

# Economic Conditions of Haryana in 19th Century

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After the outbreak of 1857, south-east Punjab was separated from the then North-West Province and merged with Punjab. The seven districts formerly part of Delhi Territory were regrouped into two divisions of Delhi and Hissar popularly known as Eastern and Western division respectively. On the other hand the administration of this region along with the entire country was transferred from the East India Company to the Crown. A Viceroy, as a representative of the British Crown and Parliament, started ruling India. On the abolition of Hissar division in 1884 the district of Rohtak was transferred to Delhi Division. It consisted of four Tehsils, Rohtak, Gohana, Jhajjar and Sampla but in April 1910, the last named tehsil was abolished and its area was divided between Rohtak and Jhajjar tehsils.

The Sonapat Tehsil, which had remained attached to the Delhi district since the year 1861, was added to the Rohtak district in Sept. 1912, on the separation of Delhi Territory from the Punjab. The district was then attached to the Ambala division.<sup>1</sup> By the Royal Proclamation at the 1911 Coronation Darbar, Delhi was made the capital of India and Ambala once again became the headquarters of a division. Although this region had changed its names and political boundaries from time to time, its geographical boundaries were more than permanent. The south-eastern part of the Punjab was situated in the north-Western part of India, bounded by Shivalik hills and the river Ghaggar in the north, the river Yamuna in the east, the outcrops of Aravali hills in the south and the Thar desert of the Rajputana in the West. These natural boundaries produced, in more or less, isolated conditions, a distinct culture, a special mode of living and a different linguistic pattern.<sup>2</sup>

In the absence of any other form of investment, traders and professionals began to invest in land. Thus arose a new class of landlords, comprising of money lenders. These money lenders belonged to castes like Banias, Khattris and Aroras. They found more profitable and a more tempting investment in exploiting the agriculturists than in developing trade and staple industries.<sup>3</sup> Before the Britishers, it was not customary for a creditor to seize the land of his debtor, but under the British rule, the new laws and their systematic execution through courts, land could be mortgaged and if not redeemed within the stipulated period became the creditors' property. In this region, the banking facilities did not exist except in a few big towns<sup>4</sup>. The money lenders were, the only source, from whom the people borrowed money. The peasants usually borrowed money from money lenders for necessary purposes such as payment of land revenue, food, seed, cattle purchase and social ceremonies.<sup>5</sup> Payment of land revenue had a big role in borrowed money from the money lenders.

Thorburn estimated that nearly 12 per cent of the total debt of the rural population was due to the payment of the fixed land revenue demand of the government.<sup>6</sup> The money lenders began to accept readily land as security<sup>7</sup> and if his loan was not repaid, he either became the absolute owner of the mortgaged land, or the defacto owner of the labour and produce of his debtor, who no longer could escape from his liabilities. In the region, like other parts of India, agriculture depended largely on the rains and failure of rain was a common phenomenon in the south-east Punjab. In the time of famine, natural calamities, the money lenders took benefit of such times and he was able to impose such hard terms and conditions on his mortgages that a mortgage nearly always ended in sale. Heavy borrowing was the primary causes of debt. The ordinary peasant proprietor borrowed not as he needed but as he could, and that therefore, the greater his security the larger his debt.<sup>8</sup> The transfer of land to money lenders began to cause social tension not only in this region, but, also in other parts of Punjab countryside. The exploitation of the money lenders also played a significant role to give poverty and backwardness to this region.

Commenting on the condition of the peasants of Gurgaon district Brayne remarked that they did not even want to get out of debt, because they knew that any improvement in their farms would mean money, not for themselves but for the creditors. So they were uninterested into improving their farms, and even the welfare of their families. The rate of interest charged by moneylenders from agriculturists was generally 24 per cent per month and in case of mortgages, the interest varied from 12 to 18 per cent per annum and 9 to 12 percent when jewels or other valuables were pawned as security.

In Ambala district rather over 3 per cent of the cultivated land had been sold, and 15 per cent mortgaged since regular settlement and about half the sales and 3/4 of the mortgages was in the hands of professional moneylenders.<sup>9</sup> In Rohtak district, the area mortgaged amount was about 49,184 acres, or 5 per cent of the separately held lands of the district. The mortgage debt amounts was about to 2/3 of the revenue of a single year.<sup>10</sup> More than half the area affected was in the Rohtak Tehsil, in this tehsil moneylenders held in mortgage a large area than agriculturists.<sup>11</sup>

In Gurgaon district, the Meo's burden was greater, where they dominated in the two tehsils such as Nuh and Firozpur, debt was 30 times the land revenue<sup>12</sup>, which in Rewari, the multiple was six times.<sup>13</sup> There was no doubt, that much of this debt, was not possible to be repaid. But the moneylenders, without the trouble of ownership, enjoyed all the fruits of the land. The peasantry of this region suffered from the money lenders exploitation. It was also vividly illustrated in village meetings where the moneylender sat in the place of honour at the head of charpoy with his peasant clients at his feet.

Both agriculturist and non-agriculturist moneylenders, had come to acquire a vital role in the subsistence level economy<sup>14</sup>, such as land purchase, land mortgage, usury, and mostly for renting out of purposes, emerged very profitable areas of investment than agriculture. Its results had come in poverty, debt and backwardness of this region.

**Table-4 showed the total debt each and every district in this region.<sup>15</sup>**

TOTAL DEBT				
District	In Lacks	As multiples of land Revenue	Per cultivated Acre Rs.	Per head of the rural population
Gurgaon	300	19	30	48
Rohtak	274	17	25	39
Hissar	157	15	6	22
Karnal	143	11	14	19
Average	...	15	15	31

This was manifested clearly in the 1901 Alienation of Land Act. From the British point of view, the object of this Act was to place restrictions on the transfer of land in the Punjab with a view to checking its alienation from agricultural to non-agricultural classes. But in fact, the Act did not protect the interests of peasants engaged in agriculture. Their land could mortgaged to other members of the agricultural tribes. What the Act achieved was the concentration of land in the hands of 'agricultural tribes'. It allowed accumulation of land in the hands of the richer members of the notified 'tribes' as they could freely buy land from other members of the tribes. The Act had provided against the expropriation of the agriculturist by non-agriculturist or by an agriculturist of a different tribe or group, but it had not provided against expropriation by the same tribe or a tribe of the same group. The agriculturist moneylenders took advantage of their privileged position to fleece their brethren agriculturist as unscrupulously as the professional money lenders. For the weaker agricultural tribes the Act turned out to be a dangerous weapon in the hands of the powerful to be frequently used against the weak. The latter were placed under extreme duress to preserve their very existence. Instead of being swallowed by the professional moneylenders, they now faced a similar prospect in the form of expropriation of land by the former. The small landowners were being swallowed by the big landowners.

In South-east Punjab, this Act was especially favourable to the rich Jat landowners. An increasing number of agriculturist moneylenders were drawn from among the rich landowners of the village. A Jat village had Jat moneylenders and Rajput village had Rajput money lenders and so on.

**Number of Number of Moneylenders And Amount Of Capital Lent Out (1927-8)**

District	No. of Moneylenders	Capital Employed (in Rs. Lakh)
Rohtak	562	142
Karnal	507	120
Gurgaon	458	73
Hissar	347	71
Ambala	85	71

The main commercial classes were principally of the Bania, Arora and Khatri castes and they acted as moneylenders, traders and shopkeepers. But following the enactment of the Land Alienation Act of 1901, their dominance was challenged by the emergence of a rich Jat peasantry in this region. When agricultural tribes began occupying the bulk

of the alienated holdings, the Jats achieved the most striking success. The passing of this Act evidently strengthened the position of the Jats in this region.

The British gave low priority to any improvement of agriculture in this region. It reflected in their policies, for example their emphasis on low value food-cum-fodder crops. Commercialization of agriculture became limited in this region. Animal husbandry emerged as a necessary supplement due to subsistence economy. But the region was famous for draught cattle not dairy cattle, and no encouragement was given to the commercialization of dairy products. There were two important features of the cropping pattern of this region. First, the cultivator grew food for himself and second, for his cattle. F.L. Brayne who was the deputy commissioner of Gurgaon District in 1922 stated that 'Cattle were almost, if not, quite, as important as crops for the health and wealth of the village. Whether it was working the land, carrying the crops to market or feeding the children, the villager was helpless without his cattle. The better the cattle, the better the village, cattle were counted as wealth. The bulls of three kinds were excellent in this region. There was constantly increasing demand for Hissar bulls for breeding purposes. Animal husbandry was so intimately identified with the economic life of the people of this area that the requirements of the cattle could not be ignored.

Without irrigation facility, this region, unlike other parts of the Punjab, continued to show predominance of low value food-cum-fodder crops, such as bajra, jawar, gram and maize. A few irrigated areas grew high-value crops like wheat, sugar cane and to a very small extent, cotton.

The economic backwardness of this region proved to be very helpful to imperial interest. The British policy went a long way in determining the character and development of this region's economy.

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