suri railway station in which all but 3 families are agricultural. Marketing is usually done at Purandarpur connected with the village by an unmetalled road. The soil is not fertile, and the cultivators are inefficient. The Bakreswar irrigation canal, however, runs through the village, irrigating the paddy fields during the rainy season, but no water is available for winter crops. Owing to the rule that if a certain proportion of the cultivators take the canal water, the rest must also pay the water cess, all the cultivators are practically constrained to avail themselves of the irrigation facilities. The silt from the canal also enriches the soil. In the result the paddy crop on which the villagers mainly depend, never fails, and, further, a comparatively larger yield is obtained. There is a high school in the village, with a farm attached which affords employment to the villagers when they are not working on their own fields.

(6) Amritapur is a Hindu village within 3 miles from Suri, the district headquarters. This proximity is of considerable economic advantage. The village is moreover situated at the foot of a large tract of high land forming a catchment area for the monsoon rains, which drain down into the village fields, so that water for puddling is available at Amritapur before it is elsewhere. Hence crop failure here is comparatively rare, and 53 out of 56 families depend on agriculture.

AGRICULTURAL CONDITIONS.

The main occupation is agriculture, and 408 out of 426 or 95 per cent. of the families depend upon land. The chief crop is paddy covering about 85 per cent. of the total area under cultivation. Both kinds of paddy—*aus* and *aman*—are grown. *Aus*, of which the growing period is short, but the yield also low, is sown on the high lands; and *aman* on the low lands where water is available for a longer period. With the commencement of the summer showers due to thunder-storms (May-June) the land is ploughed and kept ready, and the paddy fields are puddled as soon as sufficient water has accumulated during the monsoon (July-August) whereupon the seeds are sown. Paddy is harvested during the period October—December.

On the high lands that are well drained, a second winter crop can be raised after the *aus* paddy is harvested. Potatoes are universally grown, and so is sugarcane though over small areas. The other winter or *rabi* crops are: gram, pulses, onion, garlic, *kachu* and oil-seeds such as sesamum, mustard and linseed. The *rabi* crops are irrigated from the tanks (stored-up rain water) of which there is a large number in each village, but which, in their present silted-up condition, do not afford a sufficient supply for artificial irrigation. The cropping scheme has, therefore, to be adjusted each time to the available water supply.

Agriculture in this district is thus entirely dependent on the rainfall. If that is sufficient, the cultivator reaps a good harvest, pays his rent, and perhaps reduces his debt. If insufficient or untimely, he is faced with starvation, driven to borrow for the bare necessities of life, and forced to submit to the hard terms of his creditors. He may even have to sell his cattle to maintain himself and his family. Such bad years are by no means rare, and are mainly responsible for the indebtedness which has become so universal amongst the rural communities.

EXTENT OF INDEBTEDNESS.

The total outstanding debts in these villages in 1933-34 amounted to Rs. 54,000. The total number of families was 426 of which 234 (i.e. 54.9 per cent.) were in debt.

TABLE 2. EXTENT OF INDEBTEDNESS.

Name of Village	No. of Families		Total Population	Total Debts (in rupees)	Percentage Families in debt	Debt per Family (in rupees)		Debt per capita (in rupees)
	Total	In debt				All	In-debted	
	(1)	(2)				(3)	(4)	
Gopalnagar ...	74	43	280	7,038	58.1	95	164	23
Lohagar ...	123	62	535	14,011	50.4	114	224	26
Jamnipur ...	67	34	325	15,811	58.7	206	384	42
Banhsabagram ...	47	37	228	10,317	78.7	210	370	45
Sultanpur ...	50	27	265	8,598	45.7	61	133	14
Amritapur ...	56	31	250	5,024	55.8	90	162	19
All Villages ..	426	234	1892	53,700	54.0	120	230	28.4

In 1906, Jack after a similar enquiry in the district of Faridpur, found that 55 per cent. of the families were not indebted; but in the same district, the Bengal Board of Economic Enquiry found only 16.9 per cent. of the families to be free from debt in 1933-34.³ The following figures are given by Darling⁴ :—

	Percentage debt free.
1874 Central Provinces 60
1858 Tenantry in Agra District 22
1694 Nagpur (18,000 tenants) 40
1901 Baroda State (all land-owners) 40
1907 Faridpur, Bengal (all cultivators) 55
1919 Mysore State (24,350 members of Co-operative Society) 37

The percentage of indebted families varies largely from village to village, hardly any two figures being the same. Hashem Amir Ali⁵ found that in Bahadurpur, within half-a-mile of Lohagar, 39 per cent. of the families were indebted, while in Lohagar, according to our investigation, the percentage was 49.6. The debts mostly vary with the assets, and the percentage of debt-free villagers is high only where many of them have no credit. With low prices of agricultural produce most cultivators find themselves in need of borrowing; and escape from the money-lender indicates extreme indigence, not prosperity.

The indebtedness per family was found in the villages under investigation to be Rs. 126. But as only 54.9 per cent. were responsible for the debts, the debt per indebted family was Rs. 230, and the per capita debt was Rs. 28.4. The corresponding figures arrived at by Jack were 55, Rs. 121 and Rs. 11 in Faridpur in 1906.

³ Report submitted by P. C. Mahalanobis and quoted in the Preliminary Report of the Board of Economic Enquiry on Rural Indebtedness. [Revenue Department Land Revenue Notification No. 1142LR of 18th Jan., 1935].

⁴ Darling—*The Punjab Peasants in Prosperity and Debt*.

⁵ Survey conducted from Sriniketan in 1934.

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

DEBT IN RELATION TO OCCUPATION.

In Table 3 the families have been grouped into classes according to principal means of livelihood.

TABLE 3. DEBTS BY OCCUPATIONAL GROUPS.

Class (1)	Occupational Group (2)	No. of Families		Percent- age in debt (5)	Amount of Debt (in rupees)		
		Total (3)	In debt (4)		Total (6)	Per Family (7)	Per indebted Family (8)
I	Non-Cultivating Tenant	62	46	17.4	10,858	312	402
II	Cultivating Tenant	168	139	82.7	32,896	195	135
III	Landless Cultivator	179	42	23.4	1,420	8	34
IV	Artisan	10	8	80.0	101	10	12
V	Miscellaneous	7	2	28.6	21	5	12
	TOTAL	426	234	54.9	53,790	126	230

Class I consists of non-cultivating tenants who own land, but have it cultivated by hired labour. Their social status is superior, and they consider it derogatory to work on their own fields. Cultivating tenants (Class II) are of humbler rank, usually owning less land than families in Class I. They cultivate their own lands themselves, helped by the members of their family, and only occasionally employing hired labour. Landless cultivators (Class III) till other people's land and receive a share of the produce. These are the poorest class.

About four families out of five in the two more prosperous Classes I and II are in debt, while only one family in four is indebted among the landless cultivators (Class III) who have no mortgageable assets or credit. The amount of debt is heaviest in Class I (non-cultivating tenants) with Rs. 312 per family (of all families) or Rs. 402 per indebted family. The corresponding figures for Class II (Cultivating tenants) are Rs. 195 and Rs. 235; for Class III (landless cultivator) Rs. 8 and Rs. 34; for Class IV (artisans), Rs. 10 and Rs. 34; and for Class V (miscellaneous) Rs. 5 and Rs. 12 respectively.

DEBT IN RELATION TO CASTE.

Table 4 gives the distribution of debts by caste groups. For the purposes of this table Hindus have been divided into Brahmins, Nababhāks (the cultivating class), and

TABLE 4. INDEBTEDNESS BY CASTE GROUPS.

Caste	No. of Families		Per- centage in debt	No. of Persons		Debt (in rupees)			Debt (in rupees) per Indebted	
	Total	In debt		Total	In debt	Amount	Per Family	Per Person	Family	Person
Brahmins	27	21	77.7	187	119	11,246	416	82	535	65
Nababhaks	154	98	63.0	718	496	24,856	161	85	233	50
Depressed Class	145	46	31.7	603	212	2,800	19	8	51	13
Muslims	100	69	69.0	432	310	14,897	140	84	216	48
TOTAL	426	234	54.9	1892	1137	53,790	126	28	230	47

Depressed Classes (Doms, Nāgdis and Bayens); and Muslims have been taken as a separate group. The percentage of indebted Brahmins is the largest; the percentages of the Nabashūks and Mahomedans are nearly equal; while the Depressed Classes are comparatively free from debt. The debt per family also follows the same order and is largest in the case of the Brahmins (Rs. 416), and about the same for Nabashūks (Rs. 161) and Muslims (Rs. 149), and is lowest for the Depressed Classes (Rs. 19).

DEBT IN TERMS OF INCOME.

The debt per family does not by itself convey adequate information about the actual economic position. For this purpose we require the debt in relation to income which is shown in Table 5. The families have been divided into the following classes: (I) those with debts within one-quarter of their annual income; (II) those with debts exceeding one quarter but not exceeding one-half of their annual income; (III) those with debts exceeding one-half but not exceeding three-quarters of their annual income; (IV) those with debts exceeding three-quarters but not exceeding one year's income. And therefore the classes comprise respectively those with debts exceeding one but not exceeding two; exceeding two but not exceeding three; exceeding three but not exceeding four; and exceeding four but not exceeding five years' income.

Seventy-six families (32 per cent.) had debts amounting to less than a quarter of their annual income, and 169 families (72 per cent.) were with debts amounting to less than a year's income. Such families cannot be said to be heavily involved. Of the remaining 65 families, 44 (19 per cent.) had debts between one and two years' income, and the rest (9 per cent.) had debts amounting to more than 2 years' income.

TABLE 5. DEBT IN RELATION TO ANNUAL INCOME.

Village	Number of Families with Debts in terms of Income Classes (in years)								
	0-¼	¼-½	½-¾	¾-1	1-2	2-3	3-4	4-5	Above 5 years
Gopalnagar ...	17	7	7	4	5	8	—	—	—
Lohagar ...	16	8	7	9	16	4	1	—	1
Jamalpur ...	7	4	7	4	6	—	4	1	1
Sandhanabagram ...	17	2	1	3	10	2	1	1	—
Sultanpur ...	7	4	7	4	5	—	—	—	—
Amritapur ...	12	2	9	4	2	1	—	—	1
TOTAL ..	76	27	38	28	44	10	6	2	3

RELATION BETWEEN LAND AND DEBT.

The saying "debt follows credit" is found to be only partially true as can be seen from Table 6. Of the 192 families who were free from debt, 146 had no land. As the area of land held increased, the number of persons who had no debts decreased, showing that only those who had assets were able to raise loans. In all 181 families had no land. Of them, as stated above, 146 were entirely free from debt, 29 had debts below Rs. 50 and 6 had debts over Rs. 50. Owners with about 1 or 2 acres of land had debts mostly below Rs. 100. The tendency of the debt to increase with the land is seen till the size of the holding reaches 6 to 7 acres. After that the figures cease to show any close association between land and debt, which may be explained in this way. Families owning less than 6 to 7 acres of land, being in a chronic state of want, have to borrow

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

to the extent of their assets. Those who have larger holdings are better off, and do not need to avail themselves of their full borrowing power, and usually manage by mortgaging

TABLE 6. RELATION BETWEEN LAND AND DEBT.

DEBT →	LAND HELD ↓	No Debt													TOTAL					
		No Land	1-50	51-100	101-150	151-200	201-250	251-300	301-350	351-400	401-450	451-500	501-600	601-700		701-800	801-900	901-1000	1001 & above	
No Land		146	99	4		1														181
0-1 acre		14	10	1																26
1-2 "		8	6	6	1															28
2-3 "		4	0	10	6	1														81
3-4 "		2	7	7	1	2														25
4-5 "		8	4	1	1	7	4	5												15
5-6 "		2	1	1	1	1		1	1											26
6-7 "		3	1	1	3	3	5	2	2	1										17
7-8 "		2	2		3	3	3	2												7
8-9 "		1			2	2														0
9-10 "				1	1	1		1	1	1										20
10-15 "		3	4	3		1	1	1	2	1	1									4
15-20 "		2	1																	7
20-25 "					1															8
Above 25 acres		2				2	1			1	1									
TOTAL		192	75	56	26	20	16	6	11	7	5	8	7	5	5	2	2	7	4	426

only a portion of their land. The amount borrowed in their case has thus no direct relation to their assets.

RELATION BETWEEN DEBT AND INCOME.

The association between debt and income is small and indirect. This is because the creditor, when assessing the capacity of the borrower to repay, does not look to the

TABLE 7. RELATION BETWEEN INCOME AND DEBT.

DEBT →	INCOME ↓	No Debt													TOTAL					
		Below Rs. 50	Rs. 50-100	101-150	151-200	201-250	251-300	301-350	351-400	401-450	451-500	501-600	601-700	701-800		801-900	901-1000	Above 1000		
Below Rs. 50.																				1
Rs. 50-100		10	7	2		1														20
100-150		20	6	4		1														33
150-200		21	9	8	6	3														51
200-250		3	6	4	2	2	2													30
250-300		3	2	2	5	4	1													25
300-350		7	4	2	3	1	3													26
350-400		1		2	2	1														11
400-450		1	1		1	1														6
450-500		2		1	1															5
500-600		2	2	1				1	2											15
600-700																				0
700-800		1																		2
800-900						1	1													6
900-1000																				4
Above Rs. 1000								1	1											5
TOTAL		78	87	27	21	15	8	8	8	8	10	7	2	6	8	1	7			234

latter's income but to the value of the land. The landless cultivators having no assets, have no credit and are, therefore, more or less free from debt. The labourer who takes a temporary settlement of land, or works for hire, may have an income as large as that of a cultivator owning a few acres of land, but such income (due to its uncertainty) will not enable him to obtain a loan of any considerable amount.

The 21 families who have incomes below Rs. 100 per annum all have debts below Rs. 250; and of the 84 families who have incomes between Rs. 100 and Rs. 200 per annum only 6 have debts over Rs. 250. So far, those with small incomes have small debts. But such correspondence ceases in the case of incomes over Rs. 200 per annum. Persons with large incomes have both small and large debts.

SOURCES OF DEBT.

Accommodation was obtained from the following sources (see Table 8): (1) *mahājans* (professional money-lenders); (2) landlords (rent in arrear); (3) shopkeepers (credit purchases); (4) Co-operative Societies; (5) *Kābuli* money-lenders; (6) cultivators (who lend money); and (7) friends and relations.

Of the total debt of Rs. 54,000, no less than Rs. 32,909 (or 61 per cent.) was owing to professional money-lenders none of whom were residents of the villages surveyed. This shows that the village *mahājan* has not lost his importance in spite of the co-operative movement. His terms may be hard, his treatment harsh, but his help is obtainable with great facility.

TABLE 8. SOURCES OF LOANS.

Village	Money Lender	Co-operative Society	Land-lord	Shops	Kabuli	Culti-vators	Friends	Total
Gopalnagar	4,811	—	812	509	—	560	286	7,038
Lohagar	8,222	1,844	8,171	—	—	1,184	40	14,011
Jamalpur	10,697	566	2,249	64	—	209	26	13,611
Bandhnabagram	6,037	1,040	1,768	—	650	626	196	10,317
Sultanpur	1,407	1,212	462	113	—	331	73	3,598
Amritapur	1,603	—	1,979	223	1,100	81	66	5,024
All Villages	32,909	4,162	10,471	909	1,750	2,011	687	53,799
Percentage	61.2	7.7	19.4	1.7	3.2	3.7	1.3	100.0

Only Rs. 4,162 was supplied by the Co-operative Banks, which represented less than 8 per cent. of the total debt. This is partly due to the rules of the Co-operative Banks which allow loans only for certain specific purposes (agriculture, land improvement, purchase of cattle etc.); the amount that can be borrowed is also limited; further the formalities to be observed make borrowing difficult.

The amount of arrear rent due to landlords was Rs. 10,471 or about 19 per cent. of the total debts. Crop failures recur so regularly that it is usually impossible for the cultivator to meet the whole of his rent after paying his domestic expenses. The situation was aggravated by the catastrophic fall in the prices of agricultural produce since 1928. The interest charged by the landlords is lower than that of the *mahājans* (see Table 18); moreover, here it is not a case of active borrowing, but simply of the rent falling into arrears.

A SURVEY OF RURAL INDEBTEDNESS IN BIRBIHM, BENGAL

In four villages a sum of Rs. 909 was owing to retail shops. This likewise was not due to borrowing in cash but to purchasing on credit. Direct interest is not charged by the shopkeeper on such outstandings, but there is an indirect interest charge because a higher price has to be paid for goods taken on credit. It is, further, to the interest of the shopkeeper to allow such credit, as thereby he is assured of the custom of his debtor, who dares not buy elsewhere lest he should be pressed to settle up immediately.

As a lender of money the *Kābuli* is extremely unpopular, resorted to only by borrowers who are very hard pressed. A sum of Rs. 1,750 was found to be owing to *Kābulis* only in the villages of Bandhnabagram and Amritapur.

Cultivators who are well-to-do also lend small sums of money out of their savings as a subsidiary business. There were seven such persons who lent a total sum of Rs. 2,911, but all of them did not belong to these villages. Once they can start lending, the high rate of interest enables them not only to increase their capital but also to acquire property by purchasing the land of the defaulting debtors, so that they tend to become in time regular money-lenders.

A small amount of Rs. 687 was borrowed from friends and relations, without any documents, and sometimes also without interest, not by way of business, but as friendly accommodation.

CLASSIFICATION OF DEBTS.

Table 9 shows the classification of debts. Of the total debt Rs. 53,799, Rs. 31,972 (59 per cent.) was borrowed on the mortgage of property (land, tank, houses etc.) and a sum of Rs. 703 was lent on the security of ornaments. Next in amount came the arrear rents (Rs. 10,471) due to landlords.

TABLE 9. NAME OF LOANS (IN RUPEES).

Village	Mortgage	Arrear Rent	Jewellery	Hand-note	Paddy Loan	Without Bond
Gopalnagar ...	4,283	812	51	598	569	895
Lohagar ...	0,085	8,171	645	392	685	180
Jamālpur ...	9,370	2,210	—	2,202	—	90
Bandhnabagram ..	5,705	1,768	—	2,356	392	196
Sultanpur ...	2,846	462	—	850	314	186
Amritapur ...	1,240	1,079	7	1,509	—	289
All Villages ...	21,072	10,471	708	7,007	1,510	1,876
Percentage ...	59.4	19.5	1.8	18.6	2.8	5.4

Loans on handnotes (Rs. 7,307/-, 13.6 per cent.) came to less than a quarter of the mortgage loans; the figure was especially low in Lohagar probably because the families are Mahomedans whose laws of inheritance make recovery of loans difficult in case of the death of the original borrower.

The value of the total outstanding loans of paddy (borrowed for food, and converted at the rate of Rs. 1/6 per maund, the price prevailing during the enquiry) was found to be Rs. 1,510. Though Jāmālpur (along with Amritapur) is shown as having no paddy debts, paddy had been actually lent in the village (the exact amount of which was not ascertainable) but its value was secured by handnotes, so that it appeared under the head of handnote loans. In each village certain sums of money were borrowed from friends and relations without bonds, and the total amount was Rs. 1,836, of which Gopalnagar alone showed Rs. 895 (nearly 50 per cent. of the total).

NATURE AND SOURCES OF LOANS.

The distribution of various classes of loans among different sources is shown in Table 10. Of a total of Rs. 32,909 lent by *mahajans*, Rs. 27,673 was on mortgage of property; Rs. 4,686 on handnotes; Rs. 310 on ornaments; and Rs. 240 without bonds.

TABLE 10. SOURCES AND NATURE OF LOANS.

	Mortgage	Arrear Rent	Jewellery	Hand-note	Paddy Loan	Without Bond	Total
Money Lender ...	27,673	—	310	4,686	—	240	32,909
Co-operative Society	4,162	—	—	—	—	—	4,162
Landlord ...	—	19,471	—	—	—	—	19,471
Shop ...	—	—	—	—	—	909	909
Kabali ...	—	—	—	1,750	—	—	1,750
Cultivators ...	137	—	303	371	1,510	—	2,311
Friends and relations	—	—	—	—	—	687	687
Total ...	31,972	19,471	708	7,307	1,510	1,836	53,795

Co-operative societies advanced Rs. 4,162 on the mortgage of property only. Kābulis lent Rs. 1,750 entirely on handnotes, while well-to-do cultivators lent mostly on handnotes or as paddy-loans.

PROPORTION BETWEEN SECURED AND UNSECURED DEBTS.

The distribution of secured and unsecured debts is shown in Table 11. Secured debts are those against property and ornaments, and include outstanding rents. Unsecured debts include loans on handnotes, paddy loans and loans without bonds. For all villages

TABLE 11. SECURED AND UNSECURED DEBTS.

Village	Loans		Percentage		Loans		Percentage	
	Secured	Unsecured	Secured	Unsecured	Registered.	Unregistd.	Registered.	Unregistd.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Gopalsagar	5,176	1,862	73.8	26.4	4,283	2,755	60.9	39.1
Lohagar	12,004	1,107	92.1	7.0	7,744	6,287	56.4	43.6
Jamulpur	11,519	2,292	83.4	16.6	8,705	5,107	63.0	37.0
Bandhnabagram	7,473	2,844	72.4	27.6	4,665	5,652	45.2	54.8
Sultanpur	2,848	750	79.2	20.8	1,174	2,424	32.6	67.4
Amritapur	8,228	1,708	64.2	35.8	1,940	9,784	14.7	85.3
All Villages	43,146	10,653	80.2	19.8	27,810	25,989	51.1	48.9

the secured debts were Rs. 43,146 (80.2 per cent.), and unsecured Rs. 10,653 (19.8 per cent.). The percentage of unsecured debts for Lohagar was the lowest (7.9 per cent.), which was probably due, as already suggested, to the special difficulty of recovery under Mahomedan law.

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

The following table from the Bengal Provincial Banking Enquiry Committee Report gives an interesting comparison:—

TABLE 11 (A)

	Percentage			Percentage	
	Secured	Unsecured		Secured	Unsecured
Faridpur ...	50	50	Berhampore ...	50	50
Dijnajpur ...	75	25	Kalimpong ...	25	75
Burdwan ...	80	20	Netrokona ...	25	75
Nadia ...	50	50	Howrah ...	90	10
Naihati (24 Pargas) ...	20	80	Murshidabad ...	80	20
Pabna ...	10	90	Hooghly ...	20	80
Kushtea ...	75	25			

REGISTERED AND UNREGISTERED DEBTS.

The amount of registered debts in all the villages (shown in Table 11, columns (5) to (8)) was Rs. 28,019; and of unregistered debts Rs. 25,780; the percentages being 52 and 48 respectively. Table 12 gives the value of mortgages registered each year (during 1923—1934) for Birbhum. The total registered debt for the 12 years (the period of limitation for legal relief) 1923 to 1934 was Rs. 207,08,430. The Banking Enquiry Committee estimated that the average period for which mortgage debts run is 6 years. On this basis we may assume half the total debt of twelve years to have been paid up. The total outstanding registered debts would then come to Rs. 103,54,215. As the percentage of registered debt in the present enquiry was found to be 52, the total debt for the whole district may be estimated at Rs. 198,81,365.

TABLE 12. VALUE OF REGISTERED MORTGAGES IN BIRBHUM.

Year	Rupees	Year	Rupees
1923—21	14,41,488	1929—30	17,18,882
24—25	17,87,797	30—31	15,91,784
25—26	20,08,263	31—32	11,44,550
26—27	22,83,864	32—33	10,09,712
27—28	26,56,697	33—34	8,07,651
28—29	30,34,863	34—35	11,16,250
		Total ...	207,08,430

We may check this calculation in a different way. According to the Census for 1931 there are 2,402 inhabited rural *manzils* (or villages) in the district. If the average debt of Rs. 8,967 per village obtained in the present enquiry may be accepted as a representative figure for the whole district, then the total debt of the district comes to Rs. 215,38,734. The difference between the two estimates is about Rs. 15 lakhs which is within eight per cent. of the estimates. It would appear, therefore, that the assumption that the average duration of mortgage debts is six years is not far from wrong.

It should nevertheless be borne in mind that Registration figures are not likely to give reliable estimates of the total indebtedness without supplementary enquiry on present lines. The different assumptions made by various workers are in many cases highly speculative.

* Compare the discussion by S. N. Sen in his "Estimate of Rural Indebtedness in Bengal", *Sankhya* 1 (1934), 325-337.

CO-OPERATIVE SOCIETIES.

There were four Co-operative Societies in the area surveyed in Lohāgar and Bāndhaabagrām under the Visvabharati Co-operative Central Bank, and in Jāmālpur and Sultānpur under the Rāmpurhāt and Suri Central Banks.

On the 296 families in these four villages, 160 were in debt and 55 had taken loans from Co-operative Societies. The percentage of families who had become members of Co-operative Societies was 18.6 of all families, and 34.3 of borrowing families. Except in Sultānpur the proportion of members of Co-operative Societies to non-members was very small, some having refrained from joining, others not being qualified to join.

A consideration of the comparative economic position of (i) Members of Co-operative Societies (briefly referred to as Members); (ii) those who are debtors but not members (referred to as Non-members); and (iii) those who are not indebted (referred to as Non-debtors) will be instructive. Columns 7, 8 and 9 in Table 13 give the amount of land respectively held by these three classes. While the average land held per Member was 6.54 acres; and per Non-member 5.33 acres; it was only 1.32 per Non-debtor. The Non-debtors are thus not only unqualified for membership of Co-operative Societies, but are unable to raise a loan anywhere else for lack of assets or credit.

TABLE 13. DATA RELATING TO MEMBERS, NON-MEMBERS AND NON-DEBTORS.

Village	No. of Families		Members of Families		Land (in acres) held by			Income (in Rupees) of		
	Total	In debt	Num-ber	In debt	Mem-bers	Non-Mem-bers	Non-Debtors	Mem-bers	Non-Mem-bers	Non-bor-rowers
Lohagar	123	62	15	24.2%	4.98	5.21	.88	203.1	227.8	139.8
Jamālpur	67	34	12	18.1%	7.56	5.27	1.21	329.8	350.0	186.6
Bāndhaabagrām	47	27	12	25.5%	5.25	6.77	.75	365.0	359.9	118.9
Sultānpur	59	27	16	27.1%	6.02	7.73	2.41	274.0	189.3	257.1
TOTAL	296	160	55	18.6%	6.54	5.29	1.32	293.8	295.4	157.1

Though the average quantity of land held by Members and Non-members was not very different, this did not mean a similarity in economic position. Table 14 (from which Non-debtors have been excluded) shows that only a particular group, namely, families holding between 3 and 11 acres of land, joined Co-operative Societies. Of the 55 Members, there were 7 who had less than 3 acres, and 5 who had more than 11 acres.* The number of all debtors having less than 3 acres was 5; and more than 11 acres, 19. Therefore the bulk of the Members were cultivators with medium-sized holdings. The larger holder kept aloof because of the unlimited liability which membership involved, being reluctant to take the risk of his less solvent fellow members. The very small holders were excluded for lack of credit.

The average income per Member, Non-member and Non-debtor were Rs. 293.3, Rs. 285.4 and Rs. 157.1, respectively (Table 13). The Members belonged to the middle class; the Non-members included both poor and prosperous families; hence the similarity in the average figures.

* There were 23 members in Lohāgar. Two belonged to the same family and were counted as one. 7 Santal members, who did not belong to the village, were excluded. As 8 of them had land between 3 and 11 acres, the general conclusion holds good.

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

The aggregate amount borrowed from Co-operative Societies was Rs. 4,162 and from other creditors Rs. 37,575; the corresponding percentage of loans being 10 and 90

TABLE 14. AMOUNT OF LAND HELD BY CO-OPERATORS.

Range in Acres	Lohagar		Jamalpur		Bandhnabagram		Sultanpur		All Villages	
	All	Members	All	Members	All	Members	All	Members	All	Members
Less than 1 acre	10	1	2	—	8	—	6	1	26	2
1—2	9	—	3	1	2	—	2	—	10	1
2—3	11	2	6	—	2	—	2	2	21	4
3—4	6	3	5	1	1	1	4	3	16	8
4—5	8	1	3	1	1	—	4	3	16	5
5—6	4	2	3	3	1	1	2	2	10	8
6—7	5	1	4	3	6	3	2	1	17	8
7—8	2	2	2	—	3	1	1	1	8	4
8—9	2	2	1	—	3	1	—	—	5	3
9—10	—	—	—	—	4	2	1	1	5	3
10—11	3	1	1	1	3	2	—	—	7	4
11—12	1	—	—	—	1	—	—	—	2	—
12—13	1	—	—	—	—	—	1	—	2	—
13—14	1	—	—	—	—	—	1	1	2	1
14—15	—	—	—	—	—	—	—	—	—	—
15—20	1	—	1	1	1	1	—	—	3	2
20—25	1	—	2	1	—	—	1	1	4	2
Over 25	1	—	1	—	3	—	—	—	5	—
TOTAL	62	15	31	12	37	12	27	16	160	35

(Table 15). As already stated under the head of "Sources of Debts" the smallness of the former proportion is due, in spite of the lower interest charge, to the greater difficulty of getting loans from the Co-operative Societies.

TABLE 15. DEBTS OF MEMBERS AND NON-MEMBERS OF CO-OPERATIVE SOCIETIES

Village and Class of Society	Total debt from		Percentage debt from		Debt of Members		Debt of Non-members		Debt per acre	
	Co-operative	Others	Co-operative	Others	Total	Average	Total	Average	Members	Non-members
Lohagar	1,344	32,667	9.6	90.4	5,907	393.8	8,104	172.4	78.1	33.0
Jamalpur (c)	566	18,245	4.1	95.9	9,502	791.8	4,309	185.9	103.5	38.1
Bandhnabagram (c)	1,040	8,277	10.9	90.0	2,498	624.7	2,821	112.8	73.7	16.7
Sultanpur (c)	1,212	2,286	33.7	66.3	8,058	198.0	510	46.4	32.1	17.0
All Villages	4,162	37,575	10.0	90.0	25,003	472.6	15,744	149.9	72.2	28.1

The average debt per Member was Rs. 472.6 and per Non-member Rs. 149.9 (Table 15). This large difference is significant. It might have been argued that the Members were not necessarily more involved, but had more borrowing power. But looking into columns 11 and 12 of the same Table 15 it will be noticed that the debt per acre of the Members (Rs. 72.2) is much greater than that of the Non-members (Rs. 28.1), showing that the Members were really more involved.

Table 16 shows the productive and unproductive debts of Members and Non-members respectively. Productive loans include those for cultivation expenses (Col. (1)), capital improvements and purchase of cattle (col. (2)) and payment of rent (col. (3)). Unproductive loans include those for litigation (col. (4)), ceremonies (col. (5)), repayment of old debts* (col. (6)), and miscellaneous expenditure (col. (7)).

TABLE 16. AVERAGE DEBTS OF MEMBERS AND NON-MEMBERS OF CO-OPERATIVE SOCIETIES FOR SPECIFIED PURPOSES.

Village		Cultivation Expenses	Capital Improvement	Payment of Rent	Litigation	Ceremonials	Repayment of old debt	Miscellaneous	Production	Unproductive	Percentage	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Productive	Unproductive
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Lohagar	Members	27.6	211.5	57.2	—	27.8	26.7	28.2	206.3	97.7	75.8	24.2
	Non-mem.	—	48.8	54.4	10.0	13.9	12.7	24.6	103.8	65.2	61.8	33.7
Jamalpur	Members	42.0	101.1	80.6	—	448.7	29.5	59.5	223.8	567.8	28.8	71.7
	Non-mem.	—	20.4	76.8	—	76.5	—	22.0	91.8	104.5	46.6	52.4
Bandhnabagram	Members	86.6	99.0	57.7	17.5	57.5	145.8	164.5	243.5	385.3	88.7	61.3
	Non-mem.	—	12.0	47.7	—	8.8	7.8	24.2	50.7	50.9	54.0	46.0
Sultanpur	Members	11.2	43.1	39.7	—	22.1	20.6	46.0	91.1	98.7	48.8	51.2
	Non-mem.	—	—	5.6	—	1.2	8.6	33.8	5.6	40.8	12.1	87.9

In the four villages with Co-operative Societies, no loans were taken by Non-members for current cultivation expenses while the loans taken by Members for that purpose were considerable. In the two other villages where there are no Co-operative Societies, there were no such loans in Amritapur, and only Rs. 135, or less than Rs. 2 per family, in Gopalnagar. This shows that under ordinary circumstances cultivators do not borrow for current cultivation purposes.

All the members however in the four villages with Co-operative Societies appear to have borrowed for productive purposes, but this was most likely due to the rule which makes it necessary to state that the loan is for productive purposes; and the loan having been so taken, part of it possibly came to be actually used for cultivation expenses. The case of capital improvement is otherwise. Members borrowed more under this head than Non-members, but both Members and Non-members borrowed freely for the purpose of cattle and land, and for farm improvements. This parity shows that the loans taken for capital improvement are more genuine than those purporting to be current expenses of cultivation.

The proportion of average productive and unproductive debts amongst Members were in Jamalpur 28 and 72; in Bandhnabagram 39 and 61; in Sultanpur 49 and 51.

* Part of the old debts might have been incurred for productive purposes, but as no data were available, and as it is unlikely that any large proportion was borrowed for productive purposes, the whole has been included under the head of "unproductive". Miscellaneous loans are taken for consumption and are therefore unproductive.

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

The percentage of productive loans would have been lower still but for the borrowing from Co-operative Societies. In each village, loans taken for social and religious ceremonies by Members were greater than those taken by Non-members, if not more so. Easy money, therefore, did not make for improvement in economic position.

RATES OF INTEREST.

Table 17 gives the outstanding debt in each village with the corresponding rate of interest per annum. Rs. 28,513, i.e. more than half the total of loans was taken at rates of interest ranging between 18½% and 37½%. The amounts borrowed at rates less than 12½% and between 12½% and 18½% were Rs. 9,081 and Rs. 10,041 respectively.

TABLE 17. AMOUNT OF OUTSTANDING DEBT BEARING INTEREST.

Village		Less	12½%	18½%	27½%	37½%	Above	Without
		than	to	to	to	to	150%	
		12½%	18½%	27½%	37½%	150%		
Gopalnagar	...	800	2,263	3,065	800	—	—	670
Lohagar	...	—	1,311	11,897	732	8	—	30
Jamalpur	...	6,743	1,781	4,626	595	—	—	64
Bandhnabagram	...	1,606	8,291	4,328	178	650	—	264
Sultanpur	...	101	1,212	1,784	839	—	—	299
Amritapur	...	826	150	3,528	213	19	1100	258
All Villages	...	9,081	10,041	28,513	2,887	677	1100	1500

Except Lohagar, the credit of which is, as we have seen, specially low, each village had some loans at interest below 12½%. Jamalpur had Rs. 6743 at these low rates,—a fairly large amount considering its total debt of Rs. 13,811. An amount of Rs. 1,500 without interest was distributed over all the villages representing accommodation by friends and relations. Only Rs. 077 carried interest at rates between 75% and 150%, and one person in Amritapur was responsible for the amount of Rs. 1,100 borrowed at the rate of 150% from a *Kābuli*.

RATE OF INTEREST IN RELATION TO NATURE OF DEBT.

The maximum and minimum rates of interest for the different kinds of loans are shown in Table 18. Mortgage loans bear interest between 37½% and 18½% per annum

TABLE 18. THE RATE OF INTEREST IN RELATION TO THE NATURE OF LOAN.

Nature of Loan	Gopalnagar		Lohagar		Jamalpur		Bandhnabagram		Sultanpur		Amritapur	
	Max.	Mini.	Max.	Mini.	Max.	Mini.	Max.	Mini.	Max.	Mini.	Max.	Mini.
Mortgage	37½c	12s	37½c	18½c	37½c	12c	21c	6 s	28½c	18½c	18½c	12 c
Rent	10½%	6½	10½%	6½	10½%	6½	10½%	6½	10½%	6½	10½%	6½
Jewellery	37½s		46½s	18½s							75 s	
Hand-note	46½s	18½s	75 s	18½s	46½s	15s	112½s	18s	37½s	18½s	150s	12 s
Paddy Loan	50s		50 s	50 s			72s	48s	100s	100s		
Without Bonds	37½	18½	18½	18½	37½	37½	37½	18½	37½	18½	75	37½

c=compound, s=simple

compounded annually. Compound interest was mostly charged except for the lowest rates in Gopālnagar and Bāndhnabagām. (In the latter village, the 6% simple interest was in respect of a loan from a relation).

The rates of interest charged on arrears of rent in all the villages varied between 6½% and 43½%. The peculiar feature of the interest charge in these cases is that the rate of interest increases with the lapse of time. Thus, one anna in the rupee (6½%) will be charged for the first year's default, 3 annas in the rupee (18½%), or an annual average of 12½% for the second year; 5 annas in the rupee for the third year, and 7 annas in the rupee for the fourth year (43½% for that year or an annual average of 25%). This is probably intended to operate as an inducement not to prolong the period of default.

Loans against ornaments were found in the villages of Lohāgar, Goṣālnagar, and Amritapur. The rates of interest were much higher than for mortgage loans. The reason probably is that such pawning of family jewellery is resorted to only in cases of extreme necessity and, moreover, owing to the opprobrium attaching thereto, has to be done in secret; and the lender takes full advantage of these circumstances.

The interest charge is highest for handnote loans. The highest was 150% per annum simple in Amritapur; and lowest 12% per annum simple in the same village. For all six villages, the maximum varied between 37½% simple and 150% simple, the minimum between 18½% simple and 12½% simple. The high rates were obviously due to lack of security, the rates for secured loans being much lower.

Paddy is lent during June-July, and paid back after six months when the crop is harvested. This is mostly done without any bond and at varying rates of interest. Sometimes such loan is treated as a money transaction on the basis of a handnote. Except in one case in Amritapur, the rates of interest were between 18½% and 37½%, but it was not possible to find out whether simple or compound.

SOURCE OF DEBT AND RATE OF INTEREST.

The minimum rate of interest charged by *mahājans* varied between 12% and 18½%, and the maximum rate varied between 24% and 37%. The lowest rate charged by cultivators was 18½% and the highest varied from 46½% to 50%, 75% or even 100% (in Sultanpur).

The *Kābuli's* rates were highest being 1½ annas and 2 annas per rupee per mensem, i.e. 112½% and 150% per annum. The *Kābuli's* loans are all on handnotes, and made to persons with little or no assets.

The rate charged by the Co-operative Societies was naturally the lowest, and was 15½% in Lohagar and Jamalpur; and 14½% in Bāndhnabagām and Sultānpur. As already mentioned no direct interest was charged on outstanding dues to shopkeepers, but the loss was made up by charging higher prices. Loans from friends and relations were given on rates varying from 6% to 37½%.

CAUSES OF INDEBTEDNESS.

The chief cause of indebtedness is of course the general poverty of the cultivating class. Industries work with borrowed capital as a rule, whereas the agriculturist borrows only when in difficulty, a very small proportion of the debts being for capital improvement or cost of cultivation (Rs. 12,736 and Rs. 2,423 respectively in the villages under investigation), while Rs. 38,640 was incurred for other purposes, such as social and religious ceremonies, litigation, default of rent, repayment of old debts and miscellaneous expenditure (Table 19).

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL

TABLE 19. CAUSES OF INDEBTEDNESS.

Village	Cultivation Expenses	Capital Improvement	Payment of Rent	Social and Religious	Litigation	Repayment of Old Debts	Miscellaneous	Total
Gopalnagar	185	2,756	1,153	2,109	—	—	884	7,098
Lohagar	564	5,409	8,418	1,117	497	1,118	1,768	14,911
Jamālpur	501	1,661	2,527	7,469	—	715	1,332	12,811
Bāndhnabāgram	1,040	1,489	1,866	913	211	1,944	2,532	16,317
Sultānpur	180	694	608	573	—	870	1,131	3,506
Amritāpur	—	668	3,224	254	—	824	434	5,012
All Villages	2,423	12,736	18,007	17,021	708	4,503	8,461	58,799
Percentage	4.5	23.7	24.2	27.8	1.3	8.4	15.6	100.0

We may judge the economic condition of a family by its surplus ratio which may be defined as (Income—Expenditure) Income. Table 20 shows the relation between the surplus ratio of indebted families and the debt expressed in terms of number of years' income. These figures represent the conditions during 1933-34 which may be taken as a normal year. The harvest was fair, and there were no unfavourable circumstances in the area under survey. We find that 47 families (20 per cent. of indebted families) had deficits in this year; 101 families (43 per cent.) had a surplus of less than one-tenth of their annual income; 74 families (32 per cent.) had a surplus of between one-tenth and two-fifths of their income. It is clear, therefore, that for an average family the surplus of a normal year is not enough to meet unfavourable contingencies. In a bad year borrowing is inevitable, and the interest rate being high, full repayment of debt incurred becomes practically impossible; so that indebtedness becomes chronic.

TABLE 20. RELATION BETWEEN SURPLUS RATION AND DEBTS EXPRESSED IN TERMS OF YEARS INCOME.

Range of Surplus Ratio	Number of Families with Debts equal to Income in Years.								Total	
	0— $\frac{1}{4}$	$\frac{1}{4}$ — $\frac{1}{2}$	$\frac{1}{2}$ — $\frac{3}{4}$	$\frac{3}{4}$ —1	1—2	2—3	3—4	4—5		Above 5
(-72) — (-10)	1	—	1	2	1	1	1	—	1	8
(-10) — 0	11	5	5	8	7	2	1	—	1	39
0—10	25	12	23	10	21	5	1	2	2	101
10—20	16	5	8	6	9	8	2	—	—	64
20—30	11	4	2	2	1	—	1	—	—	21
30—40	5	—	2	1	1	—	—	—	—	9
40—50	8	—	1	1	8	—	—	—	—	8
50—60	1	—	—	—	1	—	—	—	—	2
60—70	2	—	—	—	—	—	—	—	—	2
TOTAL	75	26	37	30	44	11	6	2	3	234
Percentage	32.0	11.1	15.8	12.8	18.8	4.7	2.6	0.9	1.3	100.0

Crop failure. In the village under survey, crop failure due to insufficient or untimely rain is very common. There are a large number of tanks for storing rain water for artificial irrigation, but these have become silted up owing to the neglect of the landlords. In only one village Sultānpur, where water for irrigation is available from the Bakreswar canal, crop failure never occurs. This has naturally helped the cultivators to reduce their burden of debt. Thus in Sultānpur the debt per capita is only Rs. 14 (Table 2) as against Bāndhnabāgram Rs. 45; Jāmālpur Rs. 44; Lohāgar Rs. 26; Gopālnagar Rs. 25; and Amritāpur Rs. 19.

The following table shows the crop conditions during 1915-16 to 1933-34 in Bandhnabagrām.

A.D.	Bengali year	Crop condition.
1915-16	1322 B.S. ...	Crop failed: deficient rainfall.
1916-17	1323 B.S. ...	Good harvest.
1917-18	1324 B.S. ...	Good harvest.
1918-19	1325 B.S. ...	Half paddy destroyed by insects.
1919-20	1326 B.S. ...	Bad crop: no rain.
1920-21	1327 B.S. ...	No data available.
1921-22	1328 B.S. ...	Only half area sown.
1922-23	1329 B.S. ...	Good harvest.
1923-24	1330 B.S. ...	Only half area sown.
1924-25	1331 B.S. ...	Medium harvest.
1925-26	1332 B.S. ...	Crop failed: famine.
1926-27	1333 B.S. ...	Good harvest.
1927-28	1334 B.S. ...	Crop failed: no rain.
1928-29	1335 B.S. ...	Good harvest.
1929-30	1336 B.S. ...	Crop attacked by insects.
1930-31	1337 B.S. ...	Good harvest.
1931-32	1338 B.S. ...	Crop failed: excessive rain.
1932-33	1339 B.S. ...	Good harvest.
1933-34	1340 B.S. ...	Good harvest.

In eighteen years for which records are available only in eight years the harvest was good, while the crop was unsatisfactory in six years, with bad failures in four years. It is clear therefore that what could be saved in the good years could not make up for the bad years.

Cattle mortality was also a cause for incurring debt. Of the amount of Rs. 12,705 borrowed for capital improvement, a large part was for the purchase of bullocks for ploughing.

It is beyond the scope of the present paper to discuss the different factors responsible for the general poverty of the cultivator, but, among others, the system of land tenure, exploitation, fragmentation and sub-division of holdings, obsolete technique, and general ignorance may be mentioned.

Fall in Prices. The sharp decline in prices in recent years has also added considerably to the volume of indebtedness. During and since 1928, the fall in prices has made it increasingly difficult for the agriculturist to meet his expenses, much less to have any surplus for repaying his debts. Before the depression loans were freely incurred in the expectation of prices remaining steady. The following table showing rates at which rice was supplied to a mill at Bolpur, will give an idea of the fall in prices in the area under survey.

Date	Rate.	Date.	Rate.
August, 1926 ...	4 4 0 per md.	October, 1931 ...	2 0 0 per md.
August, 1927 ...	4 5 0 " "	September, 1931	2 0 0 " "
January, 1928 ...	4 5 0 " "	September, 1932	1 10 6 " "
September, 1929	3 5 0 " "	September, 1933	1 11 0 " "
August, 1930 ...	2 9 6 " "		

Litigation. Only a very small amount was borrowed for litigation. Of the total of Rs. 708, Lohūgar was responsible for Rs. 497, and Bīndhnabagrām for Rs. 211. The other villages had no debts on this account. Litigation therefore cannot be put down as a major cause of indebtedness in the villages under survey.

A SURVEY OF RURAL INDEBTEDNESS IN BIRBHUM, BENGAL.

Social and Religious Ceremonies. The extravagance of the rural population in the shape of disproportionate expenditure on social and religious ceremonials has become proverbial. The results of our enquiry supported the view that the expenditure so incurred was not justified by the income. It was found that Rs. 12,021, representing one-fourth of the total debt of the six villages, was borrowed for such purposes. (Table 19).

High rate of Interest. This is largely responsible for the increase of debt. As already stated, a debt incurred in a bad year becomes, by reason of the high interest, difficult to pay off in a good year. Rs. 33,177, representing more than half of the total debts, carried interest at over 18½% per annum.

SUMMARY.

The total outstanding debt in 1933-34 in the villages under survey was Rs. 53,799. Out of 426 families, 234 families (or 55 per cent.) were in debt. The average debt was Rs. 126.3 per family (of all families), and Rs. 229.9 per indebted family, and Rs. 28.4 per capita.

Grouping according to occupations, non-cultivating tenants had a total debt of Rs. 19,358; cultivating tenants Rs. 31,896; landless cultivators Rs. 1,420; artisans Rs. 101; and the miscellaneous group Rs. 24. The average debt per family (of all families and per indebted family respectively, were for non-cultivating tenants Rs. 312 and Rs. 402; cultivating tenants Rs. 195 and Rs. 235; landless cultivators Rs. 8 and Rs. 13; artisans Rs. 10 and Rs. 34; and the others Rs. 5 and Rs. 12.

Grouping according to castes: Brahmmins were indebted to the extent of Rs. 416 per family; Nahashaks Rs. 161; Mahomedans Rs. 149; and Depressed classes Rs. 19.

As compared to income the debts were for 76 families less than one-fourth of their annual income; for 69 families less than their annual income; for 45 families between 1 and 2 years' incomes; and for 21 families more than 2 years' income.

For holdings of less than 7 acres, the amount of debt increased with the amount of land, but for larger holdings there was no definite connection. Landless persons were mostly free from debt. It was found that debts depended on the assets, but had little or no direct relation to income.

Of the total debt 61 per cent. was given by *mahajans* and about 8 per cent. by the Co-operative Societies. 19 per cent. was due to landlords in the form of arrear rent, and the remaining 12 per cent. was taken from *Kabulis*, shopkeepers, cultivators, friends and relations.

Rs. 31,972 (59.4 per cent.) was borrowed on the mortgage of property; Rs. 10,471 (19.5 per cent.) was owing to landlords as rent in arrears; Rs. 7,307 (13.6 per cent.) was borrowed on handnotes; Rs. 703 (1.3 per cent.) by pawn of jewellery; and Rs. 1,836 (3.4 per cent.) without any bond. Paddy loans were outstanding to the value of Rs. 1,510 (2.8 per cent.).

The proportion of secured and unsecured debts was roughly four to one being Rs. 43,146 and Rs. 10,653 respectively. The amounts of registered and unregistered loans were 28,019 and Rs. 25,780, the percentage being 52 and 47. Calculated on the basis of average debt per village, as found by the present enquiry, the total debt for the district of Birbhumi in 1933-34 was of the order of 2.15 crores.

There were four Co-operative Credit Societies in Lohāgar, Jāmālpur, Bāndhnabagrām and Sultānpur. Of the 296 families in these villages, 160 were in debt, and 55 had borrowed from Co-operative Societies. Debts owing to the Co-operative Societies amounted to Rs. 4,162 (10 per cent.) against Rs. 37,575 (90 per cent.) from other creditors.

Members of Co-operative Societies belonged to the middle stratum, the majority owning between 3 and 11 acres of land. The average debt per Member of Co-operative Societies and per Non-member were respectively Rs. 472.6 and Rs. 149.9, but debt per acre of land held was for Members Rs. 72.2 and for Non-members Rs. 28.1. The amount of debts incurred for productive purposes was less than that for unproductive purposes in 3 villages among Members and in 2 villages among Non-members. Members were however found to be as extravagant as Non-members in the matter of expenditure on ceremonials.

The rate of interest was very high. Rs. 28,513 was borrowed at rates between 18½% and 37½%; Rs. 2,887 between 37½% and 75%; and Rs. 1,777 above 75%. The maximum and minimum rates of interest were found to be: for mortgage loans, 37½% compound and 6% simple; for handnote loans, 150% and 12%; for loans on pawn of jewellery, 75% and 18½%; for paddy loans, 100% and 48%; and for loans without bonds 75% and 18½%.

The Co-operative Societies charge the lowest (about 15%), and the *Kābulis* the highest rates of interest (150%). The rates charged by *mahājans* were between 37½% and 72%.

The causes of the heavy indebtedness of the villagers were found to be general poverty, regularly recurring crop-failures, fall in the prices of agricultural produce in recent years, high rate of interest, and large unproductive expenditure. Loans for litigation, however, were only a minor factor in the villages under survey.

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