

**ALL-INDIA
RURAL CREDIT SURVEY**

**DISTRICT MONOGRAPH
BURDWAN**



BOMBAY-1968

Gratis

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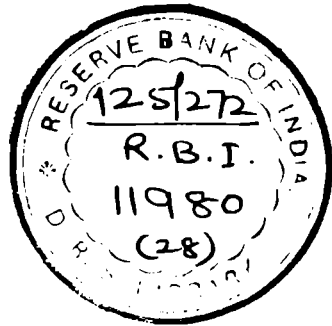
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Price Rs 6.50

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FOREWORD

The All-India Rural Credit Survey was conducted in 1951-2 by the Committee of Direction appointed by the Reserve Bank of India. The investigation extended over nearly 1,30,000 families resident in 600 villages and the various types of credit agencies in 75 selected districts spread all over the country. The data collected covered all important aspects of the working of the system of rural credit in the 75 districts. The detailed study of the material in all its aspects has been completed and the Report of the Committee has been published in three volumes, namely, Volume I, the Survey Report, containing discussions on the results of the Survey, Volume II, the General Report, containing the recommendations of the Committee and Volume III, the Technical Report, containing a description of the technique of the Survey and the various statistical statements prepared from the data. In order to obtain integrated pictures of the working of the rural credit machinery under different local types of economies and to provide a basis for preparation of the All-India Report, preliminary monographs were prepared on each of the 75 selected districts. A few of these are being selected for revision and publication.

2. Each district monograph can broadly be divided into three parts. The first part describes the main features of the agricultural economy of the district as well as of the villages selected for investigation and provides the necessary background for the study of rural credit. The second part is mainly devoted to an analysis of the 'demand' aspect of rural credit. The third part gives a detailed description and assessment of the working of the rural credit organization. Although the treatment of subject-matter is generally on the lines of the All-India Report, the monographs attempt to focus attention on special problems in the districts, besides presenting a review of the detailed economic and credit pattern of the district. The monographs may, therefore, provide some assistance in formulation and adaptation of agricultural credit policy with reference to different types of economic conditions and in devising measures for dealing with problems of special importance to particular agricultural tracts.

3. The data presented in each district monograph are based on field investigation in eight villages selected by adopting the stratified random sampling method. All the families in each of these villages were covered by a general schedule and this was supplemented by an intensive enquiry confined to a small sub-sample of fifteen cultivating families in each of the selected villages, making a total of 120 cultivating families for the district. The district data presented in the monographs mean, for all purposes for which the data were collected, the data for the villages in the sample. It is, of course, not the raw data for all the eight villages but the data for the eight villages weighted in a particular way. Districts in India are usually rather large in area and are populous. In most of them physical and crop conditions

FOREWORD

differ materially from one part to another. The number of villages in the sample was not large and a further limitation was imposed by one-half of the sample being confined to villages with co-operative credit societies. The result has often been that all parts of the district have not necessarily been adequately represented in the sample and the total picture presented by the weighted village data for the district may not accord with the average picture for the whole district. It may thus happen that the picture presented for the district by the village data does not correspond, in particular cases, to the general conception of conditions in the district or to the average figures. The fact remains, however, that they represent conditions in at least some parts of the district. Since the main objective was to study conditions not necessarily of whole areas identified with administrative units or districts bearing particular names, but with samples of varying conditions throughout the country, the different district pictures presented have full validity and considerable value for the study of different conditions in agricultural credit.

4. A draft monograph on Burdwan was prepared by Shri A. K. Banerji, a former Research Officer in the Department of Research and Statistics, now in the Agricultural Credit Department. This was later edited for publication by Shri M. L. Ghosh in the Division of Rural Economics in co-ordination with the Division of Statistics. The responsibility for the views expressed is that of the author and not of the Reserve Bank of India.

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Principal Adviser
to the Reserve Bank of India.

Reserve Bank of India,
Central Office,
BOMBAY, June 19, 1958.

CONTENTS

	Page
CHAPTER 1. General features	1
1.1 Location	1
1.2 Physical features	2
1.3 Land utilization	4
1.4 Pattern of crop distribution	5
1.5 Irrigation	5
1.6 Agricultural methods and animal husbandry	6
1.7 Trade and industry	8
1.8 Transport and communications	9
1.8.1 Roads	9
1.8.2 Railways	10
1.8.3 Waterways	10
1.9 Marketing centres	10
1.9.1 Kalna	10
1.9.2 Jamalpur	10
1.9.3 Memari	10
1.9.4 Katwa	10
1.9.5 Asansol	11
1.9.6 Raniganj	11
1.9.7 Surekalna	11
1.9.8 Durgapur	11
1.9.9 Nandanghat	11
1.10 Land tenure system	11
1.11 Scope and object of the Survey	12
CHAPTER 2. Selected villages and size of farm business	15
2.1 Selected villages	15
2.1.1 Auria	15
2.1.2 Bhabanandapur	16
2.1.3 Bijur	16
2.1.4 Huria	16
2.1.5 Atapur	16
2.1.6 Jagadishpur	17
2.1.7 Madhupur	17
2.1.8 Mangalpur	17
2.2 Variations in the size of farm business operations	17

CONTENTS

		Page
2.3	Gross produce and cash receipts	21
2.4	Composition of assets	23
CHAPTER 3.	Indebtedness	25
3.1	Volume and extent	25
3.1.1	Proportion of indebted families	25
3.1.2	Debt per family	26
3.1.3	Concentration of debt	27
3.2	Incidence of debt	28
3.3	Growth of debt	29
3.4	Nature of debt	31
CHAPTER 4.	Borrowings	34
4.1	Nature and extent of borrowing	34
4.2	Share of the different groups of cultivators in total borrowings	38
4.3	Size of borrowing	39
4.4	Purpose of borrowing	41
4.5	Credit requirements	43
4.6	Nature of borrowings	45
4.7	Borrowings and interest rate	47
4.8	Grain loans	47
CHAPTER 5.	Repayments	49
5.1	Repayments in relation to borrowings	49
5.2	Proportion of repaying to borrowing families	50
5.3	Proportion of repaying to indebted families	51
5.4	Average repayment per family	51
5.5	Average repayment per repaying family	53
5.6	Proportion of repayments to debt plus repayments	53
5.7	Source of finance for repayments	54
CHAPTER 6.	Family expenditure	56
6.1	Expenditure on construction and repairs of residential houses and other buildings	58
6.2	Expenditure on death ceremonies	59
6.3	Expenditure on marriage and other ceremonies	60
6.4	Medical expenses, educational expenses and litigation charges	60

CONTENTS

	Page
CHAPTER 7. Capital expenditure	63
7.1 Financial investment expenditure	63
7.2 Nature and extent of capital expenditure in non-farm business	64
7.3 Capital investment in agriculture	64
7.3.1 Purchase of land	65
7.3.2 Net purchase or sale of land	67
7.3.3 Purchase of livestock	69
7.3.4 Other capital expenditure in agriculture ..	74
7.4 Investment and disinvestment	78
 CHAPTER 8. Current farm operations	 85
8.1 Current farm expenditure	85
8.2 Disposals in kind	89
8.3 Cash farm receipts	90
8.4 Seasonality of farm business	92
 CHAPTER 9. Credit agencies	 94
9.1 Relative importance of various credit agencies	94
9.2 Relative importance of credit agencies in debt owed by rural families	95
9.3 Purpose-duration analysis of borrowings	96
 CHAPTER 10. Government finance	 100
10.1 Legal basis and administrative structure	100
10.1.1 Land Improvement Loans Act, 1883	100
10.1.2 The Agriculturists' Loans Act, 1884	101
10.1.3 Grow More Food Campaign	102
10.1.4 Rehabilitation of displaced persons	103
10.2 Loan operations and working	106
 CHAPTER 11. Co-operative finance	 109
11.1 Structure of the co-operative movement	109
11.2 Primary agricultural credit societies	109
11.2.1 Huria Samabay Samiti	110
11.2.2 Auriadanga Krishi Rindhan Samiti	110
11.2.3 Bhabanandapur Krishi Bank	110
11.2.4 Bijur Co-operative Society	110
11.3 Central co-operative banks	111
11.4 Land mortgage bank	114

CONTENTS

	Page
CHAPTER 12. Private credit agencies	116
12.1 Legal structure	116
12.1.1 Regulation of moneylenders	116
12.1.2 Restrictions on sale, mortgage or lease of land	117
12.1.3 Debt relief measures	117
12.2 Relatives	118
12.3 Landlords	120
12.4 Professional moneylenders and indigenous bankers ..	120
12.5 Agriculturist moneylenders	124
12.6 Traders and commission agents	126
12.7 Commercial banks	127
12.8 Financial superstructure of private credit agencies	127
CHAPTER 13. Concluding remarks	128
13.1 Extent and incidence of debt	128
13.2 Credit transactions	128
13.3 Expenditure and source of finance	129
13.4 Net balance of capital transactions	129
13.5 Credit agencies	130

LIST OF TABLES

Table No.	Page
1.1 Area, number of villages, towns, population and occupied houses in the district	1
1.2 Population according to livelihood classes in the district	2
1.3 Land utilization in Burdwan District (1950-1)	4
1.4 Source of irrigation and crops irrigated in Burdwan District	6
1.5 Livestock in Burdwan District in 1945 and 1951	7
1.6 Industries in the district	8
1.7 Small scale industries at selected centres	9
2.1 Important features of selected villages	15
2.2 Average size of cultivated holdings : Inter-group variations	18
2.3 Proportion of cultivated holdings held by different groups of cultivators to total cultivated holdings	18
2.4 Variation in the size of cultivated holdings	19
2.5 Ownership of plough cattle among different classes of cultivators ..	19
2.6 Cultivated holding and area sown	20
2.7 Value of gross produce per family	21
2.8 Cash receipts from sale of crops and fodder and other sources ..	22
2.9 Distribution of gross produce and cash receipts	23
2.10 Value of owned assets	24
3.1 Proportion of indebted families among different groups of cultivators	25
3.2 Average debt per family in different groups	26
3.3 Average debt per indebted family	27
3.4 Share of different groups of cultivators in total outstanding debt of cultivators	28
3.5 Size of debt	28
3.6 Debt as percentage of value of total assets	29
3.7 Debt as percentage of owned land	29
3.8 Growth of debt	30
3.9 Growth of debt among different groups of cultivators	31
3.10 Outstanding debt against various type of security	32
3.11 Debt of selected cultivators classified according to purpose	32

LIST OF TABLES

Table No.	Page
3.12 Outstanding debt according to duration	33
4.1 Proportion of families reporting borrowing	34
4.2 Proportion of borrowing families among different groups of cultivators	35
4.3 Average size of borrowing among rural families	36
4.4 Borrowings of non-cultivating families	36
4.5 Borrowings of cultivating families	37
4.6 Borrowings of different groups of cultivators	37
4.7 Borrowings per reporting family among the different groups of cultivators	38
4.8 Borrowings of cultivators and non-cultivators in relation to the borrowings of all families	38
4.9 Expenditure on specified items	39
4.10 Loans borrowed and fully repaid during the year 1951-2 by the selected cultivators	40
4.11 Borrowings in relation to assets, gross produce and cash receipts ..	40
4.12 Borrowings as a source of finance as compared to declared purpose of borrowing	41
4.13 Borrowings according to various purposes : Group-wise	42
4.14 Borrowings of selected cultivators : Purpose-wise	43
4.15 Credit requirements for development purposes	43
4.16 Distribution of families according to the rate of interest which they were prepared to pay for loans	44
4.17 Distribution of families according to the period for which they required loans	45
4.18 Distribution of families according to the security which they were ready to offer for loans	45
4.19 Cash loans borrowed and fully repaid during the year 1951-2 by the selected cultivators classified according to duration	46
4.20 Cash loans borrowed during the year 1951-2 by the selected cultivators classified according to security	46
4.21 Borrowings of the selected cultivators classified according to purpose-duration	47
4.22 Borrowings of selected cultivators classified according to rate of interest	48
5.1 Proportion of repaying families	49
5.2 Proportion of repaying families among different groups of cultivators	50
5.3 Repaying families as percentage of borrowing families	50

LIST OF TABLES

Table No.	Page
5.4 Repaying families as percentage of indebted families	51
5.5 Average amount repaid per family	52
5.6 Average amount repaid per family among different groups of cultivators	52
5.7 Average amount repaid per repaying family	53
5.8 Repayments as percentages of borrowings and of outstanding debt plus repayments	54
5.9 Source of finance for repayment : All families	55
5.10 Repayment of old debts according to source of finance	55
6.1 Total family expenditure	56
6.2 Average expenditure per family on specified items of family expenditure	57
6.3 Expenditure on construction and repairs of residential houses and other buildings	58
6.4 Frequency distribution of cultivating families according to the size of expenditure on construction and repairs of residential houses and other buildings	59
6.5 Expenditure on death ceremonies	59
6.6 Expenditure on marriage and other ceremonies	60
6.7 Medical expenses, educational expenses and litigation charges ..	61
6.8 Borrowings for different items of family expenditure	62
6.9 Expenditure on specified items of family expenditure among the upper and lower strata cultivators	62
7.1 Financial investment expenditure	64
7.2 Capital expenditure in non-farm business	65
7.3 Expenditure for purchase of land	66
7.4 Expenditure on purchase of land by cultivators	66
7.5 Proportion of families reporting purchase and sale of land	67
7.6 Proportion of families reporting purchase and sale of land : Group-wise	68
7.7 Net purchase or sale of land	69
7.8 Proportion of families reporting purchase of livestock	70
7.9 Average expenditure incurred per family on purchase of livestock ..	70
7.10 Average expenditure incurred per reporting family on purchase of livestock	71
7.11 Receipts from sale of livestock	72
7.12 Receipts from sale of livestock among different groups of cultivators ..	72
7.13 Net purchase or sale of livestock	73

LIST OF TABLES

Table No.	Page
7.14 Reclamation of land	74
7.15 Bunding and other land improvements	75
7.16 Laying of new orchards and plantations	76
7.17 Purchase of implements and machinery	76
7.18 Construction of farm houses, cattle sheds, etc.	77
7.19 Other (miscellaneous) capital expenditure in agriculture	78
7.20 Investment-disinvestment : All families	79
7.21 Investment-disinvestment : Non-cultivating families	80
7.22 Investment-disinvestment : All cultivating families	81
7.23 Investment-disinvestment among the four classes of cultivators	82
7.24 Net investment or disinvestment and construction and repairs of residential houses and other buildings	83
7.25 Distribution of selected cultivators according to size of net investment-disinvestment	84
8.1 Current farm expenditure classified according to gross produce groups	85
8.2 Cash farm expenditure according to gross produce groups	86
8.3 Current farm expenditure in kind according to gross produce groups	87
8.4 Current farm expenditure on various items	88
8.5 Other current farm cash expenditure	89
8.6 Current cash farm expenses according to source of finance	90
8.7 Cash farm receipts	91
8.8 Cash receipts and cash farm expenditure	93
9.1 Borrowings classified according to credit agency	95
9.2 Average debt per family classified according to credit agency	96
9.3 Borrowings of selected cultivators from various creditors according to purpose-duration	97
9.4 Proportion of borrowings from each credit agency for each purpose-duration to the total borrowings from all agencies for the respective purpose-duration	98
9.5 Debt of selected cultivators classified according to purpose-duration	98
9.6 Proportion of debt owed to the specified credit agency for each purpose-duration to the total debt owed to all agencies for the respective purpose-duration	99
10.1 Government finance for agricultural purposes	104
10.2 Role of Government as a credit agency	105
10.3 Debt owed to Government	105

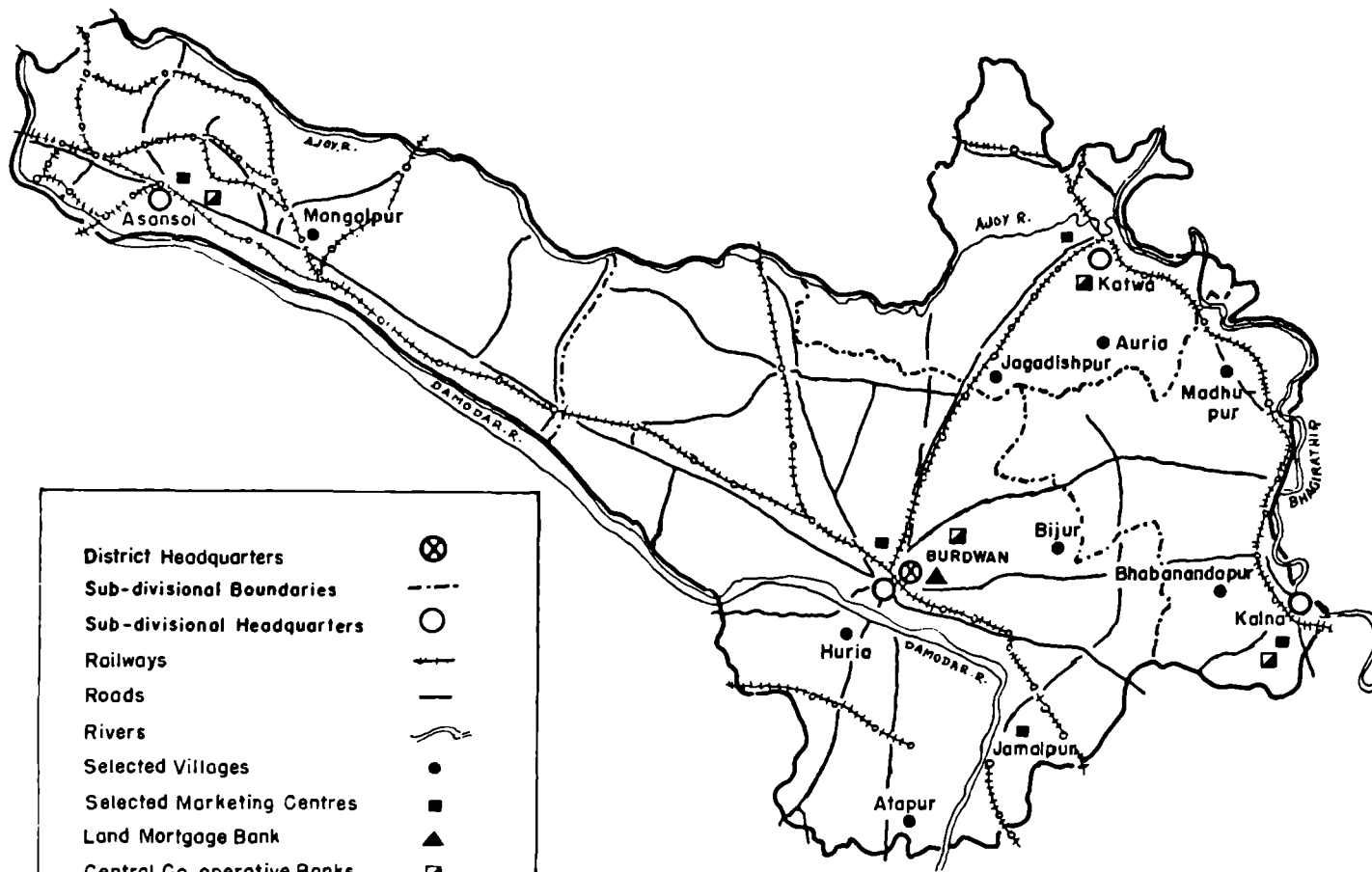
LIST OF TABLES

Table No.	Page
10.4 Case-studies of loans : Size of loans disbursed for specific purposes ..	106
10.5 Case-studies of loans : Number and amount of loans classified according to security	107
10.6 Loans disbursed by Government according to purpose-duration ..	107
10.7 Loans classified according to the time-lag between the date of application and the date of disbursement	108
11.1 Size of loans advanced by primary societies	111
11.2 Working of central co-operative banks during the year ended June 1952	113
11.3 Loans advanced and repaid	113
11.4 Land mortgage banking institutions : Loans advanced during 1950-1 classified according to size	114
12.1 Borrowings from relatives	119
12.2 Borrowings from relatives classified according to purpose	120
12.3 Borrowings from landlords	120
12.4 Borrowings from professional moneylenders	121
12.5 Borrowings from professional moneylenders classified according to purpose	122
12.6 Moneylenders classified according to proportion of loans of various sizes given to agriculturists	123
12.7 Borrowings from agriculturist moneylenders	125
12.8 Borrowings from agriculturist moneylenders classified according to purpose	125
12.9 Dues (receivable) reported by various classes of rural families ..	126

The following symbols have been used in the tables :

- to represent 'nil' or negligible figure.
- .. to indicate that the figure is not available.

BURDWAN DISTRICT



District Headquarters	⊗
Sub-divisional Boundaries	- - - -
Sub-divisional Headquarters	○
Railways	—+—+—+—+—
Roads	— — — —
Rivers	~~~~~
Selected Villages	●
Selected Marketing Centres	■
Land Mortgage Bank	▲
Central Co-operative Banks	◩

CHAPTER I

GENERAL FEATURES

1.1 LOCATION

The district of Burdwan, one of the western districts of the Burdwan Division, is situated between 22° 56' and 23° 53' north latitude and between 86° 48' and 88° 25' east longitude. It covers an area of 2,716 square miles according to the latest survey. It is bounded on the north by Santal Parganas, Birbhum and Murshidabad ; on the east by Nadia ; on the south by Hooghly, Midnapur and Bankura ; and on the west by Manbhum.

Administratively, the district is divided into four sub-divisions, namely, Sadar or Burdwan, Asansol, Kalna and Katwa with their headquarters at Burdwan, Asansol, Kalna and Katwa.

TABLE 1.1—AREA, NUMBER OF VILLAGES, TOWNS, POPULATION AND OCCUPIED HOUSES IN THE DISTRICT

Town	Area in square miles	Number of villages	Number of towns	POPULATION			OCCUPIED HOUSES		
				Total	Urban	Rural	Total	Urban	Rural
				1	2	3	4	5	6	7	8	9
Sadar	1,286·9	1,198	2	802,057	80,381	721,676	184,594	18,848	167,948
Asansol	624·1	555	9	769,265	202,554	566,711	156,623	39,848	116,977
Kalna	385·1	528	1	305,751	17,324	288,427	70,265	3,010	87,255
Katwa	409·3	368	2	314,594	23,682	290,912	69,366	5,972	63,394
District	2,715·9*	2,649	14	2,191,647	323,941	1,867,726	480,848	65,276	415,372

* Area provided by Surveyor General, India, through Registrar General, India. The total of areas of sub-divisions will differ from this figure.

(Source : *District Census Handbook, 1951, Burdwan.*)

As can be seen from Table 1.1, there are 2,649 villages and 14 towns in the district. The number of occupied houses is 480,848. According to the 1951 Census, the total population of the district is 2·19 million, of which, rural population accounts for 1·87 million or 85·4 per cent and urban population 0·32 million or 14·6 per cent. The density of population per square mile is 810. The Sadar sub-division with an area of 1,286·9 square miles has a population of 802,057, Asansol sub-division with an area of 624·1 square miles, 769,265, Kalna sub-division with an area of 385·1 square miles, 305,751 and Katwa sub-division with an area of 409·3 square miles, 314,594. The population of the district headquarters is 75,376. The most populous town, however, is Asansol with a population of 76,277. Except for a slight fall in 1921, the growth of population has been continuous, the net increase between 1901 and 1951 being 663,377.

Table 1.2 shows the total population in the district as well as in each of the sub-divisions classified on the basis of the means of livelihood. The population has

Most of the material for Chapter 1 has been drawn from the *District Census Handbook, 1951, Burdwan.*

been divided into two broad livelihood categories, namely, agricultural classes and the non-agricultural classes, each category being divided into four classes as shown below.

TABLE 1.2—POPULATION ACCORDING TO LIVELIHOOD CLASSES IN THE DISTRICT

Sub-division	AGRICULTURAL CLASSES				NON-AGRICULTURAL CLASSES			
	Culti- vators of land wholly or mainly owned and their depend- ents	Culti- vators of land wholly or mainly un- owned and their depend- ents	Culti- vating labour- ers and their depend- ents	Non- culti- vating owners of land, agri- cultural rent re- ceivers and their depend- ents	Persons (including dependents) who derive their principal means of livelihood from			
					Pro- duction other than culti- vation	Com- merce	Trans- port	Other services and miscel- laneous sources
1	2	3	4	5	6	7	8	
Sadar.....	300,635	163,170	151,481	7,533	53,534	34,055	9,074	82,575
Asansol.....	138,679	57,724	72,854	3,410	286,488	54,576	40,097	115,437
Kalna.....	112,886	50,376	57,430	2,989	24,728	24,512	2,267	30,563
Katwa.....	136,310	52,095	61,636	3,127	22,862	16,465	2,414	19,685
District.....	688,510	323,365	343,401	17,059	387,612	129,608	53,852	248,260

(Source : *District Census Handbook, 1951, Burdwan.*)

Except in Asansol, agricultural classes predominate in all the sub-divisions. The heavy concentration of non-agricultural population in Asansol sub-division is due to the location of coal mines, iron and steel industry, locomotive workshop, engineering works and other industries.

1.2 PHYSICAL FEATURES

In shape the district resembles a club or hammer, of which the handle consisting of the Asansol sub-division is some 60 miles in length. The head is formed by the delta to the east lying between the great rivers which form the main boundaries, and the greatest breadth here is about 70 miles. The total length of the district from the Barakar river to the Hooghly below Kalna is 130 miles. It falls naturally into two main divisions. The eastern portion, comprising the Burdwan, Kalna and Katwa sub-divisions with a total area of 2,081 square miles, is a wide alluvial plain enclosed by the Ajay, the Bhagirathi, and the Damodar on the north, east, and south, and bounded by the Asansol sub-division on the west. The western portion of the district narrows to a mere strip of rocky, undulating land, some 15 miles wide, lying between the Ajay and the Damodar rivers.

These two tracts differ completely from each other. That to the east which contains more than two-thirds of the total area of the district, is a delta, the southern edge of which approaches the sea-board and is of the most recent formation. The

rivers which have worked to form it are the Ajay, the Damodar and the Ganges, of which river the Bhagirathi is an ancient channel. Except for some water-logged and swampy area and *sal* jungle in parts of Kanksa and Ausgram thanas, the country is densely cultivated. The villages are situated on higher ground and abound in tropical vegetation. Large trees are scarce, but the clumps of bamboos, the mango groves and the date and other palms which encircle the houses are usually common. One very noticeable feature of this portion of the district is the great number of tanks which dot the land. A major part of the more productive land is irrigated by them. Unfortunately, little care is taken to cleanse these tanks, and in many cases they have become mere cesspools receiving all the filthy water from the houses on their banks.

The western portion of the district consists of barren, rocky and rolling country with a laterite soil. The actual headland of this peninsula is formed by the pargana of Gopbhum. This tract is practically treeless though a portion is still covered with *sal* forest. The surface is generally covered with clay, in some parts alluvial, but in others formed by the decomposition of the rocks. It is chiefly in the depressions and along the slopes of the numerous drainage channels that rice is cultivated in terraced fields. Along the Damodar to the south, however, there are narrow strips of land formed by alluvion which yield good harvests. The famous Raniganj coal field is situated in this strip of undulating country and this corner of the district is one of the busiest industrial tracts in West Bengal. The country is dotted with coal pits and factories.

The soil in most parts of Burdwan differs considerably from that of Central Bengal, both chemically and physically. The whole of the western and a very large area in the eastern portions of the district are formed from the debris of the hills of Manbhum, Singhbhum and the Santal Parganas. The greater portion of the eastern tract consists of soil which is partly a laterite clay and partly a red coloured coarse grained sand. Paddy and sugarcane, the two characteristic crops of the Burdwan district grow both in the laterite clay and the red sand though a soil formed of the mixture of the two is considered best for sugarcane.

The larger part of the cultivated land consists of the low lying tracts separating the village sites from one another. This land is mostly clay. The *diara* lands are formed by the deposits of river silt in the beds and on the banks of rivers. They are renovated every year during the rains by a deposition of silt, and require no manures. They are the most suitable for winter and spring crops, pulses, wheat, barley, oilseeds and vegetables.

Rainfall per month is less than one inch between November and February and between one inch and two inches in March and April, after which there is a rapid increase owing to the occasional incursion of cyclonic storms in May, similar to those in other parts of south-west Bengal. The rainfall is maintained chiefly by cyclonic storms which form in the north-west angle of the Bay and influence the weather over the whole of the south-west of the State and by inland depressions

which form over the central districts of Bengal and move slowly westward. The arithmetical average of rainfall of several stations in the district recorded during each month of 1950 and 1951 is given below :

	(Rainfall in inches)	
	1950	1951
January.....	..	..
February.....	0·57	..
March.....	0·37	1·00
April.....	0·16	0·16
May.....	3·03	1·63
June.....	11·86	8·00
July.....	9·26	9·90
August.....	17·85	8·36
September.....	3·91	7·66
October.....	2·64	4·84
November.....	1·87	0·77
December.....	..	..
Annual.....	51·52	42·32

(Source : *Statistical Abstract, 1953, West Bengal.*)

The following data shows the approximate time of sowing and harvesting in each of the sub-divisions of the district.

Sub-division	Name of crop	Time of sowing	Time of harvesting
Burdwan (Sadar).....	Aman.....	June-August	November-December
	Rabi.....	March-April	July
	Bhadoi.....	June-August	September-October
Asansol.....	Aman.....	July-August	November-December
	Rabi.....	September-November	February-April
	Bhadoi.....	June-July	September-October
Katwa.....	Aman.....	July-August	December-January
	Rabi.....	December-January	March-April
	Bhadoi.....	May-July	August-September
Kalna.....	Aman.....	June-August	November-January
	Rabi.....	October-December	February-March
	Bhadoi.....	April-May	August-September

(Source : *District Census Handbook, 1951, Burdwan.*)

1.3 LAND UTILIZATION

Table 1.3 indicates the land utilization in the district during 1950-1.

TABLE 1.3—LAND UTILIZATION IN BURDWAN DISTRICT (1950-1)

	(In thousand acres)
Total area according to village papers.....	1,731·4
Net area sown.....	1,162·6
Area sown more than once.....	42·2
Current fallows.....	60·0
Other uncultivated land excluding current fallows.....	162·6
Forests.....	—
Area not available for cultivation.....	346·2

(Source : *Statistical Abstract, 1953, West Bengal.*)

It is clear that extensive methods of cultivation are in use in the district.

1.4 PATTERN OF CROP DISTRIBUTION

Rice is by far the most important crop of the district; in fact in the alluvial plains to the east little else is grown. The different varieties cultivated may be grouped under three classes, namely, *aus* or autumn, the *aman* or winter and the *boro* or marsh rice. Of these three varieties, *aman* rice is by far the most important. During 1951-2, the area under *aman* rice was 946,500 acres as compared to 47,400 acres under *aus* rice and 6,100 acres under *boro*. The *aus* rice is a coarse grain grown on highlands and requires much less water than the other two. The highlands on which *aus* rice is grown generally produce two crops in the year but where irrigation is available three crops are sometimes grown, namely, *aus* rice, potatoes and onions. *Aus* lands are almost always manured excepting those located near the large rivers.

Aman rice is grown on low lying clayey lands and requires large quantity of water. Some of the best varieties require clay soil and about one and half feet of water. Transplantation is the general rule. Being a crop of the rainy season *aman* rice does not generally require irrigation. Manuring is not much practised.

Potato is grown in the neighbourhood of Chakdighi, Saktigarh, Satgachia and Bohar. The best soil suitable for cultivation of this crop is a sandy loam. Irrigation is indispensable for growing this crop.

Among other crops, sugarcane, oilseeds and pulses are important. A small quantity of jute is grown in Kalna and Jamalpur thanas. Of late, cultivation of wheat in some parts has become popular.

A variety of other winter crops including vegetables are grown. The banks of the rivers, especially the Damodar, have always been famous for growing green water melons, *Karala* and *patal*. (The irrigated area under different crops in the district is shown in Table 1.4 below).

1.5 IRRIGATION

The irrigation department maintains a number of embankments on both banks of the Damodar river and parts of the Ajay river. The first artificial waterway is the Eden Canal called after Sir Ashley Eden, an irrigation channel 22 miles in length reaching from Kanchannagar, the western suburb of Burdwan, to Jamalpur where the Kana river and Kana Damodar join it. The canal takes its supply of water from the Damodar at Jujuti where there are two head sluices connecting with the Banka river. The maximum discharge of the canal in the rainy season is 700 cubic feet per second but in the winter the supply falls very low.

The second artificial waterway is the Damodar Canal, the construction of which was commenced in September 1926 and completed in the course of 7 years in 1933 at a cost of Rs 1.24 crores. The main canal is 26 miles 2,321 feet long with a branch canal, 21 miles 2,320 feet long, and a network of distributaries and village channels totalling a length of 214 miles 1,271 feet. The total area served and irrigated is estimated at 168,837 acres.

The third artificial water canal upon which work has recently commenced is known as Durgapur Barrage Scheme of the Damodar Valley Corporation which will consist of the re-modelling of the Eden and Damodar canals, the building of a barrage at Durgapur and the re-modelling of the Kana Damodar river and Kana Nadi. A vast network of new channels including the improvement of the Gangur river and the construction of a navigable canal for barges right down from Asansol sub-division to Calcutta are the main items of the Durgapur Barrage Scheme. The scheme when completed will irrigate a total area of 1,212 square miles.

Besides these Government irrigation works, there is a large number of tanks, waters of which are utilized for cultivation. Many of the tanks are in neglected condition and are infested with weeds.

The different sources of irrigation and the irrigated area yielding various crops in the district are indicated in Table 1.4 below.

TABLE 1.4—SOURCE OF IRRIGATION AND CROPS IRRIGATED IN BURDWAN DISTRICT

Source	Area irrigated (Acres)	Crop	Area irrigated (Acres)
Government canals.....	1,95,720	Rice.....	3,28,818
Private canals.....	19,791	Wheat.....	4,500
Tanks.....	79,640	Barley.....	480
Wells.....	4,000	Other cereals and pulses	4,000
Other sources.....	45,017	Sugarcane.....	8,590
Total.....	3,44,168		3,44,168

(Source : *Statistical Abstract, 1953, West Bengal.*)

The total area under irrigation formed 28.5 per cent of the total cropped area of 1,204,800 acres.

1.6 AGRICULTURAL METHODS AND ANIMAL HUSBANDRY

With a view to improving the methods of cultivation, the Agriculture Department is trying to introduce new implements called 'Sabash' ploughs, a new kind of seed drill, and an easily handled American hand-hoe called the 'Planet' which, however, is useful only when the seed is sown along straight lines. A new type of clod-braker is generally getting popular and the demonstration farms of the Department scattered all over the district are doing some useful work in this connection.

Manures are largely used in most villages excepting those growing rice. Those generally used are cowdung, cowdung ashes, oil cakes, including both castor and mustard cake, hide salt and tank mud.

Cowdung is to some extent wasted by being used as fuel. The Agriculture Department has in recent years achieved a measure of success with compost pits. It is now quite usual to find in every village the well-to-do peasant keeping quite

a number of compost pits and compost blocks. Chemical manures like ammonium sulphate, bonemeal, phosphates and standard mixtures, are becoming increasingly popular.

There is no regular system of rotation of crops. On the low lying lands rice is grown every year, but on the higher grounds surrounding the village sites, autumn rice is grown in the rainy season, which is followed by one of the pulses as a winter crop. Potatoes, onions, etc., sometimes take the place of the pulses. Sugarcane is a special crop requiring a full year to ripen.

All the livestock that an average farmer possesses consist of a pair of bullocks, a milch cow and calf. Sometimes one spare bullock is kept, but as often as not, the cow and the calf are wanting. The area of land that can be worked with a pair of bullocks depends very much on the nature of the soil. Where rice is the only crop grown, a pair of good bullocks is considered sufficient for 20 to 25 *bighas* of land.

Cattle suffer much from want of pasture. In the west, the country is hilly and undulating and mostly devoid of natural vegetation; the wild grass on the laterite soil is scanty and yields little fodder. In the eastern portion of the district, the pressure of population is so great that no cultivable land can be used for pasture or for raising any crop specially meant for fodder. Cultivation of crops has extended to the grazing grounds which were formerly common to the village. Rice straw is the principal fodder for the cattle.

Statistics of the livestock population of the district are given below.

TABLE I.5—LIVESTOCK IN BURDWAN DISTRICT IN 1945 AND 1951

		1945	1951*
CATTLE :	Cows.....	405,387	409,629
	Bulls & bullocks.....	274,582	322,580
	Young stock.....	246,332	341,311
	Total	926,301	1,073,520
BUFFALOES :	Cows.....	11,708	14,041
	Bulls & bullocks.....	60,493	57,540
	Young stock.....	6,640	9,699
	Total	78,841	81,280
SHEEP :	.....	64,797	87,060
GOATS :	.....	265,670	412,476
HORSES AND PONIES :	.....	934	1,149
PIGS :	.....	11,410	67,742
POULTRY :	Fowls.....	427,863	578,184
	Ducks.....	246,528	380,807

* Provisional

(Source : *Statistical Abstract, 1953, West Bengal.*)

1.7 TRADE AND INDUSTRY

The Asansol sub-division of the district is the most important industrial region of the State of West Bengal and contains three very important steel works at Kulti, Hirapur and Burnpur, an important locomotive works at Chittaranjan, a large number of coal mines, a big aluminium works at Jaykaynagar midway between Asansol and Raniganj, a large paper mill at Raniganj, six large mills producing tiles, clay products, pottery and refractories of which three are in Raniganj, one in Durgapur, another in Rupnarayanpur and the last in Jamgram and other miscellaneous factories including a modern cycle manufacturing works close to Asansol.

The number of factories classified by industry with average daily number of workers employed in each, during 1949 is given in Table 1.6 below.

TABLE 1.6—INDUSTRIES IN THE DISTRICT

Industry	Factories	Average daily number of workers employed
1. Government and local fund factories.....	10	3,158
1.1 Electrical engineering.....	2	97
1.2 Engineering (General).....	3	675
1.3 Railway workshop.....	1	397
1.4 Miscellaneous.....	4	1,989
2. All other factories.....	74	34,706
2.1 Engineering etc.....	16	3,933
2.1.1 Electrical generating and transforming stations	3	629
2.1.2 General engineering.....	11	8,327
2.1.3 Kerosene tinning and packing.....	1	30
2.1.4 Railway workshop.....	1	47
2.2 Minerals and metals.....	4	23,200
2.2.1 Iron and steel smelting and rolling mills.....	3	22,083
2.2.2 Miscellaneous.....	1	1,117
2.3 Food, drink and tobacco.....	37	2,045
2.3.1 Breweries and distilleries.....	1	195
2.3.2 Rice mills.....	36	1,890
2.4 Chemicals and dyes, etc.....	9	441
2.4.1 Chemicals.....	1	44
2.4.2 Gas works.....	1	34
2.4.3 Oil mills.....	7	363
2.5 Paper and printing.....	1	2,033
2.5.1 Paper mills.....	1	2,033
2.6 Processes relating to wood, stone and glass....	7	3,014
2.6.1 Bricks and tiles.....	1	376
2.6.2 Cement, lime and potteries.....	5	2,391
2.6.3 Glass.....	1	247

(Source : District Census Handbook, 1951, Burdwan.)

Among the small scale industries in the district, cotton weaving is one of the most important. Table 1.7 gives the number of textile and non-textile establishments in some of the important thanas of the district where a census of small scale industries was conducted.

TABLE 1.7—SMALL SCALE INDUSTRIES AT SELECTED CENTRES

Town or thana	Number of handlooms in textile establishments	NUMBER OF ESTABLISHMENTS		
		Textile	Non-textile	Total
		1	2	3	4
Rural area				
Kalna.....	289	201	145	346
Purbasthali.....	884	617	554	1,171
Manteswar.....	125	101	63	164
Katwa.....	1,444	925	313	1,238
Mangalkot.....	419	209	256	465
Ketugram.....	637	588	567	1,155
Kanksa.....	59	49	262	311
Urban area				
Burdwan.....	43	6	39	45
Asansol.....	..	..	73	73
Kalna.....	50	30	43	73
Katwa.....	8	2	79	81
Dainhat.....	102	98	27	125
Total.....	4,060	2,826	2,421	5,247

(Source : District Census Handbook, 1951, Burdwan.)

1.8 TRANSPORT AND COMMUNICATIONS**1.8.1 Roads**

Like most other districts in the State, the communication system of Burdwan is not satisfactory. The main lines of communication in the district are provided by Government roads and the District Board roads, the other classes mainly providing a sort of communication in local areas within the district.

The details regarding roads maintained by different authorities for the year 1948 are given below.

(In miles)

Metalled.....	673.1
District Board.....	443.0
Works and Building Department.....	121.0
Municipalities.....	109.1
Unmetalled.....	1,423.2
District Board.....	1,387.0
Municipalities.....	36.2
Grand total.....	2,096.3

(Source : District Census Handbook, 1951, Burdwan.)

The most important road is the existing National Highway running the entire length of the district from Memari to Asansol and then to Bihar. There are in addition, 19 miles of National Highway under construction taking off from Burdwan and passing through Katwa, a marketing centre. The rest of the district is served by metalled District Board roads, which connect important centres on the National Highway. As detailed above, there are many unmetalled District Board roads also.

1.8.2 Railways

There are over 300 miles of railway with about one hundred stations within the district. The main line of the Eastern Railway enters the district from Hooghly near Memari and runs along a straight line through Burdwan town, Raniganj and Asansol and leaves the boundaries of the district at its extreme west at Barakar. Another branch of it takes off in the northern direction after Khana, west of Burdwan town and after passing through Guskara across the river Ajay enters Birbhum. Then there is the loop line called Katwa-Burdwan line.

1.8.3 Waterways

The main waterway in the district is Bhagirathi on which steamers ply all the year round. There is little traffic on either the Ajay or the Damodar ; as such boats consist mainly of timber rafts floated down when the rivers are in flood. The trade on the Bhagirathi above Katwa has declined greatly owing to the silting up of the river bed. The only other route of which much use is made is the lower range, of the Khari river, below Manteswar police station. A large quantity of grain is brought down by country boats by this route from Nandanghat which is a large rice market in the interior.

Excluding minor private ferries, there is a number of recognised public ferries under the control of the District Board. Most of these operate only during the second half of the year, July to September or October. Most of these ferries are on the Damodar, Ajay or Bhagirathi.

1.9 MARKETING CENTRES

The following are the important marketing centres of the district.

1.9.1 Kalna

Kalna is connected by a motorable road from Burdwan. It has also a railway station on the Eastern Railway. Lorries and other transport carry coal between Kalna and Birbhum. Goods also come from neighbouring places to Kalna by railway, carts, lorries and also by country boats, since Kalna is on the river side. There is also a regular bus service from Burdwan to Kalna.

1.9.2 Jamalpur

This centre is connected with Burdwan by a metalled road on which there is regular bus service. There is a narrow gauge railway line between Jamalpur and Taki. Another marketing centre, Surekalna is also on that line.

1.9.3 Memari

Memari is a railway station on the Eastern Railway main line. It is connected with Burdwan, Jamalpur and Surekalna by motorable roads also. Burdwan is only sixteen miles by rail. It is also connected with Manteswar by the major District Board road running northwards along the Sahebganj loop line in the north centre.

1.9.4 Katwa

Katwa is 33 miles away from Burdwan. A narrow gauge loop line of the Eastern Railway connects it with Burdwan. Katwa is also connected with Kalna and

Burdwan by regular bus service. As it is situated on the Ganga, country boats are also used for transportation of goods.

1.9.5 Asansol

Asansol is situated at a distance of 65 miles from Burdwan on the Eastern Railway main line and is connected by the National Highway with Burdwan, Barakar and Raniganj.

1.9.6 Raniganj

Raniganj is 54 miles from Burdwan and 11 miles south of Asansol. It is an important coal mining centre and it is connected with Burdwan, Asansol and Barakar by railway.

1.9.7 Surekalna

Surekalna is connected with Burdwan by motorable road through Memari and with Jamalpur by road and narrow gauge railway line. It is situated on the Damodar.

1.9.8 Durgapur

Durgapur is 39 miles from Burdwan and 26 miles from Asansol. It is connected with Burdwan and Asansol by rail and the National Highway.

1.9.9 Nandanghat

Nandanghat is only 6 miles by road from Samudragarh station which is on the Eastern Railway. Transport is available by road, rail and country boat.

There are about 300 markets of all types in the district including wholesale or secondary markets, retail markets, seasonal markets and regular daily markets. Of these, some 30 to 35 are wholesale markets.

No warehousing legislation has been passed by the West Bengal Government. There are a few Government godowns which were used for storing rice procured during the period in which rationing was in operation. All other godowns are privately owned. In villages there are *golas* built with bamboo and mud with thatched or corrugated roof where paddy or rice is stored.

1.10 LAND TENURE SYSTEM

In the district, the *Zamindari* system of land tenure is prevalent.* Most of the land is held in *patni* from the Burdwan Raj. There are also revenue free estates and rent free tenures.

The intermediate rent-paying tenures consist of properties held under *Zamindari* and comprise (i) *Patni* taluks with their subordinate tenures, (ii) *Mukarrari*, (iii) *Istimirari* taluks and (iv) *Ijaras*.

A *Patni* tenure is, in effect, a lease which binds its holders by terms and conditions similar to those by which a superior landlord is bound to the State.

* The West Bengal Land Reforms Act 1955, provides for two types of holders in land, namely, *rayats* and *bargadars*; all other intermediary interests having been removed.

Under tenures created by the *Patni* tenure holders are called *Dar-patni* and those created by *Dar-patnidars* are called *Se-patni* tenures. The under tenures are permanent, transferable and heritable.

Mukarrari tenures are fixed rent tenures. Many of them were created by the operation of Section 9 of Regulation XIX of 1793. Under tenures created by *Mukarraridar* are *Dar-mukarrari* tenures. These tenures, however, are not common in Burdwan.

Ijara means giving land on lease. *Ijaradars* hold farming leases varying from 5 to 30 years, rent being fixed for a specified term. Such leases are granted both by *zamindars* and tenure holders and under tenure holders. On the expiry of the *ijara*, the *ijaradar* is not entitled to renewal. Under tenures created by *ijaradars* are called *Dar-ijaradars*.

There is another kind of *ijara* known as *Zar-i-peshq Ijara* which is equivalent to usufructuary mortgage of land.

Thus a holding of a tenant may consist of (i) *jama* or *jot*, (ii) *miadi jama*, (iii) *mukarrari* and *maurasi jama*, (iv) *korfa* and *dar-korfa* and (v) *bhag jot*. Cultivators' holdings called *jama* or *jot* were generally held without any written agreement. Written leases and agreements are now, however, usually taken.

Miadi jama is land held under lease for specified period.

Mukarrari and *Maurasi jama* are lands held under lease ; the rent of such leases are subject neither to enhancement nor abatement.

Korfa tenures are sub-*ryoti* tenures, subordinate to that held by an ordinary cultivator. *Korfa* tenures are generally created verbally. Under tenures created by *Korfadars* are called *dar-korfadars*.

Bhag jot are those holdings for which the tenant pays a share (*bhag*) of the produce as rent. *Bhag jots* (holdings) are very common and every well-to-do tenant usually gives a part of his land for cultivation on *bhag* (share cropping) basis.

1.11 SCOPE AND OBJECT OF THE SURVEY

The object of the All-India Rural Credit Survey was to study the working of rural credit in relation to two aspects, namely, the demand for credit from rural families and the supply of credit by credit agencies, both institutional and private.

In connection with the 'demand' aspect of the Survey, eight villages per district were selected. Four villages were to be selected in which primary co-operative credit societies existed. For the purpose of selecting the sample of eight villages, two lists were obtained, one showing the names of villages from the Census authorities and another showing the names of primary credit societies in the district from the Registrar of Co-operative Societies. Using both these lists, the villages were divided into two groups, namely, those where primary co-operative credit societies

existed and those where no such societies existed. From each of these groups four villages were selected at random, with probability of selection proportional to the population of the village.

In connection with the 'supply' aspect of the Survey, it was decided to study the working of credit societies and private credit agencies in the selected villages. In addition, a few important centres of supply of credit in the district comprising the district headquarters and four marketing centres of which at least three were to be tahsil (in case of Burdwan sub-division) headquarters, were to be selected. Information regarding finance made available by Government for the district as a whole and also, wherever possible, for each of the different sub-divisions was to be obtained. The investigation in regard to co-operative movement covered central co-operative banks at the district headquarters and at selected centres, all land mortgage banks and all co-operative marketing societies at the district headquarters, the selected centres and in the eight selected villages, primary co-operative credit societies in the villages selected for investigations connected with the 'demand' aspect of the Survey and four additional primary co-operative credit societies in four other villages in the district. The investigations connected with the private credit agencies were to cover traders, moneylenders and indigenous bankers operating in the selected villages and a sample of units of each of these agencies at each of the four selected marketing centres and at the district headquarters.

For investigation relating to the 'demand' aspect, seven schedules and five questionnaires were used. All families in the selected villages were investigated by means of a schedule called the General Schedule. The information available in the General Schedule regarding the size of the cultivated holding was used to classify all families in the villages into two groups, namely, cultivators and non-cultivators. All families who cultivated any land, owned or leased, excluding small garden plots, were classified as cultivators. Cultivators in each of the selected villages were arranged in descending order of magnitude of the size of their cultivated holdings. The list of cultivating families in each village was then divided into ten strata or deciles, with roughly equal number of families in each decile. From each of the first five deciles two families were selected at random and from each of the last five deciles one family was selected at random. This sample of fifteen cultivating families was further intensively surveyed by means of the remaining schedules and questionnaires, which in the main, sought information regarding assets, current farm expenditure and receipts, borrowings and debt according to purpose, security, interest rate, type of mortgage, marketing practices, savings pattern and opinions regarding effects of legislation etc. It was decided that, in the intensive enquiry where detailed information was proposed to be collected regarding the farm operations and loan transactions of cultivating families, the information for the six months from April to September 1951 should be collected in the first round of visits to the selected villages and that for the six months from October 1951 to March 1952 should be collected during the second round of visits.

For enquiry relating to the 'supply' aspect, seven schedules and five questionnaires were used. Schedules were to be used in respect of agricultural finance from Government and the co-operatives. One questionnaire was to be used for obtaining information regarding the method of operation and practices of primary co-operative credit societies. Traders, moneylenders, indigenous bankers and commercial banks were to be investigated by means of questionnaires.*

The following data show the period during which the General Schedule was filled in each of the selected villages and the number of families enumerated.

Village	Number of rural families covered by the Survey	Period during which the General Schedule was filled
Auria	300	21 Feb. 1952 to 17 Mar. 1952
Bhabanandapur	94	5 Feb. 1952 to 8 Feb. 1952
Bijur	417	2 Nov. 1951 to 30 Nov. 1951
Huria	115	24 Mar. 1952 to 27 Mar. 1952
Atapur	125	25 Dec. 1951 to 13 Jan. 1952
Jagsdishpur	82	22 Jan. 1952 to 27 Jan. 1952
Madhupur	129	11 Feb. 1952 to 15 Feb. 1952
Mangalpur	50	4 Nov. 1951 to 18 Nov. 1951
District	1,312	2 Nov. 1951 to 27 Mar. 1952

For purposes of analysis, the data collected through the General Schedule are presented separately for cultivators and non-cultivators. As regards the data for the deciles, the data for the first decile and also for the three groups of deciles, namely, the first three deciles, the middle four deciles and the last three deciles are separately presented. The cultivators in these four groups are referred to as the big, large, medium and small cultivators respectively. Data collected in the intensive enquiry are generally presented in respect of two broad classes of cultivators; the first group consisting of cultivating families of the first five deciles and the second group, consisting of cultivating families of the last five deciles. The two groups are referred to as 'upper' and 'lower' strata.

* The schedules and questionnaires together with instructions to field staff have been published in the *Technical Report, All India Rural Credit Survey*, Vol. III.

CHAPTER 2

SELECTED VILLAGES AND SIZE OF FARM BUSINESS

2.1 SELECTED VILLAGES

The villages selected for purposes of Survey are : (1) Auria, (2) Bhabanandapur, (3) Bijur, (4) Huria, (5) Atapur, (6) Jagadishpur, (7) Madhupur and (8) Mangalpur. All the villages except Mangalpur are located in the eastern portion of the district. The first four villages have each a primary agricultural co-operative credit society. Table 2.1 shows the area, population, number of occupied houses and livelihood classes in the selected villages.

TABLE 2.1—IMPORTANT FEATURES OF SELECTED VILLAGES

Village	Area of village (Acres)	Popu-lation	Num-ber of occu-pied houses	MAJOR LIVELIHOOD CLASSES							
				AGRICULTURAL				NON-AGRICULTURAL			
				Culti-vators of land wholly or mainly owned and their dependents	Culti-vators of land wholly or mainly un-owned and their dependents	Culti-vating labour-ers and their dependents	Non-culti-vating owners of land, agri-cultural rent receivers and their dependents	Pro-duc-tion other than culti-vation	Com-merce	Trans-port	Other ser-vices and mis-cel-laneous sources
				1	2	3	4	5	6	7	8	9	10	11
Auria	1,354	2,354	548	946	402	348	11	236	208	5	198
Bhabanandapur	819	485	123	153	193	98	..	3	8	..	14
Bijur	1,773	1,997	506	608	580	388	14	134	106	..	189
Huria	191	511	119	380	56	47	30	12	6	..	6
Atapur	1,021	876	194	471	115	25	14	7	5	..	38
Jagadishpur	490	451	99	205	98	108	9	2	5	..	29
Madhupur	828	685	164	197	109	175	4	71	78	..	46
Mangalpur	1,205	193	52	20	71	44	46	3	..	..	9

(Source : District Census Handbook, 1951, Burdwan.)

2.1.1 Auria

The village covers an area of 1,354 acres. It is located in the Katwa thana of the Katwa sub-division at a distance of about 8 to 10 miles from the Nangun railway station on the Burdwan-Katwa metre gauge line. It had a population of 2,354 according to 1951 Census, the number of occupied houses being 548. Of the total population, agricultural classes accounted for 73 per cent. The number of cultivators of land wholly or mainly owned and their dependents was 946 or 40 per cent of the total and that of the cultivators of land wholly and mainly unowned was 402 or 17 per cent of the total. The population of cultivating labourers and their dependents was 348 or 15 per cent of the total. Non-cultivating owners of land were 11 in number. Among the non-agricultural classes, persons depending upon production other than cultivation as their main means of livelihood, including their dependents, numbered 236 or 10 per cent and persons depending on commerce were 208 in number.

2.1.2 Bhabanandapur

The village Bhabanandapur covers an area of 619 acres and is situated in the Kalna thana of Kalna sub-division. It is about 4 miles away from Kalna sub-divisional town. Its total population was 465 and the number of occupied houses was 123. The agricultural classes accounted for 95 per cent of the total population. Cultivators of land wholly or mainly owned and their dependents were 153 or 33 per cent and those of land wholly or mainly unowned accounted for 42 per cent of the total. The agricultural labourers with their dependents were 96 in number.

2.1.3 Bijur

Bijur covers an area of 1,773 acres. It is located in the Memari thana of the Sadar sub-division at a distance of about 17 miles from Burdwan town. The village is connected to the district headquarters by the Burdwan-Katwa Road, on which there is a regular bus service. There is a Union Board, a branch Post Office and a school in the village. The total population of this village was 1,997, the number of occupied houses being 506. Agricultural population accounted for about 80 per cent of the total. Cultivators of land wholly or mainly owned and their dependents numbered 608 or 30 per cent of the total. Cultivators of land wholly or mainly unowned accounted for another 29 per cent of the total. Agricultural labourers and their dependents were 386 in number or 19 per cent of the total. There were 134 persons, including their dependents, who were dependent on production other than cultivation and 106 persons dependent on commerce.

2.1.4 Huria

The village covers an area of 191 acres. It is located in the Khandaghosh thana of the Sadar sub-division. It is situated at a distance of about 15 miles from Burdwan town, on the other bank of the Damodar river. The approach to it is from Burdwan to Sadarghat by bus and then across the Damodar, after which a *kutch*a road leads to the village. The village is inhabited mainly by Muslims. The population of the village was 511 and the number of occupied houses was 119. The agricultural population constituted 96 per cent of the total. Cultivators of land wholly or mainly owned were 360 in number or 70 per cent of the total population. Cultivators of land wholly or mainly unowned constituted 11 per cent and agricultural labourers 9 per cent of the total population. Persons dependent on production other than agriculture were 12 in number.

2.1.5 Atapur

Atapur in the Raina thana of the Sadar sub-division covers an area of 1,021 acres. It is not easily accessible. There is a metalled road from Burdwan to Surekalna about 30 miles of which can be covered by bus. After covering a distance of 7 miles on a *kutch*a road, the Damodar river has to be crossed. By crossing further two to three miles of village road, one reaches the village. The total population of this village was 676 and the number of occupied houses 194. Nearly 70 per cent or 471 persons were cultivators of land wholly or mainly owned and their dependents, 115 persons or 17 per cent were cultivators of land wholly or mainly

unowned. Agricultural labourers and dependents accounted for 4 per cent and non-cultivating owners of land 2 per cent. In all, agricultural classes accounted for about 93 per cent of the total population. Persons depending on other services constituted about 6 per cent of the total population.

2.1.6 Jagadishpur

Jagadishpur is located in the Mangalkot thana of the Katwa sub-division. It measures an area of 490 acres. It is situated about one mile from the Nangun railway station on the Burdwan-Katwa metre gauge line and is about 15 miles from Burdwan town. The total population of this village was 451, of which agricultural classes accounted for 92 per cent. About 45 per cent or 205 persons were cultivators of land wholly or mainly owned and their dependents. Cultivators of land wholly or mainly unowned accounted for 22 per cent and agricultural labourers 24 per cent of the total population. Among non-agricultural classes, persons depending on other services accounted for 6 per cent of the total population.

2.1.7 Madhupur

Madhupur is situated in the Purbasthali thana of the Kalna sub-division. It is about 4 miles from the Patuli railway station. The area of the village is 628 acres. The total population of this village was 685, of which, agricultural classes accounted for 72 per cent. Cultivators of land wholly or mainly owned and their dependents numbered 197 or constituted nearly 29 per cent of the total. Cultivating labourers and their dependents were 175 or 26 per cent of the total. Among the non-agricultural class, persons dependent on production other than cultivation and those dependent on commerce are predominant; their number being 71 and 78 respectively.

2.1.8 Mangalpur

Mangalpur is situated in the Raniganj thana of Asansol sub-division. It covers an area of 1,205 acres. The National Highway passes near the village. It is also connected to Raniganj railway station by metalled road. It is a small village and despite its favourable situation in the heart of the industrial area, it is not prosperous. The total population of the village was 193, of which 20 or 10 per cent represented cultivators of land wholly or mainly owned, 71 or 37 per cent represented cultivators of land wholly or mainly unowned, 44 or 23 per cent agricultural labourers, and 46 or 24 per cent non-cultivating owners of land.

The principal crop produced in all these villages was paddy, both *aus* and *aman*. None of the villages are served by Government canals. For cultivation they are dependent on rains and water from tanks and ponds.

2.2 VARIATIONS IN THE SIZE OF FARM BUSINESS OPERATIONS

Table 2.2 shows the average size of cultivated holding in different groups of families in each of the villages surveyed in the district.

TABLE 2.2—AVERAGE SIZE OF CULTIVATED HOLDINGS: INTER-GROUP VARIATIONS

[General Schedule data]

Village	AVERAGE SIZE OF CULTIVATED HOLDING PER FAMILY (IN ACRES): TYPE OF CULTIVATORS				
	Big	Large	Medium	Small	All cultivators
	1	2	3	4	5
Auria	12.6	7.5	2.5	0.6	3.5
Bhabanandapur	15.8	9.7	2.9	1.0	4.5
Bijur	16.7	11.2	3.7	1.1	5.1
Huria	10.7	8.2	4.0	1.6	4.5
Atapur	12.0	8.5	2.5	0.8	3.8
Jagadishpur	33.8	15.4	2.8	0.5	5.8
Madhupur	19.6	9.7	1.8	0.2	3.8
Mangalpur	3.7	2.9	1.6	0.5	1.8
District	14.8	8.9	2.7	0.8	4.1

The average size of holding for all cultivators in most of the villages came very near the district average of 4.1 acres, the noticeable exception being Mangalpur, which on account of its peculiar circumstances, stands in a different category. The average size of cultivated holdings in different groups of cultivating families, shows wide differences as between groups and villages. Among big cultivators, the highest average size of cultivated holding was 33.8 acres in Jagadishpur and the lowest was 3.7 acres in Mangalpur. The very large size of cultivated holding in Jagadishpur is mainly due to ownership of a large holding by a *Zamindar* family. Similar trend is noticed in the case of large cultivators also. Among medium cultivators, the average size of holding was less than five acres in all villages while the small cultivators had an average holding of less than one acre in most of the villages.

Table 2.3 shows the pattern of distribution of cultivated holdings among the different classes of cultivators.

TABLE 2.3—PROPORTION OF CULTIVATED HOLDINGS HELD BY DIFFERENT GROUPS OF CULTIVATORS TO TOTAL CULTIVATED HOLDINGS

[General Schedule data. In per cent]

Village	Big	Large	Medium	Small
Auria	37.3	66.8	27.5	5.7
Bhabanandapur	41.5	68.1	25.3	6.6
Bijur	33.3	64.7	28.9	6.4
Huria	24.6	54.5	35.2	10.3
Atapur	32.7	67.3	26.2	6.5
Jagadishpur	48.7	77.6	19.5	2.9
Madhupur	50.3	79.5	19.0	1.5
Mangalpur	26.2	61.9	30.9	7.2
District	38.1	68.8	25.6	5.6

The big cultivators accounted for 38.1 per cent, large cultivators 68.8 per cent, medium cultivators 25.6 per cent and small cultivators 5.6 per cent of the total

cultivated holdings in the district. The maldistribution of cultivated holdings was more marked in Jagadishpur and Madhupur, owing to ownership of large cultivated holdings by two *Zamindar* families.

Table 2.4 shows the range of variation in the size of cultivated holdings in the different groups of cultivators in each of the villages surveyed.

TABLE 2.4—VARIATION IN THE SIZE OF CULTIVATED HOLDINGS

[General Schedule data. Area in acres]

Village	BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS		All cultivators	
	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum
	1	2	3	4	5	6	7	8	9	10
Auria.....	33	7	33	4	4	1	1	—	33	—
Bhabanandapur..	29	8	29	5	5	2	2	1	29	1
Bijur.....	40	12	40	6	6	2	2	—	40	—
Huria.....	14	8	14	6	6	3	3	—	14	—
Atapur.....	18	10	18	5	4	1	1	—	18	—
Jagadishpur.....	48	20	48	5	5	1	1	—	48	—
Madhupur.....	45	9	45	3	3	—	—	—	45	—
Mangalpur.....	4	4	4	2	2	1	1	—	4	—

In Jagadishpur the highest size of cultivated holding was 48 acres and lowest 20 acres for big cultivators. Similarly in Bijur, Madhupur, Auria and Bhabanandapur, wide differences as between highest and lowest size of cultivated holdings in the same strata were noticed. The highest size of cultivated holding in the case of medium cultivators was six acres in Bijur and Huria and the lowest was less than one acre in Madhupur. In the case of small cultivators, the highest size was three acres in Huria and lowest, less than one acre in most of the villages.

Table 2.5 shows the proportion of families owning plough cattle and the average number of plough cattle owned per reporting family in the different groups of cultivating families in each of the selected villages.

TABLE 2.5—OWNERSHIP OF PLOUGH CATTLE AMONG DIFFERENT CLASSES OF CULTIVATORS

[General Schedule data]

Village	BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS		ALL CULTIVATORS		Culti- vated hold- ings per pair of plough cattle owned
	Pro- por- tion of famili- es own- ing plough cattle (Per cent)	Plough cattle owned per report- ing family	Pro- por- tion of famili- es own- ing plough cattle (Per cent)	Plough cattle owned per report- ing family	Pro- por- tion of famili- es own- ing plough cattle (Per cent)	Plough cattle owned per report- ing family	Pro- por- tion of famili- es own- ing plough cattle (Per cent)	Plough cattle owned per report- ing family	Pro- por- tion of famili- es own- ing plough cattle (Per cent)	Plough cattle owned per report- ing family	
	1	2	3	4	5	6	7	8	9	10	
Auria.....	100.0	2.7	80.0	2.3	58.9	1.8	53.3	1.6	63.7	1.9	5.6
Bhabanandapur.....	50.0	2.7	75.0	2.2	35.0	2.0	46.7	2.0	51.0	2.1	8.5
Bijur.....	26.3	2.4	27.3	2.3	25.3	2.1	33.3	2.2	28.3	2.2	18.7
Huria.....	100.0	2.5	100.0	2.1	94.7	1.6	24.1	1.3	75.0	1.8	6.7
Atapur.....	90.0	3.8	79.3	3.1	65.8	1.9	58.6	1.5	67.7	2.2	5.1
Jagadishpur.....	75.0	4.7	78.6	2.9	68.4	2.0	26.7	1.3	58.3	2.3	8.8
Madhupur.....	40.0	1.5	37.5	1.8	47.6	2.0	20.0	2.0	38.5	1.9	10.5
Mangalpur.....	100.0	2.3	100.0	2.2	62.5	1.8	100.0	2.3	87.0	2.2	2.0
District.....	77.5	3.0	76.6	2.5	61.2	1.9	46.2	1.8	61.6	2.1	6.3

For the district as a whole, about 61·6 per cent of the cultivating families owned plough cattle, the average number of plough cattle per reporting family being 2·1. All the big cultivators in Auria, Huria and Mangalpur owned plough cattle. In other villages the proportion varied considerably, the low proportion in some villages being due to the practice of cultivation of land on a *barga* and *bhag* system. In the case of the large cultivator group, it is also noticed that all the families in Huria and Mangalpur owned plough cattle, the average number of plough cattle being two. In other villages, barring Bijur and Madhupur, the proportion of large cultivating families owning plough cattle varied from 75 per cent to 80 per cent. In the case of the medium cultivators, about 61 per cent of the families in the district owned plough cattle, the average number of plough cattle being about two. For small cultivators the proportion was still lower at 46 per cent.

For every 6·3 acres of land a pair of plough cattle was available. Where rice is the only crop grown, a pair of good plough cattle, according to District Census Handbook, is considered sufficient for 20 to 25 *bighas* of land, which is roughly equal to 6 to 7 acres of land. The availability of plough cattle in most of the villages is more or less the same as the district figure, except in Madhupur and Bijur where a pair of plough cattle is available for ten to sixteen acres of land. This is accounted for partly by the fact that some of the big cultivators leased their land on a share cropping basis to cultivators who supplied the plough cattle and partly by the fact that displaced persons settled in these villages owned land but did not own plough cattle.

We may study the size of cultivated holding of the selected cultivators who were intensively surveyed. The selected cultivators, as we have mentioned before, were divided broadly into two classes, namely, upper strata and lower strata. Table 2.6 shows the size of cultivated holdings and area sown per cultivating family.

TABLE 2.6—CULTIVATED HOLDING AND AREA SOWN

[Intensive enquiry data. Area in acres per family]

Village	ALL CULTIVATORS		UPPER STRATA		LOWER STRATA	
	Average size of holdings	Average area sown	Average size of holdings	Average area sown	Average size of holdings	Average area sown
	1	2	3	4	5	6
Auria.....	3·2	3·3	5·3	5·3	1·2	1·3
Bhabanandapur.....	4·2	4·2	6·8	7·0	1·6	1·5
Bijur.....	5·1	4·9	8·2	8·0	2·0	1·8
Huria.....	4·3	4·5	6·5	6·7	2·0	2·2
Atapur.....	3·6	4·1	6·1	6·5	1·2	1·7
Jagadishpur.....	6·5	6·3	11·9	11·7	1·0	1·0
Madhupur.....	3·1	2·4	5·7	4·0	0·6	0·8
Mangalpur.....	1·8	1·6	2·6	2·5	1·0	0·7
District.....	3·9	3·8	6·6	6·4	1·2	1·3

The average size of cultivated holding per family is 6·6 acres in the upper strata and 1·2 acres in the lower strata. The average area sown per family was not

generally higher than the cultivated holding, owing mainly to the fact that only one crop, namely, winter rice was grown in most of the villages.

2.3 GROSS PRODUCE AND CASH RECEIPTS

In most cases, the measurement of the size of operation of farm business is given by the value of gross produce of farm. The value of gross produce is the value of total farm produce grown whether sold or retained for consumption or seed. The information relating to gross produce and cash receipts from sale of crops and fodder and other sources was obtained in respect of the selected cultivating families through intensive enquiries. On account of Government procurement operations in the district during the Survey year, it is believed that there was some under-reporting of the quantity produced and its sale price. Table 2.7 shows the value of gross produce per family in the upper and lower strata in each of the selected villages.

TABLE 2.7—VALUE OF GROSS PRODUCE PER FAMILY

[Intensive enquiry data. Amount in rupees per family]

Village	Upper strata	Lower strata
Auria.....	598·7	205·0
Bhabanandapur.....	644·1	177·0
Bijur.....	683·1	264·4
Huria.....	1,465·8	482·0
Atapur.....	498·4	193·8
Jagadishpur.....	1,076·3	234·2
Madhupur.....	273·4	57·0
Mangalpur.....	344·4	122·8
District	650·7	196·5

For the district as a whole, the average value of gross produce per family was Rs 650·7 in the upper strata and Rs 196·5 in the lower strata. Data in respect of each of the selected villages show that in the case of families in the upper strata, the highest value of gross produce per family was Rs 1,465·8 in Huria and the lowest, Rs 273·4 in Madhupur. In Jagadishpur also, the average value of gross produce was very high at Rs 1,076·3 per family.

For families in the lower strata, the value of gross produce per family was highest at Rs 482 in Huria and lowest at Rs 57 in Madhupur. In other villages the average value ranged between Rs 122·8 and Rs 264·4 per family.

The data relating to farm business have been classified into a number of divisions on the basis of the value of gross produce. On comparing the classification of cultivating families on the basis of value of gross produce with that on the basis of cultivated holding which gives the division into deciles and into the lower and upper strata, it is found that the two do not correspond completely. This is explained by the fact, that while the classification of cultivating families according to the value of gross produce has been made for all the selected cultivating families for the district as a whole, the division into deciles and strata was made separately

for each village. The size of holding varied very widely over the district. As the average size of holding and resources were much larger in some villages than in others, the separate classification of each village would give results very much different from the results obtained on the basis of the size of holding for the sample of cultivating families as a whole. Another factor which is of great importance in bringing about some divergence between the classification according to the value of gross produce and classification according to the size of cultivated holding, is the wide variations within the villages, in the character and productive capacity per acre of various types of land.

The value of gross produce for 37 per cent of the selected cultivating families was less than Rs 200 per family and for about 30 per cent of the selected cultivating families, it was between Rs 200 and Rs 400. Thus in respect of nearly two-thirds of the cultivators of the district, the value of gross produce per family was Rs 400 or less. Only about 10 per cent of the cultivating families had gross produce valued at between Rs 1,000 and Rs 3,000 per family.

Table 2.8 shows the average value of cash receipts from sale of crops and fodder and other sources in the two strata of cultivating families in each of the selected villages.

TABLE 2.8—CASH RECEIPTS FROM SALE OF CROPS AND FODDER AND OTHER SOURCES

[Intensive enquiry data. Amount in rupees per family]

Village	UPPER STRATA			LOWER STRATA		
	Sale of crops and fodder	Other sources	Total	Sale of crops and fodder	Other sources	Total
	1	2	3	4	5	6
Auria.....	402.0 (52.9)	358.3 (47.1)	760.3 (100.0)	108.4 (27.3)	289.0 (72.7)	397.4 (100.0)
Bhabanandapur.....	250.6 (66.2)	127.7 (33.8)	378.3 (100.0)	15.6 (11.3)	122.0 (88.7)	137.6 (100.0)
Bijur.....	480.5 (77.9)	136.7 (22.1)	617.2 (100.0)	71.6 (29.9)	168.0 (70.1)	239.6 (100.0)
Huria.....	989.9 (85.9)	162.7 (14.1)	1,152.6 (100.0)	85.0 (23.4)	278.8 (76.6)	363.8 (100.0)
Atapur.....	202.3 (58.1)	145.7 (41.9)	348.0 (100.0)	36.0 (17.9)	164.8 (82.1)	200.8 (100.0)
Jagadishpur.....	859.5 (100.0)	— (—)	859.5 (100.0)	34.8 (27.8)	90.4 (72.2)	125.2 (100.0)
Madhupur.....	59.7 (26.9)	162.0 (73.1)	221.7 (100.0)	15.8 (13.7)	99.6 (86.3)	115.4 (100.0)
Mangalpur.....	53.1 (30.9)	118.7 (69.1)	171.8 (100.0)	8.4 (6.1)	130.0 (93.9)	138.4 (100.0)
District.....	374.8 (73.2)	137.3 (26.8)	512.1 (100.0)	39.6 (20.5)	153.2 (79.5)	192.8 (100.0)

(Figures within brackets denote percentages to total.)

The receipts from sale of crops and fodder constituted more than 50 per cent of the total cash receipts in most of the villages for families in the upper strata. In

fact, cash receipts from sale of crops was the only source of cash receipts in Jagadishpur. In Huria, receipts from sale of crops accounted for more than 85 per cent of the total cash receipts. Mangalpur and Madhupur provided an exception to this trend. Mangalpur and Madhupur, as we have noticed before, ranked very low as regards the value of gross produce grown.

In the case of families in the lower strata, receipts from sale of crops did not constitute more than 30 per cent of the total cash receipts. Families in this strata had to supplement their income from farm to a large extent by receipts from other sources. A breakdown of the cash receipts in this strata into their constituent items shows, that wages accounted for 33 per cent, sale of milk and milk products 11·3 per cent, carting 6·4 per cent, sale of poultry and poultry products 3·4 per cent and others 23·1 per cent of the total receipts.

Table 2.9 shows the distribution of gross produce and cash receipts in the two strata of cultivating families.

TABLE 2.9—DISTRIBUTION OF GROSS PRODUCE AND CASH RECEIPTS

[Intensive enquiry data. Amount in rupees per family]

	Value of gross produce	CASH RECEIPTS FROM		Total
		Sale of crops and fodder	Other sources	
	1	2	3	4
Upper strata.....	650·7 (76·8)	374·8 (90·4)	137·3 (47·3)	512·1 (72·6)
Lower strata.....	196·5 (23·2)	39·6 (9·6)	153·2 (52·7)	192·8 (27·4)

(Figures within brackets give the proportion of the value reported by the group to the total value reported by all cultivators.)

The upper strata accounted for 77 per cent of the gross produce and 90 per cent of the cash receipts from sale of crops and 47·3 per cent of cash receipts from other sources. In contrast, families in the lower strata accounted for 52·7 per cent of the cash receipts from other sources and about 10 per cent of the receipts from sale of crops.

2.4 COMPOSITION OF ASSETS

Information relating to value of owned assets was obtained in respect of the selected cultivating families only. The types of assets included were, owned land, owned buildings, livestock, implements and financial assets which in turn included, shares of co-operative societies and banks, National Savings and other Small Savings Certificates, deposits in co-operative societies and banks and outstanding dues.

Table 2.10 shows the average value of assets of selected cultivators.

TABLE 2.10—VALUE OF OWNED ASSETS

[Intensive enquiry data. Amount in rupees per family]

Strata	Land	Buildings	Livestock	Implements and machinery	Outstanding dues	Shares in co-operative societies, banks, etc.	Deposits in co-operative societies, banks, etc.	Postal Savings, National Savings Certificates	Total
	1	2	3	4	5	6	7	8		9
Upper strata..	3,471.2 (58.1)	1,744.8 (29.2)	571.6 (9.5)	72.8 (1.2)	119.2 (2.0)	— (—)	— (—)	— (—)	5,979.6 (100.0)
Lower strata..	685.8 (39.7)	781.0 (45.3)	234.8 (13.6)	23.4 (1.4)	— (—)	— (—)	— (—)	— (—)	1,725.0 (100.0)
All cultivators	2,078.5 (54.0)	1,262.9 (32.8)	403.2 (10.5)	48.1 (1.2)	59.6 (1.5)	— (—)	— (—)	— (—)	3,852.3 (100.0)

(Figures within brackets denote percentages to total.)

In the inventory of assets in the upper strata, owned land constituted the largest item. The average value of landed assets was Rs 3,471.2 and accounted for 58 per cent of the total value of assets. Next in importance was the value of owned buildings, which averaged Rs 1,744.8 per family and formed about 29 per cent of the total value of assets. The average value of owned livestock stood at Rs 571.6 per family representing about 10 per cent of the total and that of owned implements was Rs 72.8 per family. An important item of assets was outstanding dues which was reported only by families in the first three deciles. The average value of dues receivable per family amounted to Rs 119.2. None of the families in the upper strata reported ownership of deposits in banks and co-operative societies, shares of banks and co-operative societies and Small Savings Certificates.

For families in the lower strata, the owned buildings figured prominently in the assets picture. The average value of owned buildings amounted to Rs 781 per family, while that of land amounted to Rs 685.8 per family; the relative shares of these two items in the total value of assets were 45.3 per cent and 39.7 per cent respectively. The average value of livestock owned amounted to Rs 234.8 per family, and that of owned implements Rs 23.4 per family. None of the families in the lower strata reported outstanding dues or ownership of financial assets.

CHAPTER 3

INDEBTEDNESS

3.1 VOLUME AND EXTENT

The information relating to the extent and size of outstanding debt and its distribution according to credit agency was collected through the General Schedule in respect of all families residing in the selected villages. The data relating to purpose of the debt, the period for which the debt was outstanding, interest paid and security offered for the outstanding debt, were collected in respect of the selected cultivating families. Outstanding debt for all families means debt incurred in cash. Data for debt contracted in kind were separately obtained in respect of selected cultivating families only. The discussion on the volume and extent of indebtedness is based on the data collected through the General Schedule.

3.1.1 Proportion of indebted families

Table 3.1 shows the proportion of indebted families in the different groups in each of the selected villages and for the district as a whole.

TABLE 3.1—PROPORTION OF INDEBTED FAMILIES AMONG DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data. In per cent]

Village	Big culti- vators	Large culti- vators	Medium culti- vators	Small culti- vators	All culti- vators	Non- culti- vators	All fami- lies
	1	2	3	4	5	6	7
Auria.....	40.0	60.0	64.3	66.7	63.7	40.9	52.0
Bhabanandapur.....	66.7	56.3	80.0	80.0	72.5	32.6	54.3
Bijur.....	73.7	78.2	84.0	75.4	79.7	65.2	71.7
Huria.....	60.0	55.2	84.2	82.8	75.0	78.9	75.7
Atapur.....	90.0	89.7	65.8	72.4	75.0	79.2	76.0
Jagadishpur.....	50.0	50.0	78.9	73.3	68.8	79.4	73.2
Madhupur.....	80.0	93.8	81.0	100.0	90.4	72.7	79.8
Mangalpur.....	100.0	66.7	37.5	66.7	56.5	33.3	44.0
District.....	74.6	70.6	70.9	77.0	72.6	59.1	66.7

About 67 per cent of the families in the district were reported to be indebted. The proportion of indebted families in different villages, however, varied considerably from the district average. In Auria, Bhabanandapur and Mangalpur, the proportion of indebted families varied from 44 per cent to 54.3 per cent and in the remaining villages, from 71.7 per cent to 79.8 per cent.

The proportion of indebted families amongst the non-cultivators was, however, 59.1 per cent as compared to 72.6 per cent amongst all cultivators. In some villages, the proportion was higher than that of all cultivating families. The proportion of indebted families amongst non-cultivating families was highest at 79.4 per cent in Jagadishpur and lowest at 32.6 per cent in Bhabanandapur. Amongst all cultivating families, the highest proportion of indebted families was found in Madhupur (90.4 per cent) and lowest in Mangalpur (56.5 per cent). The large number of indebted families in Madhupur was due to borrowings from the Government by the displaced families from East Pakistan resettled in that village.

Group-wise analysis for the district shows that the proportion of families indebted amongst the big cultivators was larger than that amongst the large or the medium cultivators but lower than that amongst the small cultivators. The high proportion of indebted families among big cultivators was accounted for largely by the presence of a number of indebted families in Atapur and Mangalpur. The proportion of indebted families among large cultivators is more or less the same as that amongst medium cultivators. Among the small cultivators, the proportion varied from 67 per cent in Auria and Mangalpur to 83 per cent in Huria with the exception of Madhupur where all the families were indebted.

3.1.2 Debt per family

Table 3.2 shows the average debt per family in the different groups of families in each of the selected villages and for the district as a whole.

TABLE 3.2—AVERAGE DEBT PER FAMILY IN DIFFERENT GROUPS

[General Schedule data. Amount in rupees]

Village	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators	All families
	1	2	3	4	5	6	7
Auria	350	262	176	107	181	30	103
Bhabanandapur	342	241	165	122	176	50	118
Bijur	1,357	814	352	307	474	104	270
Huria	197	143	159	111	140	89	131
Atapur	932	490	173	146	261	115	227
Jagadishpur	333	236	154	173	184	109	153
Madhupur	960	1,117	500	659	735	361	512
Mangalpur	50	87	100	38	79	26	50
District	537	394	210	201	265	135	208

The average debt per family for the district as a whole stood at Rs 208. The highest debt per family was recorded in Madhupur and lowest in Mangalpur. The high debt per family in Madhupur was mainly due to heavy borrowing by displaced families from the Government. As regards other villages, the average debt per rural family varied from Rs 103 in Auria to Rs 270 in Bijur.

The average debt of a non-cultivator was lower than that of a small cultivator. In Madhupur the average debt of a non-cultivator was very high at Rs 361 owing mainly to heavy borrowings by displaced families. The average debt for all cultivators worked out to Rs 265. But if we leave out Madhupur, Mangalpur and Bijur, it would vary between Rs 140 in Huria and Rs 261 in Atapur. Analysis of the debt according to different groups of cultivating families shows that the average debt of a big cultivator amounted to Rs 537 and that of a large cultivator Rs 394. Though the average debt of the medium and small cultivators appeared to be around Rs 200, it is not so when the village-wise figures are compared. The average debt of the small cultivators is pulled up owing to a large amount of debt incurred by the displaced families which did not bear any relation to their size of cultivated holdings.

Table 3.3 shows the debt per indebted family in the different groups of families in each of the selected villages.

TABLE 3.3—AVERAGE DEBT PER INDEBTED FAMILY

[General Schedule data. Amount in rupees]

Village	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators	All families
	1	2	3	4	5	6	7
Auria	875	436	273	160	284	73	199
Bhabanandapur	513	428	206	153	242	153	218
Bijur	1,841	1,040	418	406	594	159	376
Huria	328	259	188	135	186	113	174
Atapur	1,036	547	264	201	348	145	299
Jagadishpur	665	471	195	236	267	138	209
Madhupur	1,200	1,191	617	659	814	496	641
Mangalpur	50	130	267	58	139	77	114
District	720	558	296	261	366	228	312

For the district as a whole, the average debt per indebted family stood at Rs 366 for cultivating families and Rs 228 for non-cultivating families. The average debt per indebted family is the highest in big cultivators group and the lowest in small cultivators group. A very high level of debt was reported in Madhupur and Bijur owing mainly to borrowing by displaced families. Mangalpur stood at the other extreme. If these extreme cases are left out, the range of variation in the level of debt as between different villages would be comparatively small. The average debt of an indebted rural family varied between Rs 200 and Rs 300, that of an indebted non-cultivator between Rs 73 and Rs 153 and that of an indebted cultivator between Rs 242 and Rs 348.

3.1.3 Concentration of debt

Table 3.4 shows the concentration of debt in the different groups of rural families.

TABLE 3.4—SHARE OF DIFFERENT GROUPS OF CULTIVATORS IN TOTAL OUTSTANDING DEBT OF CULTIVATORS

[General Schedule data. In per cent]

Village	DEBT OWED BY EACH GROUP OF CULTIVATORS AS PERCENTAGE OF THE TOTAL DEBT OWED BY ALL CULTIVATORS				DEBT OWED BY SPECIFIED FAMILIES AS PERCENTAGE OF THE TOTAL DEBT OWED BY ALL FAMILIES	
	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators
	1	2	3	4	5	6
Auria.....	19.9	44.5	37.3	18.2	85.1	14.9
Bhabanandapur.....	22.9	42.9	36.7	20.4	80.7	19.3
Bijur.....	29.1	50.5	29.8	19.7	78.7	21.3
Huria.....	14.7	30.9	45.0	24.1	88.8	11.2
Atapur.....	37.2	56.8	26.3	16.9	88.2	11.8
Jagadishpur.....	15.1	37.4	33.1	29.5	70.3	29.7
Madhupur.....	12.6	46.7	27.4	25.9	57.9	42.1
Mangalpur.....	8.3	43.1	44.2	12.7	72.4	27.6
District.....	21.2	46.8	31.0	22.2	71.7	28.3

Of the total debt in all the selected villages, nearly 72 per cent was accounted for by cultivators and 28 per cent by non-cultivators. In Madhupur, the percentage share in the debt of non-cultivators was as high as 42.1 per cent mainly because of debt contracted by some displaced families from East Pakistan. At the other extreme stand Huria and Atapur where cultivating families, who predominate, accounted for more than 88 per cent of the total debt.

Of the total debt owed by cultivating families, 21.2 per cent is accounted for by big cultivators, 46.8 per cent by large cultivators, 31.0 per cent by medium cultivators and 22.2 per cent by small cultivators. In Atapur, large cultivators accounted for 56.8 per cent as against the district average of 46.8 per cent; medium cultivators in Huria and Mangalpur accounted for nearly 45 per cent of the total debt.

3.2 INCIDENCE OF DEBT

One of the methods to measure the burden of debt is to relate the amount of the debt to the cultivated holding in the different groups of cultivating families. Table 3.5 shows the debt per acre of cultivated holding in the different groups of cultivators.

TABLE 3.5—SIZE OF DEBT

[General Schedule data]

Group	Debt per family (Rs)	Debt per acre (Rs)	Total cultivated holding (Acres)
Big cultivators.....	536.6	36.2	875
Large cultivators.....	394.4	44.2	1,579
Medium cultivators.....	210.2	78.8	587
Small cultivators.....	200.9	257.0	129
All cultivators.....	265.5	65.0	2,295

As we move down from the big to the small cultivators, the debt per acre of cultivated holding rises, reflecting that the burden of debt was heavy on those who had small cultivated holdings.

Another way of measuring the incidence of debt is to work out the average debt-assets ratio. It has been mentioned before that data pertaining to value of assets were collected only in respect of selected cultivating families.

Table 3.6 shows the outstanding debt in relation to assets.

TABLE 3.6—DEBT AS PERCENTAGE OF VALUE OF TOTAL ASSETS

[Intensive enquiry data]

Strata	Value of assets per family (Rs)	Debt per family (Rs)	Debt as per cent of total assets
Upper strata.....	5,980	327.4	5.5
Lower strata.....	1,725	240.7	14.0
All cultivators.....	3,852	284.0	7.4

The proportion of the outstanding debt to the value of total assets is not very high. For the district as a whole it works out to 7.4 per cent only. For families in the upper strata the ratio was still lower at 5.5 per cent. But for families in the lower strata the ratio was relatively high at 14 per cent.

We may relate debt to value of owned land which may portray the condition more correctly as outstanding debt is invariably a potential charge on landed assets. Table 3.7 shows debt as percentage of value of owned land.

TABLE 3.7—DEBT AS PERCENTAGE OF OWNED LAND

[Intensive enquiry data]

Strata	Value of owned land per family (Rs)	Debt per family (Rs)	Debt as per cent of owned land
Upper strata.....	3,471	327.4	9.4
Lower strata.....	686	240.7	35.1
All cultivators.....	2,079	284.0	13.7

The debt-land ratio was relatively very low in the upper strata. In the lower strata it worked out at 35 per cent.

3.3 GROWTH OF DEBT

The rate of increase or decrease in outstanding debt during the year can be measured by relating net borrowing or net repayment to outstanding debt at the beginning of the year. We collected data relating to borrowings and repayments

during the year and outstanding debt at the end of the year. Since net borrowing or net repayment would be a measure of the total increase or decrease in the debt during the year, we can arrive at the debt at the beginning of the year by deducting the increase in debt from or adding the net repayment to, the outstanding debt at the end of the year. Table 3.8 shows the net borrowing or net repayment and their percentage to total debt at the beginning of the year in respect of the cultivating and non-cultivating families.

TABLE 3.8—GROWTH OF DEBT

[General Schedule data. Amount in rupees per family]

Village	CULTIVATORS		NON-CULTIVATORS		ALL FAMILIES	
	Net borrowings during the year (Rs)	Increase (+) or decrease (-) in debt during the year (Per cent)	Net borrowings during the year (Rs)	Increase (+) or decrease (-) in debt during the year (Per cent)	Net borrowings during the year (Rs)	Increase (+) or decrease (-) in debt during the year (Per cent)
	1	2	3	4	5	6
Auria	+ 60	+ 49	+ 14	+ 85	+ 36	+ 54
Bhabanandapur	+ 77	+ 79	+ 22	+ 77	+ 51	+ 78
Bijur	+ 284	+ 150	+ 75	+ 248	+ 169	+ 166
Huria	+ 85	+ 159	+ 57	+ 173	+ 81	+ 160
Atapur	+ 155	+ 147	+ 55	+ 90	+ 132	+ 139
Jagadishpur	+ 50	+ 38	+ 62	+ 130	+ 55	+ 56
Madhupur	+ 166	+ 29	+ 34	+ 10	+ 87	+ 20
Mangalpur	+ 23	+ 41	+ 11	+ 82	+ 17	+ 51
District	+ 107	+ 68	+ 37	+ 39	+ 76	+ 58

For the district as a whole, the debt increased by 58 per cent during the period of twelve months preceding the date on which the General Schedule was filled. In three villages, namely, Bijur, Huria and Atapur, the debt increased at a much faster rate. In Madhupur the rate of increase was very low at 20 per cent.

Considering the position of the non-cultivating families, it is noticed, that on an average the rate of increase worked out to 39 per cent. But in Bijur, the rate of increase was 248 per cent, in Huria 173 per cent and Jagadishpur 130 per cent.

For cultivating families, the rate of increase in debt worked out to 68 per cent for the district as a whole. However, in three villages, namely, Bijur, Huria and Atapur, the rate of increase varied from 147 per cent to 159 per cent.

From Table 3.9 on page 31, group-wise analysis shows that the rate of increase in debt was relatively high among the big and large cultivators, owing mainly to heavy borrowings during the year by some of these families for meeting ceremonial expenditures. The debt of the medium and small cultivators increased by 56 per

cent and 62 per cent respectively, though in some villages the rate of increase was much higher.

TABLE 3.9—GROWTH OF DEBT AMONG DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data. Amount in rupees per family]

Village	BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
	Net borrowings (+) or net repayment (-) during the year	Increase (+) or decrease (-) in debt during the year	Net borrowings (+) or net repayment (-) during the year	Increase (+) or decrease (-) in debt during the year	Net borrowings (+) or net repayment (-) during the year	Increase (+) or decrease (-) in debt during the year	Net borrowings (+) or net repayment (-) during the year	Increase (+) or decrease (-) in debt during the year
	(Rs)	(Per cent)	(Rs)	(Per cent)	(Rs)	(Per cent)	(Rs)	(Per cent)
	1	2	3	4	5	6	7	8
Auria.....	+ 258	+ 280	+ 132	+ 101	+ 23	+ 15	+ 35	+ 49
Bhabanandapur.....	- 62	- 15	+ 83	+ 53	+ 94	+ 135	+ 48	+ 66
Bijur.....	+ 678	+ 100	+ 435	+ 115	+ 232	+ 194	+ 208	+ 210
Huria.....	+ 138	+ 234	+ 106	+ 277	+ 81	+ 104	+ 72	+ 186
Atapur.....	+ 616	+ 195	+ 319	+ 187	+ 119	+ 218	+ 39	+ 36
Jagadishpur.....	- 2	- 1	+ 23	+ 10	+ 20	+ 15	+ 114	+ 195
Madhupur.....	+ 680	+ 243	+ 355	+ 46	+ 71	+ 16	+ 97	+ 17
Mangalpur.....	+ 40	+ 400	+ 27	+ 47	+ 6	+ 7	+ 38	*
District.....	+ 292	+ 120	+ 175	+ 80	+ 75	+ 56	+ 76	+ 62

* No debt at the beginning of the year.

3.4 NATURE OF DEBT

In this section the outstanding debt according to security and duration, and the purpose for which the debt was incurred is discussed. Information regarding the purpose, security and duration was obtained in respect of selected cultivating families through the intensive enquiry. Therefore, the discussion is based on the data collected through the intensive enquiry. Table 3.10 classifies outstanding loans according to security.

Loans have been classified into two categories, namely, loans outstanding for one year or less and loans outstanding for more than one year. The amount of outstanding loans in the first category is Rs 115.1 per family and in the second category Rs 212.3 per family in the upper strata. The corresponding figures in the lower strata are Rs 6.5 and Rs 234.2. In the district unsecured loans in most cases predominate over secured loans, since a greater proportion of the debt is owed to private agencies, who unlike institutional agencies, grant loans on the basis of their personal knowledge about the intending borrowers. In some cases, however, the difference between secured and unsecured loans is not marked owing to the fact that property purchased by displaced families out of loans granted had to be

TABLE 3.10—OUTSTANDING DEBT AGAINST VARIOUS TYPE OF SECURITY

[Intensive enquiry data. Amount in rupees per family]

Strata	Total	SECURITY		
		Personal security	Bullion and ornaments	Immovable property
Upper strata				
Loans outstanding for one year or less	115.1 (100.0)	88.4 (76.8)	16.0 (13.9)	10.7 (9.3)
Loans outstanding for more than one year . . .	212.3 (100.0)	107.8 (50.8)	40.1 (18.9)	64.4 (30.3)
Lower strata				
Loans outstanding for one year or less	6.5 (100.0)	6.5 (100.0)	— (—)	— (—)
Loans outstanding for more than one year . . .	234.2 (100.0)	88.6 (37.8)	— (—)	145.6 (62.2)
All cultivators				
Loans outstanding for one year or less	60.8 (100.0)	47.5 (78.1)	8.0 (13.1)	5.3 (8.8)
Loans outstanding for more than one year . . .	223.3 (100.0)	98.2 (44.0)	20.0 (9.0)	105.0 (47.0)

(Figures within brackets denote percentages to total.)

mortgaged to Government until the loans are repaid. In the case of the upper strata, 77 per cent of the amount outstanding for less than one year was granted on personal security, 13.9 per cent on the security of bullion and 9.3 per cent on the security of immovable property. Of the amount outstanding for more than one year, 50.8 per cent was on personal security, while 30.3 per cent was secured by immovable property and 18.9 per cent by bullion and ornaments. In the case of families in the lower strata, the whole of the amount outstanding for one year or less was granted on the personal security. Of the loans outstanding for more than one year, a greater proportion (62 per cent) was secured by immovable property. The balance was granted on the personal security of the borrowers.

Table 3.11 classifies the outstanding debt of the selected cultivators according to purpose.

TABLE 3.11—DEBT OF SELECTED CULTIVATORS CLASSIFIED ACCORDING TO PURPOSE

[Intensive enquiry data. Amount in rupees per family]

	AGRICULTURAL		NON-AGRICULTURAL		CONSUMPTION		Repayment of old debts	Other purposes
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term		
	1	2	3	4	5	6		
Amount	8.2	47.8	—	31.8	108.1	63.3	—	24.8
Percentage to total	2.9	16.8	—	11.2	38.1	22.3	—	8.7

Most of the debt in the case of selected cultivators seemed to have been incurred for meeting both short-term and long-term consumption requirements. The economy being dependent on one principal crop, the time-lag between the receipt of income and the expenditure which has to be incurred without delay, always results in borrowing by cultivating families. About 19·7 per cent of the outstanding debt was incurred for agricultural purposes, 11·2 per cent for non-agricultural purposes, 60·4 per cent for consumption purposes and the balance for other purposes. Debt contracted for short-term agricultural purposes accounted for 2·9 per cent and debt for long-term agricultural purposes 16·8 per cent of the total. About 38·1 per cent was accounted for by short-term consumption purposes and 22·3 per cent by long-term consumption purposes.

Table 3.12 classifies the debt according to duration.

TABLE 3.12—OUTSTANDING DEBT ACCORDING TO DURATION

[Intensive enquiry data. Amount in rupees]

Period	Upper strata	Lower strata	All cultivators
1 year or less	115·1 (35·1)	6·5 (2·7)	60·8 (21·4)
1 - 2 years	124·5 (38·1)	100·3 (41·7)	112·4 (39·6)
2 - 3 years	22·9 (7·0)	10·1 (4·2)	16·5 (5·8)
3 - 4 years	10·8 (3·3)	9·5 (3·9)	10·1 (3·6)
4 - 5 years	48·9 (14·9)	87·0 (36·1)	68·0 (23·9)
5 - 10 years	— (—)	4·3 (1·8)	2·1 (0·8)
Above ten years	5·2 (1·6)	23·0 (9·6)	14·1 (4·9)
Period not specified	— (—)	— (—)	— (—)
Total	327·4 (100·0)	240·7 (100·0)	284·0 (100·0)

(Figures within brackets denote percentages to total.)

Analysis of loans according to duration shows that a greater proportion of the loans was outstanding for a period of one to two years or less. This short duration of the loans is indicative of two things. Firstly, due to high prices of food grains during the war and post-war period, the rural families were in a position to liquidate their past debts. Secondly, recent borrowings by displaced families were responsible for a larger proportion of the debt being outstanding for one to two years. The loans outstanding for this period accounted for 73·2 per cent in the upper strata and 44·4 per cent in the lower strata. Loans outstanding for two to three years accounted for 7 per cent of the total in the upper strata. In the lower strata, loans outstanding for four to five years accounted for 36·1 per cent.

CHAPTER 4

BORROWINGS

The data relating to borrowing were obtained through the General Schedule as well as the intensive enquiry schedules. It may be made clear that all borrowings discussed in this and in other sections relate to cash transactions only. Loan transactions in kind have been separately considered in section 4.8 below.

4.1 NATURE AND EXTENT OF BORROWING

The percentage of borrowers may tend to vary in a manner different from the amount borrowed per family. The percentage of borrowers will depend very largely on the economy of the tract in relation to both farm business and family living. The proportion of borrowers among cultivators would be large, if there is recourse to borrowing for meeting expenditure on farm. As rice is the principal crop grown in Burdwan, there would be heavy concentration of receipts from farm in a particular period of the year while expenditure would be spread over the year. This would lead a large proportion of families to borrow for tiding over the temporary gap between income and expenditure. Families may borrow for meeting capital expenditure on farm or other large occasional expenditure. The percentage of borrowers on these accounts would depend on the size of such expenses as determined by social conventions, investment opportunities, etc., and the frequency of incidence of the occasions or of investment needs. The failure of crop in a particular year or season may lead a large number of families to borrow.

Table 4.1 presents the villages in the descending order of magnitude of borrowings for cultivating, non-cultivating and all families.

TABLE 4.1—PROPORTION OF FAMILIES REPORTING BORROWING
[General Schedule data]

CULTIVATORS		NON-CULTIVATORS		ALL FAMILIES	
Village	Proportion (Per cent)	Village	Proportion (Per cent)	Village	Proportion (Per cent)
Bijur	69.5	Jagadishpur	73.5	Bijur	65.9
Huria	64.6	Bijur	63.0	Huria	63.5
Bhabanandapur	56.9	Huria	57.9	Atapur	54.4
Atapur	56.3	Atapur	48.3	Jagadishpur	50.0
Mangalpur	43.5	Madhupur	31.2	Bhabanandapur	38.3
Madhupur	38.5	Auria	18.2	Madhupur	34.1
Auria	35.6	Bhabanandapur	16.3	Auria	26.7
Jagadishpur	33.3	Mangalpur	11.1	Mangalpur	26.1
District	48.9		36.8		43.6

Borrowing was resorted to by a varying proportion of families. For the district as a whole 43·6 per cent of families reported borrowings during the year. The highest proportion of borrowing families was 65·9 per cent in Bijur, and the lowest proportion was 26·1 per cent in Mangalpur. In Huria, Atapur, and Jagadishpur the proportion of borrowing families varied from 50 to 64 per cent.

The proportion of borrowing families among non-cultivators was lower than that noticed among cultivators. Nearly 37 per cent of the non-cultivating families resorted to borrowing during the year. The proportion of borrowing families was highest at 73·5 per cent in Jagadishpur and lowest at 11·1 per cent in Mangalpur. The very low proportion of borrowing non-cultivating families in Mangalpur is due to the fact that none of the *Bagdi* and *Dom* (Scheduled Caste) families reported any borrowing. Among the cultivating families the proportion of borrowing families was a little less than 50 per cent. A large proportion of borrowing families was found mostly in Bijur, Huria, Bhabanandapur and Atapur. Borrowing was resorted to by the families for meeting family expenditure, particularly ceremonial and consumption expenditure.

TABLE 4.2—PROPORTION OF BORROWING FAMILIES AMONG DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data]

BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
Village	Proportion (Per cent)	Village	Proportion (Per cent)	Village	Proportion (Per cent)	Village	Proportion (Per cent)
Mangalpur...	100·0	Atapur.....	72·4	Bijur.....	70·7	Huria.....	75·9
Atapur.....	70·0	Bijur.....	63·6	Huria.....	65·8	Bijur.....	73·7
Huria.....	60·0	Madhupur...	56·3	Bhabanandapur	65·0	Mangalpur...	66·7
Bijur.....	57·9	Mangalpur...	55·6	Atapur.....	47·4	Bhabanandapur	60·0
Bhabanandapur	50·0	Huria.....	51·7	Jagadishpur...	31·6	Atapur.....	51·7
Auria.....	46·7	Bhabanandapur	43·8	Auria.....	28·6	Auria.....	40·0
Madhupur...	40·0	Auria.....	40·0	Madhupur...	28·6	Jagadishpur...	40·0
Jagadishpur..	25·0	Jagadishpur...	28·6	Mangalpur...	12·5	Madhupur....	33·3
District....	57·6		53·1		41·8		53·9

From Table 4.2 it is clear that the proportion of borrowing families was largest among big cultivators and lowest among medium cultivators. On an average the proportion of borrowing families was 57·6 per cent among the big cultivators, 53·1 per cent among large cultivators, and 53·9 per cent among the small cultivating group. In the case of medium cultivators it was 41·8 per cent. This analysis also shows that in almost all groups, a large proportion of borrowing families was from Atapur, Huria, and Bijur.

Table 4.3 gives the average amount borrowed per family and per reporting family.

TABLE 4.3—AVERAGE SIZE OF BORROWING AMONG RURAL FAMILIES

[General Schedule data. Amount in rupees]

Village	Average per family	Village	Average per reporting family
Bijur.....	198	Bijur.....	299
Atapur.....	162	Atapur.....	297
Huria.....	104	Madhupur.....	268
Madhupur.....	91	Auria.....	219
Jagadishpur.....	76	Bhabanandapur.....	171
Bhabanandapur.....	65	Huria.....	164
Auria.....	58	Jagadishpur.....	152
Mangalpur.....	36	Mangalpur.....	138
District.....	96		221

The average amount borrowed per family in respect of all families worked out to Rs 96. In two villages the average borrowing was much higher than the district average. The average borrowing per reporting rural family worked out to Rs 221. In Bijur and Atapur it was around Rs 300.

Table 4.4 shows the average amount borrowed per non-cultivating family and per reporting non-cultivating family.

TABLE 4.4—BORROWINGS OF NON-CULTIVATING FAMILIES

[General Schedule data. Amount in rupees]

Village	Average per family	Village	Average per reporting family
Bijur.....	81	Atapur.....	134
Atapur.....	65	Bhabanandapur.....	133
Huria.....	62	Bijur.....	128
Jagadishpur.....	62	Madhupur.....	119
Madhupur.....	37	Huria.....	106
Bhabanandapur.....	22	Mangalpur.....	103
Auria.....	15	Auria.....	84
Mangalpur.....	11	Jagadishpur.....	84
District.....	40		109

In the case of non-cultivating families, the average amount borrowed per family worked out to Rs 40. In no village did the average borrowing per family exceed Rs 100. The average borrowing per reporting family ranged between Rs 80 and Rs 140, the district average working out to Rs 109.

Table 4.5 shows the average borrowing per family and per reporting family amongst cultivators.

TABLE 4.5—BORROWINGS OF CULTIVATING FAMILIES

[General Schedule data. Amount in rupees]

Village	Average per family	Village	Average per reporting family
Bijur.....	341	Bijur.....	491
Atapur.....	191	Madhupur.....	447
Madhupur.....	172	Atapur.....	340
Huria.....	112	Auria.....	292
Auria.....	104	Jagadishpur.....	258
Bhabanandapur.....	102	Bhabanandapur.....	180
Jagadishpur.....	86	Huria.....	174
Mangalpur.....	64	Mangalpur.....	148
District.....	140		287

The three villages which reported a high proportion of borrowing families, namely, Bijur, Atapur, and Huria also reported a high average borrowing per cultivating family. The average borrowing per cultivating family in the district amounted to Rs 140. The average amount borrowed per reporting family worked out to Rs 287. The highest average borrowing per reporting family was Rs 491 in Bijur and lowest at Rs 148 in Mangalpur.

Table 4.6 shows the average amount borrowed by different groups of cultivators.

TABLE 4.6—BORROWINGS OF DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data. Amount in rupees]

BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
Village	Average per family	Village	Average per family	Village	Average per family	Village	Average per family
Bijur.....	932	Bijur.....	561	Bijur.....	251	Bijur.....	248
Atapur.....	746	Atapur.....	381	Atapur.....	137	Jagadishpur..	181
Madhupur.....	680	Madhupur...	376	Huria.....	109	Mangalpur...	133
Auria.....	317	Auria.....	194	Bhabananda- pur	97	Madhupur...	97
Huria.....	228	Huria.....	140	Madhupur...	71	Huria.....	89
Mangalpur.....	60	Bhabananda- pur	136	Auria.....	64	Bhabananda- pur	73
Bhabananda- pur	55	Mangalpur...	53	Jagadishpur..	49	Atapur.....	72
Jagadishpur....	38	Jagadishpur..	34	Mangalpur...	25	Auria.....	64
District.....	373		218		95		117

The amounts borrowed by the different groups of cultivators are generally high in Bijur, Atapur, Huria and Madhupur. The highest average borrowing was incurred by big cultivators and lowest by medium cultivators. The average amount borrowed per family was Rs 373 for a big cultivator, Rs 218 for a large cultivator, Rs 95 for a medium cultivator, and Rs 117 for a small cultivator.

Table 4.7 shows the average borrowing per reporting family among different groups of cultivators.

TABLE 4.7—BORROWINGS PER REPORTING FAMILY AMONG THE DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data. Amount in rupees]

BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
Village	Amount per reporting family	Village	Amount per reporting family	Village	Amount per reporting family	Village	Amount per reporting family
Madhupur.....	1,700	Bijur.....	882	Bijur.....	355	Jagadishpur..	453
Bijur.....	1,609	Madhupur...	667	Atapur.....	288	Bijur.....	336
Atapur.....	1,066	Atapur.....	527	Madhupur...	247	Madhupur...	292
Auria.....	679	Auria.....	484	Auria.....	223	Mangalpur...	200
Huria.....	380	Bhabananda- pur	311	Mangalpur...	200	Auria.....	160
Jagadishpur.....	150	Huria.....	270	Huria.....	166	Atapur.....	139
Bhabananda- pur	110	Jagadishpur..	118	Jagadishpur..	157	Bhabananda- pur	122
Mangalpur.....	60	Mangalpur...	96	Bhabananda- pur	149	Huria.....	117
District.....	648		410		228		217

Here also the ranking of the villages is more or less the same as noticed in the case of average borrowing per family. The average amount borrowed per reporting family was Rs 648 for a big cultivator, Rs 410 for a large cultivator, Rs 228 for a medium cultivator, and Rs 217 for a small cultivator.

4.2 SHARE OF THE DIFFERENT GROUPS OF CULTIVATORS IN TOTAL BORROWINGS

Table 4.8 shows the borrowings of cultivators and non-cultivators in relation to total borrowings of all families.

TABLE 4.8—BORROWINGS OF CULTIVATORS AND NON-CULTIVATORS IN RELATION TO THE BORROWINGS OF ALL FAMILIES

[General Schedule data]

Village	BORROWINGS OF THE CLASS AS PERCENTAGE OF THE TOTAL BORROWINGS OF CULTIVATORS				BORROWINGS OF THE GROUP AS PERCENTAGE OF THE TOTAL BORROWINGS OF ALL FAMILIES	
	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators
	1	2	3	4	5	6
Auria.....	31.3	57.5	23.5	19.0	86.5	13.5
Bhabanandapur.....	6.3	41.8	37.1	21.1	84.9	15.1
Bijur.....	27.7	48.4	29.5	22.1	77.5	22.5
Huria.....	21.2	37.6	38.5	23.9	90.2	9.8
Atapur.....	40.7	60.3	28.3	11.4	90.7	9.3
Jagadishpur.....	3.6	11.4	22.8	65.8	66.3	33.7
Madhupur.....	38.0	67.1	16.6	16.3	75.8	24.2
Mangalpur.....	12.2	32.4	13.5	54.1	82.7	17.3
District.....	27.9	48.9	26.6	24.5	81.8	18.2

Of the total borrowings in all the villages, 81·8 per cent was accounted for by cultivating families and 18·2 per cent by non-cultivating families. In Huria and Atapur the share of cultivating families exceeded 90 per cent.

Of the total borrowings by cultivating families 27·9 per cent was accounted for by big cultivators, 48·9 per cent by large cultivators, 26·6 per cent by medium cultivators, and 24·5 per cent by small cultivators. The percentage shares of different groups in the total borrowings, however, vary considerably, particularly in certain villages. In Atapur and Madhupur the share of big cultivators in the total was 41 per cent and 38 per cent, while in Bhabanandapur and Jagadishpur it was 6·3 per cent and 3·6 per cent respectively. The share of medium cultivators was 38·5 per cent and 37·1 per cent in Huria and Bhabanandapur, as compared to 16·6 per cent and 13·5 per cent in Madhupur and Mangalpur. In Jagadishpur and Mangalpur the share of the small cultivators was as high as 66 per cent and 54 per cent respectively as against 11·4 per cent and 16·3 per cent in Atapur and Madhupur.

4.3 SIZE OF BORROWING

The size of borrowing for capital expenditure or for occasional substantial consumption expenditure would be determined to a certain extent by the size of the expenditure on capital investment on durable consumer goods or other large occasional expenditure arising out of special circumstances or needs. Table 4·9 shows, side by side, the average amounts of expenditure on certain specified items and the total borrowings.

TABLE 4.9—EXPENDITURE ON SPECIFIED ITEMS

[General Schedule data. Amount in rupees per family]

Group	Total expenditure	Capital expenditure in agriculture	Capital expenditure in non-farm business	Family expenditure	Other expenditure	Total borrowings
	1	2	3	4	5	6
Big cultivators.....	1,746	200	9	1,444	93	373
Large cultivators.....	1,150	156	33	915	47	218
Medium cultivators.....	465	104	13	327	20	95
Small cultivators.....	403	41	21	301	41	117
All cultivators.....	663	102	22	504	35	140
Non-cultivators.....	146	10	1	132	3	40
All families.....	436	61	13	341	21	96

The levels of the main items of expenditure per family decline successively from big cultivators group to small cultivators group, the levels of borrowings per family, however, do not show the same trend. The level of borrowing per family is higher for small cultivators than for medium cultivators. An examination of the village-wise data shows that in one village a family having other sources of income was grouped under small cultivators because of its possession of a small

plot of land. This family borrowed heavily for meeting marriage expenditure. In some villages, displaced families classed as small cultivators borrowed from Government for construction of residential houses. These two factors accounted for the differences in trend in the levels of expenditure and borrowing among the small cultivators.

Table 4.10 gives the classification of the loans borrowed and fully repaid, according to the month of borrowing, month of repayment and purpose of borrowing.

TABLE 4.10—LOANS BORROWED AND FULLY REPAYED DURING THE YEAR 1951-2 BY THE SELECTED CULTIVATORS

[Intensive enquiry data. Amount in rupees per family]

Strata	MONTH OF BORROWING 1951		Total	MONTH OF REPAYMENT	PURPOSE
	June	July		Feb. 1952	Current farm expenditure
	1	2		3	4	5
Upper strata	1.7	—	1.7	1.7	1.7
Lower strata	6.0	1.7	7.7	7.7	7.7
All cultivators.....	3.8	0.9	4.7	4.7	4.7

The average amount of loans borrowed and fully repaid works out higher at Rs 7.7 per family in the lower strata as compared to Rs 1.7 per family in the upper strata. There appears to be a marked seasonality in regard to borrowing and repayment. All these loans were borrowed during the months of June and July when operations for ploughing and sowing commence and repaid in February, *i.e.*, a few months after the harvesting of crops. Purpose-wise analysis of these loans shows that all these loans were borrowed for meeting current expenditure on farm.

We may now consider borrowing in relation to assets, gross produce and cash receipts in the two strata of cultivating families given in Table 4.11 below.

TABLE 4.11—BORROWINGS IN RELATION TO ASSETS, GROSS PRODUCE AND CASH RECEIPTS

[Intensive enquiry data. Amount in rupees]

Strata	Borrowings	Value of total assets	Borrowings as percentage of total assets	Gross produce	Borrowings as percentage of gross produce	Total cash receipts	Borrowings as percentage of total cash receipts
	(Rs)	(Rs)		(Rs)		(Rs)	
	1	2	3	4	5	6	7
Upper strata.....	118.4	5,980	2.0	650.7	18.2	512.2	23.1
Lower strata.....	14.4	1,725	0.8	196.5	7.3	192.8	7.4
All cultivators.....	66.4	3,852	1.7	423.6	15.7	352.5	18.8

In the upper strata, the proportion of borrowings to assets, gross produce and cash receipts was 2 per cent, 18·2 per cent and 23·1 per cent respectively. The corresponding percentages for families in the lower strata were 0·8 per cent, 7·3 per cent and 7·4 per cent.

4.4 PURPOSE OF BORROWING

The data relating to purpose of borrowing were obtained separately in two parts of the General Schedule. In one part, questions were asked relating to total expenditure incurred during the year on certain specified items and also the extent to which borrowing was a source of finance for the expenditure. In another part, information relating to borrowing contracted during the year and the purpose for which each loan was borrowed was obtained. In the former part, an exhaustive classification of purposes of borrowing was not provided, while in the latter, information regarding borrowing for all purposes for which they were contracted was obtained. It will, therefore, be possible for us to compare the manner in which funds borrowed were actually utilized. Table 4.12 compares the amounts of borrowing per family utilized for various purposes with the amounts declared to have been borrowed for these purposes.

TABLE 4.12—BORROWINGS AS A SOURCE OF FINANCE AS COMPARED TO DECLARED PURPOSE OF BORROWING

[General Schedule data. Amount in rupees per family]

Item	Borrowings as a source of finance	Declared purpose of borrowing
	1	2
Capital expenditure in agriculture.....	20	11
Capital expenditure in non-farm business.....	5	4
Current expenditure on farm.....	..	2
Family expenditure.....	80	77
Other expenditure.....	-	6*

* Includes Rs 3 on litigation charges.

It can be said from the Table above that there is generally a close correspondence between the two sets of data, though there is some difference between columns 1 and 2 with regard to capital investment. The difference may be due to a time lag between borrowing and its utilization. Borrowings for purchase of livestock might have taken place in the preceding year while the proceeds might have been utilized in the year of the Survey. Borrowings would not be recorded having taken place in the earlier period but in the source of finance analysis they would be mentioned. Similarly, since these figures include non-agriculturists, like displaced families, expenditure by them on investment financed from old loans obtained from Government, would also make the two sets of figures disagree. Apart from the fact that part of the borrowings as entered in column 1 may have been contracted in an earlier period, the difference may arise also from the particular items which those broad categories include. This is specially true of family expenditure.

Table 4.13 shows the distribution of borrowings by the different groups of families according to the purposes for which they were borrowed.

TABLE 4.13—BORROWINGS ACCORDING TO VARIOUS PURPOSES : GROUP-WISE
[General Schedule data. Amount in rupees per family]

Group	Total borrowings	BORROWINGS FOR				
		Capital expenditure on farm	Current farm expenditure	Non-farm business expenditure	Family expenditure	Other expenditures
		1	2	3	4	5	6
Big cultivators.....	373 (100·0)	12 (3·1)	2 (0·5)	1 (0·2)	359 (96·2)	— (—)
Large cultivators.....	218 (100·0)	13 (6·0)	5 (2·4)	6 (2·7)	190 (87·1)	4 (1·8)
Medium cultivators.....	95 (100·0)	19 (19·8)	2 (2·3)	4 (4·2)	64 (66·7)	7 (7·0)
Small cultivators.....	117 (100·0)	16 (13·7)	2 (1·8)	16 (13·4)	83 (71·0)	— (0·1)
All cultivators.....	140 (100·0)	16 (11·6)	3 (2·2)	8 (5·7)	109 (77·7)	4 (2·8)
Non-cultivators.....	40 (100·0)	3 (8·7)	— (0·1)	— (0·3)	35 (88·1)	1 (2·8)
All families.....	96 (100·0)	11 (11·1)	2 (1·8)	4 (4·7)	77 (79·6)	3 (2·8)

(Figures within brackets denote percentages to total.)

Taking the borrowings of all families, it is observed, that 80 per cent of the total borrowings was for family expenditure. Although the major proportion of borrowings by non-cultivating families was for family expenditure, some families seemed to have incurred expenditure on account of capital and current expenditure on farm. It is customary in the district on the part of the non-cultivating owners of land to bear a certain proportion of capital and current expenditure on farm for lands leased for cultivation to *bargadars* and share-croppers. It may also reflect purchases of livestock by landless agricultural labourers. Considering the position of the big cultivators, it is noticed that nearly the whole of the borrowing was contracted for meeting family expenditure. Only about 3·1 per cent or Rs 12 per family was devoted to capital expenditure on farm. More or less the same picture obtains in the case of large cultivators group. The medium cultivators utilized about 20 per cent of the borrowings for capital expenditure on farm and 67 per cent for meeting family expenditure. In the case of small cultivators about 14 per cent of the borrowed amount was devoted to capital expenditure on farm, 13 per cent to non-farm business and 71 per cent to family expenditure. In all groups of cultivators, borrowings utilized for financing current expenditure on farm was around Rs 2 to 3 per family.

We may now study the purposes of borrowing as revealed by the intensive enquiry data with those revealed by the General Schedule data. Table 4.14 sets out the intensive enquiry data relating to borrowings according to purpose.

TABLE 4.14—BORROWINGS OF SELECTED CULTIVATORS : PURPOSE-WISE

[Intensive enquiry data. Amount in rupees per family]

Strata	Capital expenditure on farm	Current farm expenditure	Non-farm business expenditure	Family expenditure	More than one purpose	Total borrowings
	1	2	3	4	5	6
Upper strata.....	6.8 (5.7)	6.6 (5.6)	4.9 (4.2)	97.5 (82.3)	2.6 (2.2)	118.4 (100.0)
Lower strata.....	— (—)	7.7 (53.7)	— (—)	4.0 (27.6)	2.7 (18.7)	14.4 (100.0)
All cultivators.....	3.4 (5.1)	7.2 (10.8)	2.5 (3.7)	50.7 (76.4)	2.6 (4.0)	66.4 (100.0)

(Figures within brackets denote percentages to total.)

The average borrowing per family according to intensive enquiry data was Rs 118.4 in the upper strata and Rs 14.4 in the lower strata. About 82 per cent of the amount borrowed by the upper strata was devoted to family expenditure and 6 per cent each for capital expenditure and current farm expenditure. In the case of borrowings by the lower strata, nearly 28 per cent was utilized for family expenditure and 54 per cent for current farm expenditure. The balance was utilized for more than one purpose. This variation in the purpose of borrowings by lower strata cultivators is explained by the fact that some of them undertake to cultivate the lands of others on a share-cropping basis and in that connection borrow for meeting the current expenditure on farm.

4.5 CREDIT REQUIREMENTS

Through a demand questionnaire we obtained information relating to credit requirements for development purposes. It would be interesting to compare the credit requirements as expressed by the respondents for various development purposes with certain items of capital expenditure.

TABLE 4.15—CREDIT REQUIREMENTS FOR DEVELOPMENT PURPOSES

[Intensive enquiry data. Amount in rupees per family]

Item	UPPER STRATA		LOWER STRATA	
	Expenditure	Credit needs	Expenditure	Credit needs
	1	2	3	4
1. Purchase of land.....	109	103	13	13
2. Increasing holding by tenancy*.		10		16
3. Cultivation of costly but more remunerative crops*.....		71		57
4. Purchase of livestock.....	46	165	12	155
5. Other capital expenditure in agriculture	37	288	7	154
5.1 Purchase of implements and machinery.....	..	89	..	62
5.2 Bunding, land improvement and land reclamation.....	..	122	..	34
5.3 Digging of wells.....	..	6	..	—
5.4 Other irrigation sources.....	..	71	..	58

* Information on actual expenditure on these items was not obtained.

It would be evident from Table 4.15 that if credit was available, the cultivators in the upper strata would place in order of preference the following purposes, namely, purchase of livestock, bunding, land improvement and land reclamation, purchase of land and purchase of implements and machinery. The requirement of credit for purchase of livestock is placed at Rs 165 per family in the upper strata and Rs 155 per family in the lower strata. The amount spent for this purpose during the year of the Survey was Rs 46 per family in the upper strata and Rs 12 per family in the lower strata. In regard to purchase of land, the current expenditure incurred by the upper strata cultivators during the year was more than the amount which they would like to borrow. In the lower strata, there is close correspondence between what is required and what was spent for the purchase of land. For improvement of land, the credit requirement was placed at Rs 122 per family in the upper strata and Rs 34 per family in the lower strata. They would also like to possess new agricultural implements like improved steel ploughs, seed drills, etc., and their credit requirement is fairly large on these accounts.

When questioned as to whether they experience any difficulty in meeting expenses on current agricultural operations due to lack of finance, 3 out of 80 families in the upper strata, 1 out of 40 in the lower strata did not reply. Thirty-seven families in the upper strata replied that they experienced difficulty while 40 replied in the negative. In the lower strata, 21 families replied that they experienced difficulty and 18 did not. The overwhelming majority of farmers both in the upper and lower strata expressed their willingness to utilize credit, if available, for intensive tillage, better manuring and better seed.

Table 4.16 shows the rate of interest at which the cultivators would like to take loans, if available.

TABLE 4.16—DISTRIBUTION OF FAMILIES ACCORDING TO THE RATE OF INTEREST WHICH THEY WERE PREPARED TO PAY FOR LOANS

[Intensive enquiry data]

Strata	Number of cultivators investigated	Number of cultivators who did not reply	NUMBER WHO REQUIRED LOANS AT			
			3 per cent or less	3-4 per cent	4-5 per cent	5-7½ per cent
			1	2	3	4	5	6
Upper strata.....	80 (100·0)	5 (6·3)	27 (33·8)	22 (27·5)	7 (8·7)	19 (23·8)
Lower strata.....	40 (100·0)	3 (7·5)	13 (32·5)	10 (25·0)	6 (15·0)	8 (20·0)

(Figures within brackets denote percentages to total.)

None of the families were prepared to pay interest at rates higher than 7½ per cent. In both strata, about 33 per cent were prepared to contract loans at 3 per cent or below and another 25 per cent at rates between 3 and 4 per cent.

TABLE 4.17—DISTRIBUTION OF FAMILIES ACCORDING TO THE PERIOD FOR WHICH THEY REQUIRED LOANS

[Intensive enquiry data]

Strata	Number of cultivators investigated	Number of cultivators who did not give information	NUMBER WHO REQUIRED LOANS FOR				
			6 months or less	6 months to 1 year	1-2 years	2-5 years	Over 5 years
			1	2	3	4	5	6	7
Upper strata.....	80	5	-	1	13	49	12
Lower strata.....	40	3	-	1	7	24	5

In regard to the period for which they would like to have loans, 49 out of 80 in the upper strata and 24 out of 40 in the lower strata preferred medium-term loans covering a period of 2 to 5 years. Thirteen families in the upper strata and seven families in the lower strata desired to have loans for a period of one to two years. Almost an equal number of families also wanted loans for a period of more than five years.

TABLE 4.18—DISTRIBUTION OF FAMILIES ACCORDING TO THE SECURITY WHICH THEY WERE READY TO OFFER FOR LOANS

[Intensive enquiry data]

Strata	Number of cultivators investigated	Number of cultivators who did not give information	NUMBER OF CULTIVATORS PREPARED TO OFFER				
			Personal security	Immovable property	Movable property	Guarantee by third party	Other securities
			1	2	3	4	5	6	7
Upper strata.....	80	5	1	74	-	-	-
Lower strata.....	40	3	4	33	-	-	-

As regards security, most of the cultivators were prepared to contract the loans on the security of immovable property owned by them. Only one family in the upper strata and four families in the lower strata expressed a desire to borrow on personal security.

4.6 NATURE OF BORROWINGS

In the preceding sections we have discussed the purpose of and the month in which the loans were borrowed and fully repaid. We shall only comment on the duration of these loans. Table 4.19 shows the duration of the loans which were borrowed and fully repaid during the year.

The duration of these loans did not exceed eight months in any strata. Since these loans were borrowed for meeting seasonal agricultural operations, they were repaid immediately after the harvesting of the crop.

TABLE 4.19—CASH LOANS BORROWED AND FULLY REPAID DURING THE YEAR 1951-2 BY THE SELECTED CULTIVATORS CLASSIFIED ACCORDING TO DURATION

[Intensive enquiry data. Amount in rupees per family]

Strata	DURATION			Total amount borrowed and fully repaid
	One month	Seven months	Eight months	
	1	2	3	
Upper strata.....	-	-	1.7	1.7
	(-)	(-)	(100.0)	(100.0)
Lower strata.....	-	1.7	6.0	7.7
	(-)	(22.1)	(77.9)	(100.0)
All cultivators.....	-	0.9	3.8	4.7
	(-)	(19.1)	(80.9)	(100.0)

(Figures within brackets denote percentages to total.)

We shall now analyse the borrowings of the cultivators according to the security. Table 4.20 classifies the loans according to security.

TABLE 4.20—CASH LOANS BORROWED DURING THE YEAR 1951-2 BY THE SELECTED CULTIVATORS CLASSIFIED ACCORDING TO SECURITY

[Intensive enquiry data. Amount in rupees per family]

Strata	SECURITY			Total amount borrowed
	Personal security	Bullion and ornaments	Immovable property	
	1	2	3	
Upper strata.....	89.9	15.1	13.4	118.4
	(76.0)	(12.7)	(11.3)	(100.0)
Lower strata.....	6.7	-	7.7	14.4
	(46.3)	(-)	(53.7)	(100.0)
All cultivators.....	48.3	7.5	10.6	66.4
	(72.8)	(11.3)	(15.9)	(100.0)

(Figures within brackets denote percentages to total.)

More than three-fourths of the loans in the upper strata were granted on the personal security of the borrowers, 13 per cent on the security of bullion and ornaments, and 11 per cent on the security of immovable property. In the case of families in the lower strata, about 54 per cent of the loans were secured by immovable property and the balance by personal security. In the majority of cases, the type of mortgage of immovable property was simple mortgage. Only about 12 per cent of the amount borrowed on mortgage of immovable property was of usufructuary type. Table 4.21 shows the borrowings of the selected cultivators classified according to purpose-duration.

TABLE 4.21—BORROWINGS OF THE SELECTED CULTIVATORS CLASSIFIED ACCORDING TO PURPOSE-DURATION

[Intensive enquiry data. Amount in rupees per family]

Strata	AGRICULTURAL PURPOSES		NON-AGRICULTURAL PURPOSES		CONSUMPTION		Repayment of old debts	Other purposes	Total amount borrowed
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term			
	1	2	3	4	5	6			
Upper strata...	6.6 (5.6)	6.8 (5.7)	— (—)	4.9 (4.1)	29.8 (25.2)	67.7 (57.2)	— (—)	2.6 (2.2)	118.4 (100.0)
Lower strata...	7.7 (53.7)	— (—)	— (—)	— (—)	4.0 (27.6)	— (—)	— (—)	2.7 (18.7)	14.4 (100.0)
All cultivators	7.2 (10.8)	3.4 (5.1)	— (—)	2.5 (3.7)	16.9 (25.4)	33.9 (51.0)	— (—)	2.6 (4.0)	66.4 (100.0)

(Figures within brackets denote percentages to total.)

We have mentioned before that the families in the upper strata borrowed mainly for meeting family expenditure. Nearly 25 per cent of the amount borrowed was for short-term consumption purpose and 57.2 per cent for long-term consumption purpose. About 6 per cent each was utilized for short-term and long-term agricultural purposes. In the case of families in the lower strata, 27.6 per cent of the amount borrowed was for short-term consumption purpose and 53.7 per cent for short-term agricultural purposes.

4.7 BORROWINGS AND INTEREST RATE

Table 4.22 shows the borrowings of selected cultivators according to the rate of interest.

For families in the upper strata, about 34 per cent of the amount borrowed was free of interest and in the case of another 39 per cent, the rate of interest was not specified. About 15 per cent of the amount was borrowed at rates varying from 12½ per cent to 25 per cent and 4.2 per cent of the amount at rates between 35 per cent and 50 per cent. For families in the lower strata 46.3 per cent of the amount borrowed was free of interest and 53.7 per cent carried interest rate between 3½ per cent and 7 per cent. The reason for cultivators in the lower strata having borrowed on more favourable terms than the cultivators in the upper strata is that the amount borrowed for seasonal agricultural operations was obtained from landlords whose lands were leased to them for cultivation on a share-cropping basis.

4.8 GRAIN LOANS

The practice of granting loans in kind does not appear to be common in the district. No family in the upper strata reported having borrowed grain loans. Less than 2 per cent of the families in the lower strata borrowed grain loans, the average amount borrowed per family being 5.5 seers and the average amount borrowed per reporting family being eight maunds. The entire loan was in rice and was borrowed

for family consumption. The loans were not fully repaid during the year, the quantity outstanding per family being 1.4 seers and 80.6 seers per reporting family. The period for which the loan remained outstanding was about seven to nine months. No other commodity loans were reported.

TABLE 4.22—BORROWINGS OF SELECTED CULTIVATORS CLASSIFIED ACCORDING TO RATE OF INTEREST

[Intensive enquiry data. Amount in rupees per family]

Rate of interest per annum	Upper strata	Lower strata	All cultivators
Nil.....	40.5 (34.2)	6.7 (46.3)	23.6 (35.5)
Less than 3½ per cent.....	—	—	—
3½ – 7 per cent.....	(—) 7.0 (5.9)	(—) 7.7 (53.7)	(—) 7.3 (11.1)
7 – 10 per cent.....	—	—	—
10 – 12½ per cent.....	(—) 1.7 (1.4)	(—) — (—)	(—) 0.9 (1.3)
12½ – 18 per cent.....	11.5 (9.7)	— (—)	5.7 (8.6)
18 – 25 per cent.....	6.7 (5.7)	— (—)	3.4 (5.1)
25 – 35 per cent.....	—	—	—
35 – 50 per cent.....	(—) 4.9 (4.2)	(—) — (—)	(—) 2.5 (3.7)
50 per cent and above.....	—	—	—
Unspecified.....	(—) 46.1 (38.9)	(—) — (—)	(—) 23.0 (34.7)
Total.....	118.4 (100.0)	14.4 (100.0)	66.4 (100.0)

(Figures within brackets denote percentages to total.)

CHAPTER 5

REPAYMENTS

5.1 REPAYMENTS IN RELATION TO BORROWINGS

Table 5.1 shows the proportion of repaying families among all rural families, non-cultivating families and cultivating families.

TABLE 5.1—PROPORTION OF REPAYING FAMILIES

[General Schedule data. In per cent]

Village	Cultivators	Non-cultivators	All families
Auria.....	20·5	2·6	11·3
Bhabanandapur.....	13·7	—	7·4
Bijur.....	22·5	12·6	17·0
Huria.....	25·0	10·4	22·6
Atapur.....	19·8	6·9	16·8
Jagadishpur.....	12·5	—	7·3
Madhupur.....	3·8	1·3	2·3
Mangalpur.....	30·4	—	14·0
District.....	18·5	2·9	11·7

For the district as a whole, only about 12 per cent of the rural families reported repayments during the year. The proportion of repaying families varied considerably from village to village. In Huria, the proportion of repaying families exceeded 20 per cent while in Madhupur it was only 2·3 per cent.

The proportion of repaying families among non-cultivators is even smaller, the overall proportion for the district being 2·9 per cent. In Mangalpur, Jagadishpur and Bhabanandapur, no family reported having repaid any of their borrowing or debt. The highest proportion of repaying families was from Bijur.

The proportion of repaying families among cultivating families was 18·5 per cent for the district as a whole. The highest proportion of repaying families (30 per cent) was from Mangalpur. Table 5.2 shows the proportion of repaying families among the different groups of cultivating families.

Among the big cultivators, the proportion of repaying families was about 29 per cent. The highest proportion of repaying families (66·7 per cent) was from Mangalpur.

The proportion of families reporting repayment was 21·6 per cent among the large cultivators. In Mangalpur and Atapur, the proportion was slightly above 30 per cent.

TABLE 5.2—PROPORTION OF REPAYING FAMILIES AMONG DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data. In per cent]

Village	Big cultivators	Large cultivators	Medium cultivators	Small cultivators
	1	2	3	4
Auria	26.7	17.8	17.9	26.7
Bhabanandapur	16.7	18.8	5.0	20.0
Bijur	26.3	21.8	18.7	28.1
Huria	40.0	20.7	28.9	24.1
Atapur	20.0	31.0	13.2	17.2
Jagadishpur	25.0	7.1	21.1	6.7
Madhupur	—	12.5	—	—
Mangalpur	66.7	33.3	12.5	50.0
District	29.3	21.6	14.9	20.0

Among the medium cultivators, the proportion of repaying families was lower than that in the large cultivators group, the average proportion being at 14.9 per cent. No family in this group from Madhupur reported repayment. Among the small cultivators, the proportion of repaying families was 20 per cent.

5.2 PROPORTION OF REPAYING TO BORROWING FAMILIES

As repayments are made by those who borrowed during the year or who had past debts, it is possible to establish a relation between borrowing and repaying families or indebted families and repaying families. The relation between borrowing and repaying families will be considered first. Table 5.3 gives the proportion of repaying families to borrowing families among all families, non-cultivators, cultivators and among the four classes of cultivators.

TABLE 5.3—REPAYING FAMILIES AS PERCENTAGE OF BORROWING FAMILIES

[General Schedule data]

Village	REPAYING FAMILIES AS PERCENTAGE OF BORROWING FAMILIES						
	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators	All families
	1	2	3	4	5	6	7
Auria	57.1	44.4	62.5	66.7	57.7	14.3	42.5
Bhabanandapur	33.3	42.9	7.7	33.3	24.1	—	19.4
Bijur	45.5	34.3	26.4	38.1	32.3	20.0	25.8
Huria	66.7	40.0	44.0	31.8	38.7	18.2	35.6
Atapur	28.6	42.9	27.8	33.3	35.2	14.3	30.9
Jagadishpur	100.0	25.0	66.7	16.7	37.5	—	14.6
Madhupur	—	22.2	—	—	10.0	4.2	6.8
Mangalpur	66.7	60.0	100.0	75.0	70.0	—	53.8
District	50.9	40.7	35.7	37.1	37.9	7.8	26.7

The proportion of repaying to borrowing rural families was 26.7 per cent for the district as a whole. The highest proportion was 53.8 per cent in Mangalpur and the lowest 6.8 per cent in Madhupur.

The proportion of repaying families to borrowing families was higher among cultivating families than among non-cultivating families. In the latter group the proportion for the district as a whole was 7.8 per cent.

The proportion of repaying families to borrowing families among cultivators was 37.9 per cent. In Auria and Mangalpur, this proportion was 57.7 per cent and 70 per cent respectively. In Madhupur it was only 10 per cent.

Group-wise analysis shows that the proportion of repaying to borrowing families was about 51 per cent among big cultivators, 41 per cent among large cultivators, 36 per cent among medium cultivators, and 37 per cent among small cultivators.

5.3 PROPORTION OF REPAYING TO INDEBTED FAMILIES

Table 5.4 shows the proportion of repaying families to indebted families among rural families, non-cultivators, cultivators and among the four classes of cultivators.

TABLE 5.4—REPAYING FAMILIES AS PERCENTAGE OF INDEBTED FAMILIES

[General Schedule data]

Village	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators	All families
	1	2	3	4	5	6	7
Auria.....	66.7	29.6	27.8	40.0	32.3	6.3	21.8
Bhabanandapur.....	25.0	33.3	6.3	25.0	18.9	-	13.7
Bijur.....	35.7	27.9	22.2	37.2	28.2	19.3	23.7
Huria.....	66.7	37.5	34.4	29.2	33.3	13.3	29.9
Atapur.....	22.2	34.6	20.0	23.8	26.4	8.7	22.1
Jagadishpur.....	50.0	14.3	26.7	9.1	18.2	-	10.0
Madhupur.....	-	13.3	-	-	4.3	1.8	2.9
Mangalpur.....	66.7	50.0	33.3	75.0	53.8	-	31.8
District.....	39.3	30.6	21.0	26.0	25.5	4.8	17.5

The proportion of repaying families to indebted families was less than that of repaying families to borrowing families. It was 17.5 per cent among all families, 4.8 per cent among non-cultivating families, and 25.5 per cent among cultivating families. Group-wise, the proportion is 39.3 per cent in the big cultivators group, 30.6 per cent in the large cultivators group, 21.0 per cent in the medium cultivators group, and 26.0 per cent in the small cultivators group.

5.4 AVERAGE REPAYMENT PER FAMILY

For all families, the average repayment per family in the district was Rs 20. In no village the average repayment per family exceeded Rs 30, which is the highest amount recorded in Atapur. The lowest average repayment per family is Rs 4 in Madhupur.

Table 5.5 indicates the average repayment per family in the selected villages.

TABLE 5.5—AVERAGE AMOUNT REPAID PER FAMILY

[General Schedule data. Amount in rupees]

CULTIVATORS		NON-CULTIVATORS		ALL FAMILIES	
Village	Amount	Village	Amount	Village	Amount
1		2		3	
Bijur.....	57	Atapur.....	10	Atapur.....	30
Auria.....	44	Bijur.....	6	Bijur.....	29
Mangalpur.....	41	Huria.....	5	Huria.....	23
Atapur.....	36	Madhupur.....	3	Auria.....	22
Jagadishpur.....	36	Auria.....	1	Jagadishpur.....	21
Huria.....	27	Bhabanandapur.....	-	Mangalpur.....	19
Bhabanandapur.....	25	Jagadishpur.....	-	Bhabanandapur.....	14
Madhupur.....	6	Mangalpur.....	-	Madhupur.....	4
District.....	33		3		20

Among the non-cultivating families the average repayment per family amounted only to Rs 3 and the highest amount recorded was Rs 10 in Atapur. In Bhabanandapur, Jagadishpur and Mangalpur, no repayments were reported.

Among cultivating families, the average repayment per family amounted to Rs 33. The highest average repayment per family was at Rs 57 in Bijur and lowest at Rs 6 in Madhupur. In Auria and Mangalpur, the average repayment per cultivating family was Rs 44 and Rs 41 respectively.

Table 5.6 gives the average repayments per family for different groups of cultivators.

TABLE 5.6—AVERAGE AMOUNT REPAID PER FAMILY AMONG DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data. Amount in rupees]

BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
Village	Amount	Village	Amount	Village	Amount	Village	Amount
Bijur.....	254	Bijur.....	126	Auria.....	41	Mangalpur....	95
Atapur.....	130	Auria.....	62	Jagadishpur..	29	Jagadishpur..	67
Bhabanandapur	117	Atapur.....	62	Huria.....	28	Bijur.....	40
Huria.....	90	Bhabananda- pur.....	53	Bijur.....	19	Atapur.....	33
Auria.....	59	Huria.....	34	Mangalpur....	19	Auria.....	29
Jagadishpur...	40	Mangalpur....	26	Atapur.....	18	Bhabananda- pur.....	25
Mangalpur.....	20	Madhupur....	21	Bhabananda- pur.....	3	Huria.....	17
Madhupur.....	-	Jagadishpur..	11	Madhupur....	-	Madhupur....	-
District.....	81		43		20		41

The average amount of repayment by a big cultivator was Rs 81 per family. The highest average repayment per family was Rs 254 in Bijur. In two villages, the repayment per family was below Rs 50. In the case of large cultivators, the average repayment per family was Rs 43, the highest being Rs 126 in Bijur, and the lowest Rs 11 in Jagadishpur. The average repayment per family among medium cultivators was Rs 20, the highest repayment per family being Rs 41 in Auria. The performance of the small cultivators appears to be better when compared to that of the medium cultivators, the average repayment per family amounting to Rs 41. On closer scrutiny, however, it is noticed that a cultivator in Jagadishpur owning a small plot of land and having other sources of income repaid Rs 1,000 out of a total borrowing of Rs 3,000 incurred for meeting ceremonial expenditure.

5.5 AVERAGE REPAYMENT PER REPAYING FAMILY

Table 5.7 shows the average repayment per repaying family in the different groups of families.

TABLE 5.7—AVERAGE AMOUNT REPAID PER REPAYING FAMILY

[General Schedule data. Amount in rupees]

Village	Big cultivators	Large cultivators	Medium cultivators	Small cultivators	All cultivators	Non-cultivators	All families
	1	2	3	4	5	6	7
Auria.....	220	350	232	109	214	58	196
Bhabanandapur.....	700	283	50	123	181	—	181
Bijur.....	966	578	102	142	253	51	171
Huria.....	225	167	97	69	106	50	102
Atapur.....	650	199	134	194	181	150	178
Jagadishpur.....	160	160	140	1,000	287	—	287
Madhupur.....	—	165	—	—	165	230	187
Mangalpur.....	30	77	150	190	136	—	136
District.....	276	198	131	203	178	91	169

Taking all families, the average repayment per repaying family was Rs 169, the highest amount of repayment being Rs 287 in Jagadishpur and lowest, Rs 102 in Huria. The average repayment per repaying non-cultivating family was Rs 91. Among the cultivating families, the average repayment per repaying family did not exceed Rs 200 except in Auria, Bijur and Jagadishpur. Analysis of the average repayment per reporting family among the different classes of cultivators shows that the repayment performance of the small cultivators was better than that of medium cultivators. The average repayment among small cultivators has been pulled up owing to large repayment by one family in Jagadishpur having other sources of income.

5.6 PROPORTION OF REPAYMENTS TO DEBT PLUS REPAYMENTS

In this section the extent of repayment in relation to borrowings during the year and outstanding debt at the beginning of the year will be discussed. The amount of outstanding debt at the beginning of the year plus borrowing during the

year represents the total amount in relation to which repayments might have been made. This total is equal to outstanding debt at the end of the year plus repayments. Table 5.8 shows the repayments as percentage of borrowings and outstanding debt plus repayment in each of the selected villages.

TABLE 5.8—REPAYMENTS AS PERCENTAGES OF BORROWINGS AND OF OUTSTANDING DEBT PLUS REPAYMENTS

[General Schedule data. All families]

Village	Repayment as per cent of borrowings	Repayment as per cent of outstanding debt plus repayments
Auria	38·0	17·7
Bhabanandapur	20·7	10·3
Bijur	14·7	9·7
Huria	22·2	15·0
Atapur	18·4	11·6
Jagadishpur	27·6	12·1
Madhupur	4·7	0·8
Mangalpur	53·1	27·5
District	20·5	8·7

For the district as a whole, the proportion of repayment to borrowing was 20·5 per cent. The highest proportion was 53·1 per cent in Mangalpur and lowest 4·7 per cent in Madhupur. The proportion of repayment to outstanding debt plus repayment works out lower at 8·7 per cent for the district as a whole. Here also, Mangalpur ranked first and Madhupur last.

5.7 SOURCE OF FINANCE FOR REPAYMENTS

An important aspect of the position of repayment is the means whereby it was financed. If a significant part of even the relatively small repayment of dues were made through sources such as borrowing or sale of assets, the position thereby indicated would be greatly different from that indicated by repayment being made through current income. We collected data on source of finance of particular items of expenditure including repayment. The four major sources of finance are current income, past savings, sale of assets, and borrowings. In the present context the term 'current income' can be easily interpreted, but this is not the case with past savings. All savings made in the past which have been turned into any real or financial asset could be drawn upon only by realization of the value of that asset. When this is the case, the source of finance recorded would be sale of assets. Financial assets include, among other things, deposits in co-operative societies, postal savings and other banks etc. To the extent that the investigation staff followed the instructions correctly, the withdrawal of deposits from a bank or society would be treated as a sale of financial asset. Since there is a definite item 'sale of assets' where receipts from sale of Government securities or Small Savings Certificates would be included, past savings would only be savings which are held in terms of cash or at the most deposits with banks or societies.

Table 5.9 gives the proportion of repayment financed by the various sources of finance.

TABLE 5.9—SOURCE OF FINANCE FOR REPAYMENT : ALL FAMILIES

[General Schedule data]

Source	Amount financed through each source (Rupees per family)	Proportion of the amount financed through each source to total repayments (Per cent)
Current income.....	14.9	75.8
Past savings.....	—	—
Sale of assets.....	4.8	24.2
Borrowings.....	—	—
Total	19.7	100.0

A little more than three-fourths of the repayment is financed by current income and the balance by receipts from sale of assets. No part of the repayment was financed by drawing on past savings or by fresh borrowing.

Table 5.10 shows the mode of repayments made through various sources for the upper and lower strata cultivators.

TABLE 5.10—REPAYMENT OF OLD DEBTS ACCORDING TO SOURCE OF FINANCE

[Intensive enquiry data. Amount in rupees per family]

Strata	From current income	From sale of assets
Upper strata.....	14.7 (55.4)	11.8 (44.6)
Lower strata.....	54.4 (85.2)	9.5 (14.8)
All cultivators	34.5 (76.4)	10.7 (23.6)

(Figures within brackets denote percentages to total.)

The position in regard to repayments of selected cultivating families is more or less the same. In the upper strata, about 55 per cent was financed by current income and 45 per cent by sale of assets.

CHAPTER 6

FAMILY EXPENDITURE

It was felt that a large proportion of the borrowings of the rural families would take place for expenditure on investment account and expenditure on durable consumer goods or special occasions of family expenditure, such as death, marriage and other ceremonies, sickness and litigation. Accordingly, information relating to certain specified items of family expenditure of the rural families was collected through the General Schedule, as well as through the intensive enquiry. No attempt was made to collect data relating to expenditure on current consumption account, such as expenditure on food, as the enquiry was undertaken not so much to study family budget in detail as to study rural credit and its working.

The specific items on which information was obtained were (1) expenditure on construction and repairs of residential houses and other buildings, (2) expenditure on account of purchase of household utensils, furniture, etc., (3) expenditure on purchase of clothing, shoes, bedding, etc., (4) death ceremonies, (5) marriage and other ceremonies, (6) medical expenses, (7) educational expenses and (8) litigation charges.

Table 6.1 shows the average of the total expenditure on the above items in each of the selected villages among cultivators, non-cultivators and all families.

TABLE 6.1—TOTAL FAMILY EXPENDITURE

[General Schedule data. Amount in rupees]

Village	Cultivators	Non-cultivators	All families
Auria.....	522	118	315
Bhabanandapur.....	311	103	216
Bijur.....	545	111	306
Huria.....	400	182	364
Atapur.....	644	167	534
Jagadishpur.....	610	132	412
Madhupur.....	636	214	384
Mangalpur.....	205	52	122
District.....	504	132	341

The average expenditure per family ranged between Rs 400 and Rs 650 among cultivators, except in Bhabanandapur and Mangalpur, where the average level was much lower. Among non-cultivators it varied from Rs 52 in Mangalpur to Rs 214 in Madhupur. For all families the range of variation in family expenditure was between Rs 122 in Mangalpur and Rs 534 in Atapur.

The average expenditure by different classes of families on various items and the relative proportions of the different items of expenditure to the total in various groups of cultivating families and among non-cultivators may now be discussed. Table 6.2 shows the average expenditure per family on different items in each class of rural families.

TABLE 6.2—AVERAGE EXPENDITURE PER FAMILY ON SPECIFIED ITEMS OF FAMILY EXPENDITURE

[General Schedule data. Amount in rupees per family]

Group	Con- struction and repairs of resi- dential houses and other build- ings	Pur- chase of house- hold uten- sils, furni- ture, etc.	Pur- chase of cloth- ing, shoes, bed- ding, etc.	Death cere- monies	Mar- riage and other cere- monies	Medi- cal ex- penses	Edu- cat- ional ex- penses	Liti- gation charges	Total family expendi- ture
	1	2	3	4	5	6	7	8	9
Big cultivators.....	353 (24.4)	26 (1.8)	313 (21.6)	82 (5.7)	249 (17.2)	240 (16.7)	160 (11.1)	22 (1.5)	1,444 (100.0)
Large cultivators.....	189 (20.7)	12 (1.4)	246 (26.9)	38 (4.1)	144 (15.8)	183 (20.0)	83 (9.0)	19 (2.1)	915 (100.0)
Medium cultivators....	58 (17.8)	2 (0.6)	118 (36.2)	12 (3.5)	32 (9.9)	77 (23.7)	18 (5.6)	9 (2.7)	327 (100.0)
Small cultivators.....	56 (18.4)	2 (0.7)	97 (32.2)	8 (2.5)	54 (18.0)	70 (23.4)	14 (4.6)	- (0.2)	301 (100.0)
All cultivators.....	99 (19.5)	5 (1.1)	152 (30.2)	19 (3.7)	74 (14.7)	109 (21.5)	37 (7.4)	10 (1.9)	504 (100.0)
Non-cultivators.....	25 (18.5)	1 (0.9)	55 (41.3)	5 (3.8)	9 (7.1)	34 (25.8)	2 (1.7)	1 (0.9)	132 (100.0)
All families.....	66 (19.4)	3 (1.0)	109 (32.1)	13 (3.7)	46 (13.4)	76 (22.3)	22 (6.4)	6 (1.7)	341 (100.0)

(Figures within brackets denote percentages to total.)

In all groups of families three items of expenditure, namely, expenditure on construction and repairs of residential houses and other buildings, expenditure on account of purchase of clothing, shoes, bedding, etc., and medical expenses were the most important. The relatively heavy medical expenditure is due mainly to the fact, that the eastern portion of the district is very unhealthy on account of malaria and the majority of the selected villages are located in this part. The vital statistics, as given in the Burdwan Census Handbook, show that the largest number of deaths in the district were due to fever and malaria.

Among the big cultivators, the average expenditure on construction and repairs of residential houses and other buildings was highest at Rs 353 per family, accounting for nearly 25 per cent of the total. The next important item was purchase of clothing, shoes, etc., the average expenditure being Rs 313 per family.

In other groups of cultivating families, the expenditure on account of purchase of clothing, etc., was highest at Rs 246 per family among the large cultivators, Rs 118 per family among the medium cultivators and Rs 97 per family among the small cultivators. The relative proportions of this expenditure to the total in those groups are 26.9 per cent, 36.2 per cent and 32.2 per cent respectively. The expenditure on account of marriage and other ceremonies and educational expenses are significantly large only among big and large cultivators. The average expenditure for purchase of household utensils was very small, accounting for about one per cent of the total expenditure.

6.1 EXPENDITURE ON CONSTRUCTION AND REPAIRS OF RESIDENTIAL HOUSES AND OTHER BUILDINGS

A high proportion of rural families reporting this expenditure would normally indicate damage to houses caused by floods and natural calamities. Large scale repair may also be undertaken after the rainy season. Table 6.3 shows the proportion of families reporting this expenditure among cultivators, non-cultivators and all rural families, and the average expenditure incurred by them.

TABLE 6.3—EXPENDITURE ON CONSTRUCTION AND REPAIRS OF RESIDENTIAL HOUSES AND OTHER BUILDINGS

[General Schedule data]

Village	PROPORTION OF FAMILIES REPORTING EXPENDITURE (Per cent)			EXPENDITURE PER FAMILY (Rs)			EXPENDITURE PER REPORTING FAMILY (Rs)		
	Culti-vators	Non-culti-vators	All fami-lies	Culti-vators	Non-culti-vators	All fami-lies	Culti-vators	Non-culti-vators	All fami-lies
	1	2	3	4	5	6	7	8	9
Auria	75.3	83.1	79.3	112	28	69	149	34	87
Bhabanandapur	68.6	48.8	59.6	37	14	26	53	28	44
Bijur	68.4	53.5	60.2	81	24	50	119	45	83
Huria	68.8	63.2	67.8	105	21	91	153	33	134
Atapur	47.9	17.2	40.8	115	16	92	240	92	225
Jagadishpur	60.4	38.2	51.2	145	16	92	241	41	179
Madhupur	75.0	55.8	63.6	114	50	76	152	90	120
Mangalpur	34.8	48.1	42.0	31	10	20	89	21	47
District	59.3	50.2	55.3	99	25	66	166	49	120

For the district as a whole, about 55 per cent of the families reported this expenditure. For cultivators, the proportion was 59.3 per cent and for non-cultivators 50.2 per cent. Deviations from this average are noticed in the case of Auria, Huria, Atapur and Mangalpur. The average expenditure was Rs 99 per cultivating family and Rs 25 per non-cultivating family.

Table 6.4 gives the frequency distribution of cultivating families according to the size of expenditure on construction and repairs of residential houses and other buildings.

TABLE 6.4—FREQUENCY DISTRIBUTION OF CULTIVATING FAMILIES ACCORDING TO THE SIZE OF EXPENDITURE ON CONSTRUCTION AND REPAIRS OF RESIDENTIAL HOUSES AND OTHER BUILDINGS

[General Schedule data]

Size of expenditure	Number of families	Proportion of families (Per cent)
Nil.....	238	34.0
Below Rs 100.....	301	43.1
Rs 100 - Rs 200.....	82	11.7
Rs 200 - Rs 300.....	26	3.7
Rs 300 - Rs 400.....	20	2.9
Rs 400 - Rs 500.....	2	0.3
Rs 500 - Rs 600.....	9	1.3
Rs 600 - Rs 700.....	4	0.6
Rs 700 - Rs 800.....	1	0.1
Rs 800 - Rs 900.....	3	0.4
Rs 900 - Rs 1,000.....	-	-
Rs 1,000 and above.....	13	1.9
Total.....	699	100.0

Out of 699 families investigated, 238 or 34 per cent did not report this expenditure. Another 301 or 43.1 per cent reported expenditure below Rs 100. The class interval Rs 100 to Rs 400 included 128 families or 18.3 per cent of the total. Families reporting expenditure above Rs 1,000 were 13 in number or 1.9 per cent of the total. As regards the sources of finance, about 80 per cent of the expenditure was financed by current income, 18 per cent by borrowings and 2 per cent by sale of assets.

6.2 EXPENDITURE ON DEATH CEREMONIES

Table 6.5 shows the proportion of families reporting this expenditure and the average expenditure per family and per reporting family.

TABLE 6.5—EXPENDITURE ON DEATH CEREMONIES

[General Schedule data]

Village	PROPORTION OF FAMILIES REPORTING EXPENDITURE (Per cent)			EXPENDITURE PER FAMILY (Rs)			EXPENDITURE PER REPORTING FAMILY (Rs)		
	Culti-vators	Non-culti-vators	All families	Culti-vators	Non-culti-vators	All families	Culti-vators	Non-culti-vators	All families
	1	2	3	4	5	6	7	8	9
Auria.....	8.9	0.6	4.7	10	-	5	117	25	111
Bhabanandapur.....	13.7	4.7	9.6	25	2	14	179	40	148
Bijur.....	10.7	4.3	7.2	21	3	11	192	72	152
Huria.....	7.3	10.5	7.8	8	12	8	106	115	108
Atapur.....	3.1	-	2.4	7	-	6	235	-	235
Jagadishpur.....	10.4	-	6.1	27	-	16	257	-	257
Madhupur.....	7.7	16.9	13.2	47	12	26	613	69	197
Mangalpur.....	13.0	7.4	10.0	12	7	10	93	100	96
District.....	8.5	6.6	7.7	19	5	13	218	76	165

In the majority of the villages, the proportion of families reporting this expenditure was around or below 10 per cent.

In Mangalpur and Bhabanandapur, the proportion was about 13 per cent among cultivators and 16.9 per cent among non-cultivators in Madhupur. The average expenditure per family among cultivators was highest at Rs 47 in Madhupur and lowest at Rs 7 in Atapur. The average expenditure per reporting family generally ranged between Rs 100 and Rs 250 except in Madhupur where it was highest at Rs 613. Nearly 47 per cent of the expenditure was financed by current income, 29 per cent by liquidation of assets and 23 per cent by borrowings.

6.3 EXPENDITURE ON MARRIAGE AND OTHER CEREMONIES

Table 6.6 gives the proportion of families reporting this expenditure and the average expenditure per family and per reporting family.

TABLE 6.6—EXPENDITURE ON MARRIAGE AND OTHER CEREMONIES

[General Schedule data]

Village	PROPORTION OF FAMILIES REPORTING EXPENDITURE (Per cent)			EXPENDITURE PER FAMILY (Rs)			EXPENDITURE PER REPORTING FAMILY (Rs)		
	Culti-vators	Non-culti-vators	All fami-lies	Culti-vators	Non-culti-vators	All fami-lies	Culti-vators	Non-culti-vators	All fami-lies
	1	2	3	4	5	6	7	8	9
Auria	17.8	3.9	10.7	111	6	58	626	165	539
Bhabanandapur	3.9	7.0	5.3	29	9	20	750	133	380
Bijur	14.4	4.8	9.1	128	10	63	884	205	688
Huria	22.9	5.3	20.0	70	8	60	305	150	298
Atapur	8.3	6.9	8.0	68	9	54	817	125	678
Jagadishpur	10.4	—	6.1	55	—	32	532	—	532
Madhupur	19.2	10.4	14.0	128	25	66	665	240	476
Mangalpur	4.3	3.7	4.0	43	1	21	1,000	40	520
District	12.1	5.4	9.1	74	9	46	612	180	502

In the majority of villages, the proportion of cultivating families reporting this expenditure was below 15 per cent. In Huria, Madhupur and Auria, it ranged between 18 per cent and 23 per cent. The average expenditure per reporting cultivating family ranged between Rs 750 and Rs 1,000 in Bhabanandapur, Bijur, Atapur and Mangalpur. About 61 per cent of the expenditure under this head was financed by borrowing, 14 per cent by receipts from sale of assets and 23 per cent by current income.

6.4 MEDICAL EXPENSES, EDUCATIONAL EXPENSES AND LITIGATION CHARGES

Table 6.7 shows the proportion of families reporting these items of expenditure and average expenditure per family and per reporting family among cultivators, non-cultivators and all families.

TABLE 6.7—MEDICAL EXPENSES, EDUCATIONAL EXPENSES AND LITIGATION CHARGES

[General Schedule data]

	MEDICAL EXPENSES			EDUCATIONAL EXPENSES			LITIGATION CHARGES		
	Proportion of families reporting expenditure (Per cent)	Expenditure per family (Rs)	Expenditure per reporting family (Rs)	Proportion of families reporting expenditure (Per cent)	Expenditure per family (Rs)	Expenditure per reporting family (Rs)	Proportion of families reporting expenditure (Per cent)	Expenditure per family (Rs)	Expenditure per reporting family (Rs)
	1	2	3	4	5	6	7	8	9
Cultivators	96·6	109	113	29·5	37	126	7·1	10	134
Non-cultivators	81·3	34	42	3·3	2	70	0·8	1	167
All families	89·9	76	85	18·0	22	122	4·3	6	137

About 97 per cent of the cultivating families and 81 per cent of the non-cultivating families reported medical expenses; the reasons for high proportion of families reporting this expenditure have been mentioned before. As regards educational expenditure, only about 30 per cent of the families among cultivators and 3 per cent among non-cultivators reported this expenditure, the average expenditure per reporting family in the two groups being Rs 126 and Rs 70 respectively. The proportion of families reporting litigation expenses is about 7 per cent among cultivators and less than 1 per cent among non-cultivating families. Medical expenses were financed to the extent of 66 per cent by current income, 6 per cent by sale of assets and 28 per cent by borrowings. More than 90 per cent of the educational expenditure was financed by current income. About one half of the litigation expenses was financed by current income and the balance by borrowing (45 per cent) and sale of assets (2 per cent).

We may now study the relative shares of the different items of family expenditure in the total borrowings for family expenditure. Table 6.8 shows the average amount borrowed for different items of expenditure and their proportion to total borrowings for family expenditure.

Borrowings for marriage and other ceremonies amounted to Rs 24·4 per family, accounting for the highest proportion (31 per cent) of total borrowings for family expenditure. Medical expenses and other family expenditure accounted for about 20 per cent and 21 per cent of the total amount borrowed for family expenditure. Expenditure on account of purchase of clothing, shoes, bedding, etc., accounted for another 12 per cent while that on construction and repairs of residential houses took about 10 per cent.

We may now study the average levels of expenditure on specified items of family expenditure by the selected cultivators. Table 6.9 sets out the position in the upper and lower strata of cultivating families.

TABLE 6.8—BORROWINGS FOR DIFFERENT ITEMS OF FAMILY EXPENDITURE

[General Schedule data. Amount in rupees per family]

Item	Amount (Rs)	Percentage to total
1. Construction and repairs of residential houses and other buildings.....	7.5	9.5
2. Purchase of household utensils, furniture, etc.....	0.3	0.4
3. Purchase of clothing, shoes, bedding, etc.....	9.3	11.7
4. Death ceremonies.....	2.4	3.1
5. Marriage and other ceremonies.....	24.4	30.7
6. Medical expenses.....	16.0	20.2
7. Educational expenses.....	0.3	0.3
8. Litigation charges.....	2.7	3.4
9. Other family expenditure.....	16.4	20.7
Total.....	79.3	100.0

TABLE 6.9—EXPENDITURE ON SPECIFIED ITEMS OF FAMILY EXPENDITURE AMONG THE UPPER AND LOWER STRATA CULTIVATORS

[Intensive enquiry data. Amount in rupees per family]

Item	Upper strata	Lower strata	All families
1. Construction and repairs of residential houses, etc.....	118.0	28.2	73.1
2. Purchase of household utensils, furniture, etc.....	8.5	4.6	6.6
3. Purchase of clothing, shoes, bedding, etc.....	220.8	117.7	169.3
4. Death ceremonies.....	10.7	1.3	6.0
5. Marriage and other ceremonies.....	73.7	73.6	73.7
6. Medical expenses.....	126.6	67.7	97.1
7. Educational expenses.....	55.6	19.3	37.5
8. Litigation charges.....	4.8	2.1	3.5
Total.....	618.7	314.7	466.7

It may be seen from the above Table that for all cultivators expenditure on account of purchase of clothing, shoes, etc., ranked first in order of magnitude, followed by medical expenses, marriage and other ceremonies and construction of residential houses. More or less the same position holds good in the case of families in the upper strata. In the case of families in the lower strata, expenditure on clothing, shoes, etc., ranked first and that on marriage and other ceremonies second. The high level of expenditure on marriage and other ceremonies in the lower strata was on account of heavy expenditure by a *Brahmin* family in Jagadishpur which had sources of income other than agriculture.

Except in the case of death, marriage and other ceremonies, a greater proportion of the different items of expenditure was financed by current income. Of the expenditure on marriage and other ceremonies, nearly 70 per cent was financed by borrowing, 11 per cent by sale of assets and 19 per cent by current income. Current income financed 40 per cent of the expenditure on death ceremonies, and borrowings and sale of assets 25 per cent and 36 per cent respectively.

CHAPTER 7

CAPITAL EXPENDITURE

The information in respect of capital expenditure was collected through the General Schedule as well as intensive enquiry. The data have been classified for detailed analysis under a number of separate heads. Firstly, data relating to purchase of shares of co-operative societies, additions to deposits in banks and co-operative societies and purchase of Small Savings Certificates, have been grouped under 'financial investment'. Then there is one group called 'capital investment in non-farm business'. We did not collect information in respect of individual items constituting the category 'capital investment in non-farm business' but only obtained the total expenditure which might be of special importance. Capital expenditure other than on financial investment and non-farm business has been termed as 'capital investment in agriculture.'

7.1 FINANCIAL INVESTMENT EXPENDITURE

The material in respect of the above item has been drawn from three sources. The first source is the return in the General Schedule of the expenditure of financial investment which includes a number of sub-items. To the extent that rural families acquired assets during the year in the form of financial investment would by itself give a full picture. Two additional sources of information supplementing this information relate to data obtained through the intensive enquiry. The data of this enquiry were obtained from a sample of cultivating families in the selected villages. It, therefore, refers to a much smaller number of rural families and all of these belong to the class of cultivators. These data refer to two aspects not covered by any data collected through the General Schedule. The first is in respect of information relating to ownership of financial assets by the selected cultivating families. This was obtained as part of the information regarding the assets of cultivating families. The second set of information obtained through the intensive enquiry was by way of replies to the questionnaire on savings possibilities and savings behaviour.

The financial investment expenditure consists of (i) purchase of shares of co-operative societies, banks, etc., (ii) addition to deposits in co-operative societies, postal savings and other banks, etc., and (iii) purchase of National Savings Certificates, Treasury Bonds, etc. Addition to financial assets such as through loans made to others, addition to cash balances held by the family, etc., were not enquired into. Table 7.1 shows the overall picture of financial investment in the selected villages in respect of all families.

The picture regarding financial expenditure is rather unimpressive. Only a few cultivating families reported this expenditure and the expenditure per reporting

family is less than Rs 100. In Bijur village 1.3 per cent of the non-cultivating families reported financial investment expenditure and the expenditure per reporting family was Rs 7. Most of the expenditure was reported by the big cultivators and the expenditure was on account of purchase of shares in co-operative societies and deposits in postal savings banks.

TABLE 7.1—FINANCIAL INVESTMENT EXPENDITURE

[General Schedule data]

Village	ALL FAMILIES		
	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family
	(Per cent)	(Rs)	(Rs)
Auria	7.3	1	16
Bhabanandapur.....	—	—	—
Bijur.....	6.2	1	10
Huria.....	—	—	—
Atapur.....	5.6	2	36
Jagadishpur.....	4.9	3	63
Madhupur.....	—	—	—
Mangalpur.....	—	—	—
District.....	2.9	1	34

The selected cultivating families did not report financial assets even on a modest scale. Only one family from the upper strata reported having held deposits in postal savings bank. Five families in the upper strata also reported to have held insurance policies. In reply to the questions, why they did not hold any deposits in postal savings bank, National Savings Certificates, insurance policies, etc., 73 families from the upper strata and 40 families in the lower strata replied that they had no margin left for savings.

7.2 NATURE AND EXTENT OF CAPITAL EXPENDITURE IN NON-FARM BUSINESS

Table 7.2 shows the proportion of families reporting capital expenditure on non-farm business and the average expenditure per family and per reporting family.

Non-farm business embraces a large variety of economic activity from trading and processing to artisan and cottage industry. It would be seen that non-farm business expenditure has mainly been accounted for by cultivating families. The largest proportion of families among cultivators was 34.8 per cent in Mangalpur and lowest at 0.7 per cent in Auria. The average expenditure per family was highest at Rs 86 in Bijur and lowest at Rs 7 in Auria. The expenditure per reporting family was highest at Rs 1,300 in Atapur and lowest at Rs 70 in Mangalpur.

7.3 CAPITAL INVESTMENT IN AGRICULTURE

Capital investment in agriculture consists of nine specific items and one residual item, namely, other capital investment in agriculture. The nine specific items

TABLE 7.2—CAPITAL EXPENDITURE IN NON-FARM BUSINESS

[General Schedule data]

Village	CULTIVATORS			NON-CULTIVATORS			ALL FAMILIES		
	Pro- por- tion of fam- ilies report- ing expen- diture	Ex- pendi- ture per family	Ex- pendi- ture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Ex- pendi- ture per family	Ex- pendi- ture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Ex- pendi- ture per family	Ex- pendi- ture per report- ing family
	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)
	1	2	3	4	5	6	7	8	9
Auria.....	0.7	7	1,000	0.6	1	200	0.7	4	600
Bhabanandapur.....	-	-	-	-	-	-	-	-	-
Bijur.....	17.1	86	501	6.1	8	124	11.0	43	386
Huria.....	1.0	2	200	-	-	-	0.9	2	200
Atapur.....	2.1	27	1,300	-	-	-	1.6	21	1,300
Jagadishpur.....	-	-	-	-	-	-	-	-	-
Madhupur.....	17.3	47	272	1.3	1	100	7.8	20	255
Mangalpur.....	34.8	24	70	-	-	-	16.0	11	70
District.....	8.6	22	252	1.0	1	120	5.3	13	241

included are purchase of land, purchase of livestock and other items, such as reclamation of land, bunding and other land improvements, digging and repair of wells, purchase of implements, machinery and transport equipment. Since the data relating to purchase of land and purchase of livestock have several characteristics which mark them from other type of data, they require separate treatment and analysis. We, therefore, consider below in separate sections data relating to purchase of land and purchase of livestock.

7.3.1 Purchase of land

Table 7.3 shows the proportion of families reporting purchase of land and the average expenditure per family and per reporting family among cultivators, non-cultivators and all families.

Amount spent towards purchase of land accounted for about one-third of the capital expenditure in agriculture. Most of the transactions relating to purchase of land was accounted for by cultivating families. For the district as a whole, only about 4 per cent of the families reported transactions relating to purchase of land. The highest proportion of families was from the village Madhupur. This was due to purchase of land by displaced families from East Pakistan. The average amount of expenditure per family was Rs 20 and per reporting family Rs 462. The transactions reported by non-cultivating families were insignificant.

We may now consider the position in the different groups of cultivating families.

TABLE 7.3—EXPENDITURE FOR PURCHASE OF LAND

[General Schedule data]

Village	ALL CULTIVATORS			NON-CULTIVATORS			ALL FAMILIES		
	Pro- por- tion of fam- ilies report- ing expen- diture.	Ex- pen- diture per family	Ex- pen- diture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Ex- pen- diture per family	Ex- pen- diture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Ex- pen- diture per family	Ex- pen- diture per report- ing family
	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)
	1	2	3	4	5	6	7	8	9
Auria	10.3	100	974	-	-	-	5.0	49	974
Bhabanandapur	-	-	-	-	-	-	-	-	-
Bijur	9.1	43	478	0.4	-	30	4.3	20	453
Huria	7.3	46	633	-	-	-	6.1	39	633
Atapur	4.2	10	240	-	-	-	3.2	8	240
Jagadishpur	6.3	32	508	-	-	-	3.7	19	508
Madhupur	17.3	65	373	3.9	5	130	9.3	29	313
Mangalpur	4.3	22	500	-	-	-	2.0	10	500
District	6.9	34	497	0.9	1	126	4.3	20	462

TABLE 7.4—EXPENDITURE ON PURCHASE OF LAND BY CULTIVATORS

[General Schedule data]

Village	BIG CULTIVATORS			LARGE CULTIVATORS			MEDIUM CULTIVATORS			SMALL CULTIVATORS		
	Pro- por- tion of fam- ilies report- ing expen- diture	Expen- diture per family	Expen- diture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Expen- diture per family	Expen- diture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Expen- diture per family	Expen- diture per report- ing family	Pro- por- tion of fam- ilies report- ing expen- diture	Expen- diture per family	Expen- diture per report- ing family
	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)	(Per cent)	(Rs)	(Rs)
	1	2	3	4	5	6	7	8	9	10	11	12
Auria	13.3	493	3,700	8.9	182	2,053	12.5	98	780	8.9	20	225
Bhabanandapur ..	-	-	-	-	-	-	-	-	-	-	-	-
Bijur	15.8	109	692	10.9	68	620	5.3	17	325	12.3	54	443
Huria	10.0	50	500	17.2	121	702	2.6	21	400	3.4	4	120
Atapur	10.0	30	300	6.9	24	350	5.3	7	130	-	-	-
Jagadishpur	-	-	-	7.1	50	700	10.5	43	413	-	-	-
Madhupur	-	-	-	-	-	-	38.1	157	413	6.7	4	60
Mangalpur	-	-	-	-	-	-	-	-	-	16.7	83	500
District	5.6	56	1,000	6.1	45	744	9.2	39	425	4.8	16	342

Among the big cultivators, transactions relating to purchase of land were not reported in four villages; in the remaining four villages about 10 to 16 per cent of the families reported purchase of land. The average expenditure per family was highest at Rs 493 in Auria and lowest at Rs 30 in Atapur. The average expenditure per reporting family was highest at Rs 3,700 in Auria.

Among the large cultivators, transactions relating to purchase of land were reported in five villages, the highest proportion of families reporting these expenditure being 17·2 per cent in Huria. Among the medium cultivators, no family from Bhabanandapur and Mangalpur reported purchase of land. The highest proportion of families reporting purchase of land among the medium cultivators was 38·1 per cent in Madhupur and 2·6 per cent in Huria. For the district as a whole, the average expenditure per family and per reporting family in this group was Rs 39 and Rs 425 respectively.

Among the small cultivators, no family from Bhabanandapur, Atapur and Jagadishpur reported purchase transactions. The highest proportion of families reporting this expenditure was 16·7 per cent in Mangalpur, the average amount per family was also highest at Rs 83 in this village.

About 46 per cent of the expenditure on purchase of land in respect of all families was financed by owned funds, 32 per cent by receipts from sale of land and 22 per cent by borrowings.

7.3.2 Net purchase or sale of land

Whether the purchase of land by some members of a given group of cultivators meant a net addition to the landed assets of the group as a whole or whether at the same time some members of the group were selling land to a substantial extent needs to be examined. We may first examine the position in respect of sale of land, taking the various groups of rural families.

TABLE 7.5—PROPORTION OF FAMILIES REPORTING PURCHASE AND SALE OF LAND

[General Schedule data. In per cent]

Village	ALL CULTIVATORS		NON-CULTIVATORS		ALL FAMILIES	
	Purchase of land	Sale of land	Purchase of land	Sale of land	Purchase of land	Sale of land
	1	2	3	4	5	6
Auria.....	10·3	18·5	—	1·9	5·0	10·0
Bhabanandapur.....	—	3·9	—	—	—	2·1
Bijur.....	9·1	12·3	0·4	—	4·3	5·5
Huria.....	7·3	1·0	—	—	6·1	0·9
Atapur.....	4·2	6·3	—	—	3·2	4·8
Jagadishpur.....	6·3	—	—	—	3·7	—
Madhupur.....	17·3	13·5	3·9	—	9·3	5·4
Mangalpur.....	4·3	4·3	—	—	2·0	2·0
District.....	6·9	6·2	0·9	0·2	4·3	3·6

It is clear from the above Table that transactions of purchase and sale of land took place among cultivators. In Auria, Bijur and Atapur the proportion of families selling land was more than that purchasing land. In Mangalpur both the proportion of families purchasing and selling land were equal. In the remaining two villages,

namely, Huria and Madhupur, the proportion of families purchasing land exceeded those selling land.

Table 7.6 shows the proportion of families in different groups of cultivating families reporting purchase and sale of land.

TABLE 7.6—PROPORTION OF FAMILIES REPORTING PURCHASE AND SALE OF LAND : GROUP-WISE

[General Schedule data. In per cent]

Village	BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
	Pur- chase of land	Sale of land	Pur- chase of land	Sale of land	Pur- chase of land	Sale of land	Pur- chase of land	Sale of land
	1	2	3	4	5	6	7	8
Auria	13.3	20.0	8.9	22.2	12.5	14.3	8.9	20.0
Bhabanandapur	-	-	-	12.5	-	-	-	-
Bijur	15.8	15.8	10.9	16.4	5.3	10.7	12.3	10.5
Huria	10.0	-	17.2	-	2.6	2.6	3.4	-
Atapur	10.0	10.0	6.9	10.3	5.3	5.3	-	3.4
Jagadishpur	-	-	7.1	-	10.5	-	-	-
Madhupur	-	60.0	-	31.3	38.1	9.5	6.7	-
Mangalpur	-	-	-	11.1	-	-	16.7	-
District	5.6	11.2	6.1	11.4	9.2	4.5	4.8	3.1

In the case of big cultivators, the proportion of families reporting sale of land was the highest in village Madhupur where no expenditure on purchase of land was reported by them. This feature of a large proportion of big cultivators reporting sale of land is explained by the fact that displaced persons settled in that village, purchased land with the help of Government loans from the big cultivators. In village Auria, the proportion of families reporting sale exceeded that reporting purchase of land. In Bijur and Atapur, the proportions of families reporting sale and purchase of land respectively balanced each other. In Huria, while 10 per cent of the big cultivators reported expenditure on purchase of land, no sale of land was reported. In Bhabanandapur, Jagadishpur and Mangalpur, neither sale nor purchase of land was reported. Among large cultivators, no family from Huria and Jagadishpur reported sale of land. In the remaining villages, the proportion of families selling land was higher than that of purchasing land. Among medium cultivators, in Bijur about 5 per cent of the families reported purchase of land while about 11 per cent of the families reported sale of land. In Jagadishpur about 11 per cent of the families reported purchase of land while the proportion of families reporting sale of assets was nil. In Madhupur the proportion of families purchasing land was nearly four times of that reporting sale of land. For the district as a whole, in the case of small cultivators, the proportion of families reporting purchase of land exceeded that of reporting sale of land for the reason explained above.

Table 7.7 shows the net position of transactions relating to purchase and sale of land.

TABLE 7.7—NET PURCHASE OR SALE OF LAND

[General Schedule data]

Group	Expenditure on purchase of land per family	EXPENDITURE ON PURCHASE OF LAND BY THE GROUP AS PERCENTAGE OF THE TOTAL EXPENDITURE BY		Receipts from sale of land per family	RECEIPTS FROM SALE OF LAND BY THE GROUP AS PERCENTAGE OF THE TOTAL RECEIPTS FROM SALE OF LAND BY		Net purchase (+) or sale (-) of land per family	
		Culti-vators	All families		Culti-vators	All families		
	(Rs)	1	2	3	(Rs)	4	5	6	7
Big cultivators.....	56	17.0	16.6	126	31.7	31.3	-70	
Large cultivators.....	45	41.5	40.5	100	75.2	74.3	-54	
Medium cultivators.....	39	44.6	43.4	18	16.6	16.4	+22	
Small cultivators.....	16	13.9	13.6	12	8.2	8.1	+5	
All cultivators.....	34		97.5	42		98.8	-7	
Non-cultivators.....	1		2.5	1		1.2	-	
All families	20		100.0	24		100.0	-4	

It is evident from the above Table that the big and the large cultivators are on balance sellers of land, while the medium and small group of cultivators are net purchasers of land. The net sellers position among the big and large cultivators was partly facilitated by the need for meeting heavy family expenditure by receipts from sale of land and influx of displaced persons. It may be mentioned that in many cases, the big and large cultivators sold their lands which were generally uncultivable and in some cases the sale became a compulsion on account of forceful occupation by displaced families.

7.3.3 Purchase of livestock

Another important item included under capital expenditure in agriculture was the purchase of livestock. Livestock included plough and milch cattle, goats, sheep and all other farm animals but mainly represented plough and milch cattle. The purchase of livestock may indicate an addition to assets or replacement of incapacitated or sick cattle and/or reflect the practice prevalent in some villages of purchasing plough cattle just before the commencement of the agricultural season and of selling them after the completion of the cultivating season. Sales transactions at the end of the season may be due to the non-availability or high cost of fodder, the lack of grazing areas, the desire to purchase better cattle for the next season or the necessity to find finance immediately for certain purposes for which the sale of cattle offers a convenient source. The data obtained for the Survey in respect of purchase and sale of livestock consist only of the value of livestock purchased and sold and in the case of purchase, the source of finance for the purchase. There is

no means of finding out directly from these the nature of the transaction and of separating the different elements, such as, maintenance and replacement, seasonal purchase and sale and net addition to assets.

Table 7.8 shows the proportion of families reporting purchase of livestock among different groups of rural families.

TABLE 7.8—PROPORTION OF FAMILIES REPORTING PURCHASE OF LIVESTOCK
[General Schedule data. In per cent]

Village	Big culti- vators	Large culti- vators	Medium culti- vators	Small culti- vators	All culti- vators	Non- culti- vators	All fami- lies
	1	2	3	4	5	6	7
Auria.....	26.7	26.7	12.5	4.4	14.4	1.3	7.7
Bhabanandapur.....	16.7	25.0	5.0	20.0	15.7	11.6	13.8
Bijur.....	26.3	12.7	10.7	10.5	11.2	6.5	8.6
Huria.....	70.0	69.0	50.0	6.9	42.7	10.5	37.4
Atapur.....	30.0	20.7	10.5	3.4	11.5	—	8.8
Jagadishpur.....	50.0	42.9	26.3	6.7	25.0	2.9	15.9
Madhupur.....	—	12.5	23.8	20.0	19.2	3.9	10.1
Mangalpur.....	66.7	22.2	37.5	16.7	26.1	7.4	16.0
District.....	38.6	29.7	22.9	10.0	21.2	5.0	14.1

About 14 per cent of the families reported purchase of livestock. The proportion was generally high among the big and large cultivators as compared to the medium and small cultivators. In three villages, namely, Huria, Jagadishpur and Mangalpur, the proportion was very high among big, large and medium cultivators groups. In Mangalpur, the purchase related mainly to milch cattle, as dairy farming was the main occupation in most of the families in that village. In the other two villages, it related mostly to plough cattle.

Table 7.9 shows the average expenditure per family on purchase of livestock among different groups of rural families.

TABLE 7.9—AVERAGE EXPENDITURE INCURRED PER FAMILY ON PURCHASE OF LIVESTOCK
[General Schedule data. Amount in rupees]

Group	Auria	Bhaba- nan- dapur	Bijur	Huria	Atapur	Jaga- dish- pur	Mad- hupur	Man- galpur	Dist- rict
	1	2	3	4	5	6	7	8	9
Big cultivators.....	139	33	89	110	79	215	—	47	87
Large cultivators.....	94	43	41	120	43	167	2	16	69
Medium cultivators.....	27	11	20	87	14	38	31	56	39
Small cultivators.....	8	22	22	5	9	5	35	2	12
All cultivators.....	42	24	27	75	21	65	37	26	40
Non-cultivators.....	2	18	7	16	—	1	9	2	6
All families.....	22	21	16	65	16	39	20	13	25

The average expenditure per family was Rs 25 for this district as a whole. It was Rs 87 per family among the big cultivators, Rs 69 per family among the large cultivators, Rs 39 per family among the medium cultivators and Rs 12 per family among the small cultivators. The average expenditure was highest at Rs 215 in the big cultivators group in Jagadishpur and lowest at Rs 2 in the large cultivators group in Madhupur and the small cultivators group in Mangalpur.

TABLE 7.10—AVERAGE EXPENDITURE INCURRED PER REPORTING FAMILY ON PURCHASE OF LIVESTOCK

[General Schedule data. Amount in rupees]

Group	Auria	Bhabanadapur	Bijur	Huria	Atapur	Jagadishpur	Madhupur	Mangalpur	District
	1	2	3	4	5	6	7	8	9
Big cultivators.....	520	200	338	156	263	430	-	70	226
Large cultivators.....	353	173	320	188	208	389	13	70	232
Medium cultivators.....	215	212	189	174	138	143	132	150	169
Small cultivators.....	175	111	213	75	250	70	173	14	119
All cultivators.....	290	155	240	176	186	260	194	101	190
Non-cultivators.....	188	156	102	155	-	44	225	25	112
All families.....	281	155	182	175	186	244	201	82	178

The average expenditure on purchase of livestock per reporting family among the big cultivators varied from Rs 70 in Mangalpur to Rs 520 in Auria. In the large cultivators group, it ranged between Rs 13 in Madhupur and Rs 389 in Jagadishpur. In the medium cultivators group, the average expenditure per reporting family varied between Rs 132 in Madhupur and Rs 215 in Auria. In the small cultivators group it ranged between Rs 14 in Mangalpur and Rs 250 in Atapur.

Among the different sources from which finance was obtained by all families for expenditure on purchase of livestock, owned funds accounted for 55 per cent, borrowings 33 per cent and sale of assets 12 per cent.

Table 7.11 shows the proportion of families reporting sale of livestock, average receipt per family and per reporting family in respect of cultivating, non-cultivating and all rural families.

About 8.7 per cent of the rural families reported sale of livestock. The villages in which a relatively higher proportion of families reported sale of livestock are Mangalpur, Huria and Bijur. Sale of livestock by non-cultivating families was important only in Bijur where 10 per cent of families reported sale of livestock.

Among cultivating families, the proportion reporting sale of livestock was 14.3 per cent for the district. The villages in respect of which a relatively higher proportion of families reported sale of livestock were Mangalpur and Huria. The average amount of receipt from sale of livestock per reporting family was highest at Rs 258 in Madhupur and lowest at Rs 68 in Jagadishpur.

TABLE 7.11—RECEIPTS FROM SALE OF LIVESTOCK

[General Schedule data]

Village	CULTIVATORS			NON-CULTIVATORS			ALL FAMILIES		
	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)
	1	2	3	4	5	6	7	8	9
	Auria	9.6	16	169	1.3	1	80	5.3	8	158
Bhabanandapur	9.8	11	116	4.7	12	250	7.4	11	154
Bijur	13.4	16	122	10.0	7	68	11.5	11	96
Huria	18.8	30	159	-	-	-	15.6	25	159
Atapur	9.4	18	193	-	-	-	7.2	14	193
Jagadishpur	10.4	7	68	-	-	-	6.1	4	68
Madhupur	7.7	20	258	-	-	-	3.1	8	258
Mangalpur	34.8	26	74	-	-	-	16.0	12	74
District	14.3	18	127	1.6	2	116	8.7	11	126

Table 7.12 shows the proportion of families reporting sale of livestock, the average receipt per family and per reporting family among different groups of cultivators.

TABLE 7.12—RECEIPTS FROM SALE OF LIVESTOCK AMONG DIFFERENT GROUPS OF CULTIVATORS

[General Schedule data]

Village	BIG CULTIVATORS			LARGE CULTIVATORS			MEDIUM CULTIVATORS			SMALL CULTIVATORS		
	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)	Pro- por- tion of fami- lies report- ing sale of live- stock (Per cent)	Re- ceipt from sale of live- stock per family (Rs)	Re- ceipt from sale of live- stock per report- ing family (Rs)
	1	2	3	4	5	6	7	8	9	10	11	12
	Auria	13.3	49	370	6.7	18	263	16.1	24	152	4.4	5	105
Bhabanandapur ..	16.7	17	100	12.5	9	70	10.0	17	170	6.7	7	100
Bijur	10.5	36	345	5.5	15	273	18.7	17	93	14.0	16	118
Huria	30.0	34	113	27.6	66	240	21.1	23	111	6.9	2	25
Atapur	20.0	38	190	10.3	34	327	10.5	12	118	6.9	10	145
Jagadishpur	25.0	13	50	21.4	16	73	10.5	6	60	-	-	-
Madhupur	20.0	60	300	18.8	56	300	4.8	6	130	-	-	-
Mangalpur	33.3	17	50	33.3	33	100	25.0	16	65	50.0	27	53
District	22.5	31	139	18.6	33	177	13.8	14	102	10.4	8	75

The proportion of families reporting sales was 22.5 per cent among big cultivators, 18.6 per cent among large cultivators, 13.8 per cent among medium cultivators and 10.4 per cent among small cultivators. In Huria and Mangalpur, the proportion of families reporting sales in most of the groups were higher than the proportion in the corresponding groups for the district as a whole. Among the big and large cultivators, the average amount received per reporting family from the sale of livestock varied between Rs 100 and Rs 400 in majority of the villages. Among the medium cultivators the amounts received per reporting family varied between Rs 60 and Rs 170 and in the small cultivators group between Rs 25 and Rs 145.

The net result of all the transactions relating to purchase and sale of livestock is indicated in Table 7.13 below.

TABLE 7.13—NET PURCHASE OR SALE OF LIVESTOCK

[General Schedule data]

Group	Expenditure on purchase of livestock per family (Rs)	EXPENDITURE BY THE GROUP AS PERCENTAGE OF THE TOTAL EXPENDITURE BY		Receipts from sale of livestock per family (Rs)	RECEIPTS FROM SALE OF LIVESTOCK BY THE GROUP AS PERCENTAGE OF THE TOTAL RECEIPTS FROM SALE OF LIVESTOCK BY		Net purchase (+) or sale (-) of livestock per family (Rs)
		Culti-vators	All families		Culti-vators	All families	
		2	3		5	6	
	1			4			7
Big cultivators.....	87.5	22.8	20.5	31.3	18.1	16.8	+ 56.2
Large cultivators.....	68.9	53.8	48.5	32.8	57.1	52.8	+ 36.1
Medium cultivators.....	38.7	37.6	33.9	14.0	30.3	28.0	+ 24.7
Small cultivators.....	11.9	8.6	7.8	7.8	12.6	11.7	+ 4.1
		100.0			100.0		
All cultivators.....	40.3		90.2	18.1		92.5	+ 22.2
Non-cultivators.....	5.7		9.8	1.9		7.5	+ 3.8
All families	25.1		100.0	11.0		100.0	+ 14.1

In all groups of families, the value of purchases exceeded the value of sale of livestock. The net purchases varied from Rs 56 per family among the big cultivators to Rs 4 per family among the small cultivators. About 54 per cent of the purchases was accounted for by large cultivators, 38 per cent by medium cultivators and 9 per cent by small cultivators. The corresponding proportions in respect of sale of livestock are about 57 per cent, 30 per cent and 13 per cent.

Village-wise analysis shows that in almost all villages and in all groups, net purchases were recorded. The notable exception to the general trend was provided by the big and large cultivators in Madhupur where net sales of Rs 60 per family and Rs 54 per family respectively took place.

7.3.4 Other capital expenditure in agriculture

'Other' capital expenditure in agriculture pertains to expenditure on improvement, development or reclamation of land, purchase of implements and machinery, construction of farm structures, etc. As expenditure on items included in this group is meant chiefly for farm business, the incidence per acre of cultivated holding may have greater significance than the incidence per family.

Table 7.14 shows the proportion of families reporting expenditure on reclamation of land and the average expenditure per family and per acre.

TABLE 7.14—RECLAMATION OF LAND

[General Schedule data]

Group	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family	Percentage share in the total expenditure	Expenditure per acre of cultivated holding
	(Per cent)	(Rs)	(Rs)		(Rs)
	1	2	3	4	5
Big cultivators.....	14.4	11	77	19.8	0.8
Large cultivators.....	6.8	6	95	34.2	0.7
Medium cultivators.....	5.0	6	131	42.9	2.4
Small cultivators.....	8.7	5	53	22.9	5.9
				100.0	
All cultivators.....	6.6	6	90		1.4
Non-cultivators.....	0.3	—	29		
All families.....	3.6	3	88		

Reclamation of land usually means bringing into use wasteland. About 4 per cent of the rural families reported this expenditure, the average expenditure per family and per reporting family being Rs 3 and Rs 88 respectively. The proportion of families reporting this expenditure was about 14 per cent in the case of big cultivators and 5 to 9 per cent in the case of large, medium and small cultivators. The average expenditure per family varied from Rs 5 among small cultivators to Rs 11 among big cultivators. The average expenditure per acre of cultivated holding worked out to about Rs 6 in the case of small cultivators and Rs 2 in the case of medium cultivators as against less than a rupee in the case of big cultivators. The medium cultivators, however, accounted for the largest share of the total expenditure on this account.

Among the different sources from which the finance was obtained, borrowings accounted for about 62 per cent and owned funds about 38 per cent.

Table 7.15 shows the proportion of families reporting expenditure on bunding and other land improvements and the average expenditure per family and per acre of cultivated holding in the different groups of cultivators.

TABLE 7.15—BUNDING AND OTHER LAND IMPROVEMENTS

[General Schedule data]

Group	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family	Percentage share in the total expenditure	Expenditure per acre of cultivated holding
	(Per cent)	(Rs)	(Rs)		(Rs)
	1	2	3	4	5
Big cultivators.....	14.7	10	68	19.5	0.7
Large cultivators.....	10.9	12	109	69.9	1.3
Medium cultivators.....	6.2	3	44	19.7	1.0
Small cultivators.....	5.0	2	38	10.4	2.4
All cultivators.....	7.3	5	73	100.0	1.3
Non-cultivators.....	1.0	1	76		
All families.....	4.5	3	74		

About 5 per cent of the families reported expenditure under this head, the average expenditure per family being Rs 3. The proportion of families among the big cultivators was the highest at about 15 per cent and the average expenditure per family for the big cultivators was Rs 10. The highest average expenditure per family was recorded among the large cultivators group at Rs 12 ; this group accounted for nearly 70 per cent of the total expenditure and another 20 per cent was accounted for by medium cultivators. As in the case of expenditure on reclamation of land, the average expenditure per acre of cultivated holding worked out highest at Rs 2.4 in the case of small cultivators and lowest at Re 0.7 in the case of big cultivators. Nearly 53 per cent of the expenditure was financed by owned funds and 46 per cent by borrowed resources.

The proportion of families reporting expenditure and the average expenditure per family on digging and repair of wells and development of other irrigation resources were very negligible. This is accounted for by the fact that there are a number of tanks and ponds, though in neglected condition, and partly because of sufficient rainfall during agricultural seasons.

Table 7.16 shows the proportion of families reporting expenditure on laying of new orchards and plantations and the average expenditure per family and per acre of cultivated area.

In this district no special effort is being made by cultivators for growing fruits. Mango, jack fruit and bananas are generally reared near the villagers' huts. Water-melons are grown near the banks of the rivers but in none of the villages cultivators reported expenditure for growing melons. About 99 per cent of the expenditure on laying of new orchards and plantations was financed by borrowings.

TABLE 7.16—LAYING OF NEW ORCHARDS AND PLANTATIONS

[General Schedule data]

Group	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family	Percentage share in the total expenditure	Expenditure per acre of cultivated holding
	(Per cent)	(Rs)	(Rs)		(Rs)
	1	2	3	4	5
Big cultivators.....	0·3	-	5	0·6	-
Large cultivators.....	0·2	1	413	100·0	0·1
Medium cultivators.....	-	-	-	-	-
Small cultivators.....	-	-	-	100·0	-
All cultivators.....	0·1	-	413		0·1
Non-cultivators.....	-	-	-		
All families.....	-	-	413		

Table 7.17 shows the proportion of families reporting expenditure on account of purchase of implements and machinery and the average expenditure per family and per acre of cultivated holding in the different groups of cultivators.

TABLE 7.17—PURCHASE OF IMPLEMENTS AND MACHINERY

[General Schedule data]

Group	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family	Percentage share in the total expenditure	Expenditure per acre of cultivated holding
	(Per cent)	(Rs)	(Rs)		(Rs)
	1	2	3	4	5
Big cultivators.....	30·3	17	57	22·8	1·2
Large cultivators.....	28·6	10	35	39·9	1·1
Medium cultivators.....	23·7	10	44	51·4	3·9
Small cultivators.....	13·4	2	17	8·7	3·0
All cultivators.....	22·2	8	36	100·0	1·9
Non-cultivators.....	4·6	1	16		
All families.....	14·5	5	33		

The proportion of families reporting this expenditure was 22 per cent among cultivators and about 5 per cent among non-cultivators. In most cases expenditure related to purchase of wooden ploughs. Among the big and large cultivators, the proportion was around 30 per cent. The average expenditure per family varied from Rs 2 per family among the small cultivators to Rs 17 per family among the big cultivators. The expenditure per acre of cultivated holding was about one rupee per family among the big and large cultivators, Rs 4 in the medium cultivators group and Rs 3 in the small cultivators group. About 51 per cent of the expenditure was accounted for by medium cultivators, 23 per cent by big cultivators and 40

per cent by large cultivators. The small cultivators accounted for about 9 per cent. About 57 per cent of the expenditure was financed by owned funds, 36 per cent by borrowing and 7 per cent by receipts from sale of assets.

Table 7.18 shows the proportion of families reporting expenditure on construction of farm houses, cattle sheds, etc., and the average expenditure per family and per acre of cultivated holding in the different groups of cultivating families.

TABLE 7.18—CONSTRUCTION OF FARM HOUSES, CATTLE SHEDS, ETC.

[General Schedule data]

Group	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family	Percentage share in the total expenditure	Expenditure per acre of cultivated holding
	(Per cent)	(Rs)	(Rs)		(Rs)
	1	2	3	4	5
Big cultivators.....	2.5	1	58	6.2	0.1
Large cultivators.....	3.6	2	55	24.5	0.2
Medium cultivators.....	5.3	4	72	60.2	1.4
Small cultivators.....	3.0	1	43	15.3	1.7
All cultivators.....	4.1	3	61	100.0	0.6
Non-cultivators.....	0.1	—	50		
All families.....	2.3	1	61		

About 3 to 5 per cent of the families reported this expenditure in the different groups of cultivating families, the average expenditure per family varying from one rupee to four rupees. Nearly 60 per cent of the expenditure was concentrated in the medium cultivators group, about 25 per cent in the large cultivators group and 15 per cent in the small cultivators group. The expenditure per acre of cultivated holding varied from Re 0.1 in the big cultivators group to Rs 1.7 in the small cultivators group. About 79 per cent of the expenditure was financed by owned funds and 21 per cent by borrowing.

Table 7.19 shows the proportion of families reporting 'other' (miscellaneous) capital expenditure and the average expenditure per family and per acre of cultivated holding.

About 4 per cent of the cultivators reported expenditure on the item classified as 'miscellaneous'. The item being a residual one, nothing is known about its composition. The average expenditure per family varied from Rs 2 per small cultivator to Rs 14 per big cultivator. About 61 per cent of the expenditure was accounted for by the large cultivators, 24 per cent by the medium cultivators and 15 per cent by the small cultivators. About 39 per cent of the expenditure was financed by borrowings and 60 per cent by owned funds.

TABLE 7.19—OTHER (MISCELLANEOUS) CAPITAL EXPENDITURE IN AGRICULTURE

[General Schedule data]

Group	Proportion of families reporting expenditure	Expenditure per family	Expenditure per reporting family	Percentage share in the total expenditure	Expenditure per acre of cultivated holding
	(Per cent)	(Rs)	(Rs)		(Rs)
	1	2	3	4	5
Big cultivators.....	4.7	14	297	32.5	1.0
Large cultivators.....	5.2	9	170	61.1	1.0
Medium cultivators.....	3.5	3	79	23.5	1.0
Small cultivators.....	2.7	2	87	15.4	3.0
				100.0	
All cultivators.....	3.8	5	120		1.1
Non-cultivators.....	3.2	1	40		
All families.....	3.6	3	88		

7.4 INVESTMENT AND DISINVESTMENT

We may now attempt to ascertain the extent of surplus or deficit, if any, in the agricultural economy of the district during the year covered by the Survey. The data relating to outstanding debt, borrowing and repayment can hardly reveal fully the extent of deficit or surplus in the economy. Borrowing may take place for a variety of purposes. The increase in the outstanding debt or a low level of repayment may not indicate a deterioration in the economy. It is, therefore, necessary to find some indicators which may reveal the deterioration or surplus in the economy.

A surplus in a family economy may take the form of acquisition of capital assets, physical or financial or of direct lendings to others or of net repayments of debt, besides an augmentation in the kind or cash balance of the family; a deficit may be reflected either in an increase in liabilities through net borrowings or in the liquidation of assets, in addition to the depletion of kind and cash resources held. Therefore, by comparing the total assets and liabilities at the commencement of the period with those at the end of the year, we can measure the extent of surplus or deficit. A decrease in net assets would indicate deterioration while an increase in net assets an improvement in the position. While we collected full information regarding borrowing, repayment and capital investment in farm and non-farm business, we did not cover certain items, namely, (1) cash in hand, (2) bullion and ornaments, (3) stocks of commodities and (4) lendings by rural families. The main reason for not collecting any data on these items was the fear of arousing suspicion in the minds of the respondents. On account of the operation of the moneylending legislation, it was also considered inadvisable to solicit information from each person about his moneylending operation.

An alternative to this method would be a full enumeration of all transactions during the period. A complete examination of the household economy involving a

full record of receipts and expenditures of different categories was beyond the scope of the enquiry.

The method adopted by us to measure the deficit or surplus is to take credit for items of capital expenditure in farm as well as non-farm business and show as debits items like borrowings and sale of assets. It was assumed by us, that if we collect information regarding the acquisition of assets and reduction of debt on the one side and on the other, regarding the contraction of debt and sale of assets, the net change would adequately summarize the total result of economic activity during the year; the chief assumption in this procedure is that, all significant changes in deficits or surpluses would be reflected in the changes in capital assets and investments and in borrowings and debt. This approach has, however, certain limitations. Firstly, certain transactions leading to acquisition of assets, as sums lent and bullion and ornaments purchased, have been omitted. Secondly, changes in the stocks and inventories were not taken into account. There is also an assumption regarding the investment effect of certain expenditure. For the major part, it is believed, that most of these assumptions do not vitiate our conclusions to a material extent. The stocks and inventories positions of most of the cultivators do not change in a material way.

Table 7.20 sets out the overall position in regard to investment and disinvestment for the district as a whole.

TABLE 7.20—INVESTMENT—DISINVESTMENT : ALL FAMILIES

[General Schedule data. Amount in rupees per family]

INVESTMENT					DISINVESTMENT		
Capital expenditure in agriculture	Capital expenditure in non-farm business	Financial investment	Repayment of old debt	Total	Borrowings	Sale of assets	Total
1	2	3	4	5	6	7	8
61	13	1	20	95	96	45	141

Balancing investment and disinvestment, we find that for the district as a whole, there was a net disinvestment to the extent of Rs 46 per family. Among the items constituting investment, capital expenditure on farm was largest at Rs 61 per family and next in importance repayment of debt which amounted to Rs 20 per family. These were more than offset by heavy borrowing and liquidation of assets. However, if we take credit for the expenditure on construction and repairs of residential houses and other buildings which amounted to Rs 66 per family, there would be a positive balance of Rs 20 per family. The expenditure on construction and repairs of residential buildings had special significance for the district in view of the resettlement of displaced persons in some of the villages.

Table 7.21 shows the balance of investment and disinvestment in respect of non-cultivating families in each of the selected villages and for the district as a whole.

TABLE 7.21—INVESTMENT—DISINVESTMENT : NON-CULTIVATING FAMILIES

[General Schedule data. Amount in rupees per family]

Village	INVESTMENT					DISINVESTMENT			Net investment (+) or disinvestment (-)	Construction and repairs of residential houses and other buildings
	Capital expenditure in agriculture	Non-farm business expenditure	Financial investment expenditure	Repayment of old debt	Total	Borrowings	Sale of assets	Total		
	1	2	3	4	5	6	7	8			9	10
Auria.....	3	1	-	1	6	15	8	23	- 17	28
Bhabanandapur	18	-	-	-	18	22	12	33	- 15	14
Bijur.....	19	8	-	6	33	81	9	89	- 56	24
Huria.....	21	-	-	5	26	62	-	62	- 38	21
Atapur.....	-	-	-	10	10	65	2	67	- 57	16
Jagadishpur...	1	-	-	-	1	62	-	62	- 61	16
Madhupur.....	19	1	-	3	23	37	3	40	- 17	50
Mangalpur.....	4	-	-	-	4	11	-	11	- 7	10
District.....	10	1	-	3	14	40	4	44	- 30	25

In the case of non-cultivators, the most significant items constituting investment were capital expenditure in agriculture and repayment of debt. The average capital investment in agriculture per family amounted to Rs 10 for the district as a whole. Purchase of livestock accounted for rupees six out of rupees ten of capital expenditure of non-cultivators. Investment in non-farm business was insignificant. Only in five villages, repayment of debt was reported. The average repayment per family was highest at rupees ten in Atapur while in the remaining villages it ranged between rupee one and rupees six.

Borrowing was the largest item constituting disinvestment. It was so heavy that in all villages it alone exceeded the total investment by a large amount. The average borrowing per family ranged between Rs 60 and Rs 80 in Bijur, Huria, Atapur and Jagadishpur. In Madhupur it was lower at Rs 37 per family. In the remaining villages it ranged between Rs 10 and Rs 22 per family. The sale of assets was reported in five villages. It ranged between rupees two and rupees twelve per family.

Therefore, in all the villages, there was a net disinvestment position, which amounted to Rs 30 per family for the district as a whole. In Bijur, Atapur and Jagadishpur it varied from Rs 56 to Rs 61 per family. This large deterioration in the position of the non-cultivating families in these villages was mainly due to heavy expenditure on family account, particularly ceremonial expenditure incurred by a few families. However, three of the villages, Auria, Mangalpur and Madhupur show a positive balance if we take credit for the expenditure on construction and repairs of residential houses and other buildings. In these villages, displaced families borrowed from Government and utilized the money for construction of houses. In Mangalpur, the levels of capital expenditure and borrowing were low, and the net

small disinvestment was more than offset by the expenditure on construction and repairs of residential buildings. This village is mainly dependent on dairy farming, the products of which find a ready market in Raniganj town which is only two miles from the village.

Table 7.22 shows the investment-disinvestment position in respect of cultivators in each of the selected villages and for the district as a whole.

TABLE 7.22—INVESTMENT-DISINVESTMENT : ALL CULTIVATING FAMILIES

[General Schedule data. Amount in rupees per family]

Village	INVESTMENT					DISINVESTMENT			Net investment (+) or disinvestment (-)	Construction and repairs of residential houses and other buildings
	Capital expenditure in agriculture	Non-farm business expenditure	Financial investment expenditure	Repayment of old debt	Total	Borrowings	Sale of assets	Total		
	1	2	3	4	5	6	7	8	9	10
Auria	166	7	2	44	219	104	207	311	- 92	112
Bhabanandapur	33	-	-	25	58	102	55	156	- 98	37
Bijur	138	86	1	57	282	341	153	495	-213	81
Huria	149	2	-	27	177	112	41	153	+ 24	105
Atapur	47	27	3	36	112	191	46	237	-125	115
Jagadishpur . . .	119	-	5	36	160	86	44	130	+ 30	145
Madhupur	171	47	-	6	225	172	93	265	- 40	114
Mangalpur	54	24	-	41	120	64	91	155	- 35	31
District	102	22	2	33	159	140	77	217	- 58	99

Among the items constituting investment, capital expenditure on farm was the largest. In five of the eight selected villages, the average capital expenditure on farm per family ranged between Rs 119 and Rs 171. In Atapur, Mangalpur and Bhabanandapur, the average capital expenditure on farm was below Rs 55 per family. Non-farm business expenditure was relatively important in Bijur and Madhupur where it amounted to Rs 86 and Rs 47 per family. Financial investment expenditure was negligible in all the villages. The average repayment per family ranged between Rs 25 and Rs 57 in seven of the eight selected villages, in Madhupur it was only rupees six per family.

As regards disinvestment, we find that both borrowings and sale of assets were heavy but borrowings was comparatively larger. In six villages, the borrowings ranged between Rs 100 and Rs 350 per family. Only in Mangalpur and Jagadishpur, it was below Rs 100. The sale of assets was largest at Rs 207 per family in Auria followed by Rs 153 per family in Bijur. In other villages it ranged between Rs 40 and Rs 95 per family.

Balancing investment and disinvestment we find that in Huria and Jagadishpur, there was a positive balance, while in the remaining villages, there was net disinvest-

ment, which was particularly heavy in Bijur, Atapur, Bhabanandapur and Auria. Among the villages which turned a positive balance, we find that the average value of gross produce as well as cash receipts from sale of crop were very high. In fact Huria and Jagadishpur ranked first and second so far as gross value of produce and cash receipts from sale of crop were concerned. Among the villages which showed a heavy negative balance, there was not much variation in the value of gross produce per family. There was high level of borrowing for expenditure on family account. We noticed that in Mangalpur the dairy farmers were relatively better off and showed a positive balance. In contrast, the cultivators showed a negative balance.

If we take credit for the expenditure on construction and repairs of residential houses, the position altered slightly. Auria and Madhupur showed positive balance in addition to Huria and Jagadishpur. The expenditure on construction of houses by displaced persons contributed to this improvement.

Table 7.23 shows the investment-disinvestment position in respect of the four classes of cultivating families for the district as a whole.

TABLE 7.23—INVESTMENT-DISINVESTMENT AMONG THE FOUR CLASSES OF CULTIVATORS

[General Schedule data. Amount in rupees per family]

Group	Investment	Disinvestment	Net investment (+) or disinvestment (-)	Expenditure on construction and repairs of residential houses
	1	2	3	4
Big cultivators.....	302	606	-304	353
Large cultivators.....	236	391	-155	189
Medium cultivators.....	137	135	+ 2	58
Small cultivators.....	102	140	- 38	56
All cultivators.....	159	217	- 58	99

It may be seen that except the medium cultivators, all classes of cultivators showed a net disinvestment position. The largest disinvestment position was reported in the case of the big cultivators followed by the large cultivators. However, all groups showed a net positive balance when the amount of expenditure on construction and repairs of residential houses was added to the investment.

Table 7.24 shows the net investment or disinvestment position and the average expenditure per family on construction and repairs of residential houses and other buildings in respect of each class of cultivators in the selected villages.

It may be seen from the Table 7.24 that a very large deterioration in the position of the big cultivators in the district as a whole was due mainly to heavy disinvestment position in Madhupur, Atapur and Bijur. Their position showed a

significant improvement when the high expenditure on construction and repairs of residential houses recorded in Jagadishpur, Atapur and Auria was added.

TABLE 7.24—NET INVESTMENT OR DISINVESTMENT AND CONSTRUCTION AND REPAIRS OF RESIDENTIAL HOUSES AND OTHER BUILDINGS

[General Schedule data. Amount in rupees per family]

Village	BIG CULTIVATORS		LARGE CULTIVATORS		MEDIUM CULTIVATORS		SMALL CULTIVATORS	
	Investment (+) or disinvestment (-)	Expenditure on construction and repairs of houses	Investment (+) or disinvestment (-)	Expenditure on construction and repairs of houses	Investment (+) or disinvestment (-)	Expenditure on construction and repairs of houses	Investment (+) or disinvestment (-)	Expenditure on construction and repairs of houses
	1	2	3	4	5	6	7	8
Auria	-152	403	-175	203	- 9	86	-110	55
Bhabanandapur	- 55	38	-149	38	-101	44	- 46	25
Bijur	-676	248	-406	145	-203	57	- 39	53
Huria	+ 27	193	+115	218	+ 10	45	- 47	71
Atapur	-589	533	-222	248	-111	34	- 46	88
Jagadishpur	+113	1,088	+ 96	337	+ 91	78	-110	51
Madhupur	-1,210	80	-469	145	+203	137	+ 74	49
Mangalpur	- 2	25	-188	69	+ 77	6	+ 46	6

In the case of large cultivators also there was net disinvestment position in all villages except Huria and Jagadishpur. The highest net disinvestment was Rs 469 per family in Madhupur and lowest Rs 149 in Bhabanandapur. The position in regard to medium cultivators showed improvement in that four villages turned a positive balance as against two in the case of big and large cultivators. The position in regard to Auria also improved considerably when credit was taken for expenditure on construction of houses. Coming to the small cultivators group, we find that all the villages with the exception of Madhupur and Mangalpur showed a net disinvestment. However, in the case of Bijur, Huria and Atapur, the position improved when the amount of expenditure on construction and repairs of residential houses was added.

If we consider the position of selected cultivators included in the intensive enquiry, we find that the cultivators in the upper strata with investment of Rs 224 per family and disinvestment of Rs 230 per family, showed a small net disinvestment of Rs 6 per family. The families in the lower strata, however, showed net investment of Rs 68 per family, the investment and disinvestment per family being Rs 99 and Rs 31 respectively. If the balance is struck by taking credit for expenditure on construction and repairs of residential houses, all the families showed a positive balance.

Table 7.25 shows the frequency distribution of selected cultivators according to the net investment and disinvestment in the upper and lower strata.

TABLE 7.25—DISTRIBUTION OF SELECTED CULTIVATORS ACCORDING TO SIZE OF NET INVESTMENT-DISINVESTMENT

[Intensive enquiry data]

	Upper strata cultivators	Lower strata cultivators	All cultivators
Net disinvestment			
Above Rs 500.....	6	—	6
Rs 100 – Rs 500.....	10	2	12
Below Rs 100.....	7	6	13
Net investment			
Above Rs 500.....	5	1	6
Rs 100 – Rs 500.....	14	5	19
Below Rs 100.....	13	10	23
Families who did not report investment or disinvestment.....	23	16	39
Families in whose case investment and disinvestment balanced.....	2	—	2
Total.....	80	40	120

In the upper strata 23 families showed a net disinvestment position, the net disinvestment being above Rs 500 in the case of six families and between Rs 100 and Rs 500 in the case of ten families. In the lower strata, only eight families showed a negative balance, the net disinvestment being less than Rs 100 in the case of six cultivators.

However, a relatively larger number of families both in the upper and lower strata showed a positive balance. Five families in the upper strata and only one family in the lower strata showed net investment above Rs 500 while nineteen families—fourteen from upper strata and five from lower strata—turned positive balance between Rs 100 and Rs 500.

In the case of 23 families in the upper strata and in sixteen families in the lower strata neither investment nor disinvestment was reported.

CHAPTER 8

CURRENT FARM OPERATIONS

8.1 CURRENT FARM EXPENDITURE

In this section we shall study the farm expenses of the selected cultivating families. As regards the scope of the data relating to farm expenses, the total farm expenses include (1) value of seed and manure, both owned and purchased, (2) cash wages paid and value of payments made in kind to casual, annual and permanent farm servants, village artisans and others, (3) value of fodder and other cattle feed purchased and payments made for grazing facilities, (4) rent in cash or kind paid to landlords and co-sharers, (5) cost of maintenance and repairs of implements and machinery, (6) hire charges for implements and bullocks, (7) marketing charges including transport costs and (8) land revenue and other cesses, etc. No attempt has been made to evaluate the family labour employed and to include the value in the total farm expenses. The cost of owned fodder consumed on farm has not been taken into account, only payments made in cash having been included under cash farm expenses.

Table 8.1 shows the average value of cash expenditure and expenditure in kind per family as well as per acre in the different groups of cultivating families classified on the basis of the value of gross produce.

TABLE 8.1—CURRENT FARM EXPENDITURE CLASSIFIED ACCORDING TO GROSS PRODUCE GROUPS

[Intensive enquiry data]

Value of gross produce on farm	AMOUNT IN RUPEES PER FAMILY			AMOUNT IN RUPEES PER ACRE OF SOWN AREA		
	Current cash farm expen- diture	Current farm expen- diture in kind	Total current farm expen- diture	Current cash farm expen- diture	Current farm expen- diture in kind	Total current farm expen- diture
	1	2	3	4	5	6
Nil.....	39.7	16.4	56.1	50	21	71
Less than Rs 200.....	116.4	35.7	152.0	123	38	161
Rs 200 - Rs 400.....	314.0	48.9	362.8	104	16	120
Rs 400 - Rs 600.....	387.9	28.8	416.7	95	7	102
Rs 600 - Rs 1,000.....	489.2	57.0	546.2	78	9	87
Rs 1,000 - Rs 3,000.....	1,051.9	109.6	1,161.5	76	8	84

As we move from the lower to the higher gross produce groups, the value of cash expenditure as well as expenditure in kind per family generally shows a rise. The proportion of cash expenditure to total expenditure is relatively low in lower gross produce groups and high in higher gross produce groups.

The total expenditure per family is Rs 152 in the group having gross produce of less than Rs 200 and Rs 1,162 in the group with value of gross produce between Rs 1,000 and Rs 3,000. In the intermediate groups the total expenditure per family varies between Rs 363 and Rs 550 per family.

The value of cash as well as kind expenditure per acre of sown area generally declines from the low gross produce groups to higher gross produce groups. The cash expenditure declines from Rs 123 per acre in the group with gross produce less than Rs 200 to Rs 76 per acre in the highest gross produce group. Similarly expenditure in kind declines from Rs 38 per acre to Rs 8 per acre as we move from the lower to the higher gross produce groups.

Table 8.2 shows the constituent items of cash expenditure in the different groups of cultivating families classified on the basis of value of gross produce.

TABLE 8.2—CASH FARM EXPENDITURE ACCORDING TO GROSS PRODUCE GROUPS

[Intensive enquiry data. Amount in rupees]

Value of gross produce	SEED		MANURE		WAGES		FODDER		OTHER		TOTAL	
	Per family	Per acre	Per family	Per acre	Per family	Per acre	Per family	Per acre	Per family	Per acre	Per family	Per acre
	1	2	3	4	5	6	7	8	9	10	11	12
Nil.....	—	—	—	—	—	—	—	—	39.7	50	39.7	50
Less than Rs 200.	6.5	7	8.7	9	32.5	34	59.6	63	9.1	10	116.4	123
Rs 200—Rs 400	12.0	4	18.7	0	85.0	28	156.0	52	41.4	14	314.0	104
Rs 400—Rs 600	13.1	3	20.8	5	126.3	31	162.8	40	65.0	18	387.9	95
Rs 600—Rs 1,000	21.3	3	60.9	10	191.0	31	177.2	28	38.8	6	489.2	78
Rs 1,000—Rs 3,000	28.7	2	124.5	9	309.7	20	312.7	23	186.3	14	1,051.9	76
District	12.6	3.3	30.0	7.9	112.9	29.6	138.0	36.2	48.2	12.6	341.7	89.6

Expenditure on account of fodder purchased accounted for the largest share of the total cash expenditure followed by cash wages paid to hired labour. However, in the low gross produce groups, the cash wages paid per family were lower than the value of fodder purchased while in the high gross produce groups, the cash wages paid per family were higher than the cash expenditure on fodder. The expenditure on seed varied from about Rs 7 per family in the lowest gross produce group to Rs 29 in the highest gross produce group. The cash expenditure on manure generally varied between Rs 10 and Rs 20 per family upto gross produce groups of Rs 600 but in highest gross produce group, it rose to Rs 125 per family. The cash wages paid was Rs 400 per family with the highest gross produce group, which is more than twelve times of that in the lowest gross produce group. As regards fodder in the intermediate groups, the differences in the value of expenditure on fodder were not much, the average expenditure ranging between Rs 157 and Rs 177 per family. The 'other' cash expenditure varied from Rs 9 to Rs 41 per family in most of the groups but in the highest gross produce group it was about Rs 186.

The cash expenditure on seed declined from rupees seven per acre in the low gross produce group to rupees two in the highest gross produce group. In regard to

cash expenditure on manure, the average expenditure was rupees nine per acre in the low as well as in the high gross produce groups but in the intermediate groups, it was around rupees six. Not much variation was noticed in cash wages per acre in different groups since at the harvest time the rate of wages paid is more or less uniform. The cash expenditure on fodder declined from Rs 63 per acre in the lowest gross produce group to Rs 23 per acre in the highest gross produce group.

Table 8.3 shows the farm expenditure in kind in the different gross produce groups.

TABLE 8.3—CURRENT FARM EXPENDITURE IN KIND ACCORDING TO GROSS PRODUCE GROUPS

[Intensive enquiry data. Amount in rupees per family]

Value of gross produce	OWNED SEED		OWNED MANURE		DISPOSALS IN KIND		WAGES IN KIND		TOTAL	
	Per family	Per acre	Per family	Per acre	Per family	Per acre	Per family	Per acre	Per family	Per acre
	1	2	3	4	5	6	7	8	9	10
Nil	4.5	6	11.8	15	—	—	—	—	16.4	21
Less than Rs 200	5.6	6	14.9	16	15.2	16	—	—	35.7	38
Rs 200 - Rs 400	9.3	3	26.8	9	12.7	4	—	—	48.9	16
Rs 400 - Rs 600	13.9	3	15.0	4	—	—	—	—	28.8	7
Rs 600 - Rs 1,000	18.8	3	38.2	6	—	—	—	—	57.0	9
Rs 1,000 - Rs 3,000	32.1	2	77.5	6	—	—	—	—	109.6	8
District	11.8	3.1	27.0	7.1	6.8	2.3	—	—	47.6	12.5

In regard to expenditure in kind, owned seed and manure are the two most important items. The average expenditure on seed ranged from Rs 6 per family in the lowest gross produce group to Rs 32 per family in the highest gross produce group. The range of variation in owned manure was from Rs 15 to Rs 78 per family. The item disposals in kind was reported only by two groups in the lower range of gross produce, per family average being not more than rupees fifteen in either group. This disposal represented mainly payments of wages at harvest time.

We may now examine the relative importance of each of the items of cash and kind expenditure in the case of families in the upper and lower strata. Table 8.4 shows the expenditure per family under each head in the upper and lower strata.

In the upper strata, the total expenditure per family amounted to Rs 595 of which cash expenditure accounted for Rs 534 per family or about 90 per cent. The cash expenditures on wages to hired labour and purchase of fodder amounted to Rs 186 and Rs 203 per family respectively. These two items together accounted for nearly 66 per cent of the total farm expenditure. 'Other' cash expenditure accounted for about 13 per cent. Disposals in this strata is less important, accounting for one per cent of the total expenditure.

In the case of families in the lower strata also, the cash expenditure on wages and fodder accounted for the largest share but the proportion of cash expenditure to total expenditure was lower at 81 per cent; the difference having been mainly accounted for by relatively higher share of disposals. The total expenditure per

TABLE 8.4—CURRENT FARM EXPENDITURE ON VARIOUS ITEMS

[Intensive enquiry data. Amount in rupees per family]

Item	Upper strata	Lower strata	All cultivators
1. Cash expenditure on			
1-1 Seed.....	18.4	6.7	12.6
1-2 Manure.....	47.7	12.2	30.0
1-3 Wages.....	186.2	39.5	112.9
1-4 Fodder.....	203.2	72.9	138.0
1-5 Other cash expenditure.....	78.6	17.9	48.2
Total current farm cash expenditure...	534.1	149.2	341.7
2. Expenditure in kind on			
2-1 Seed.....	17.5	6.1	11.8
2-2 Manure.....	37.4	16.7	27.0
2-3 Disposals in kind.....	5.5	12.1	8.8
2-4 Wages in kind.....	—	—	—
Total current farm kind expenditure...	60.4	34.9	47.6
Total current farm expenditure	594.5	184.1	389.3

family was Rs 184 of which Rs 149 was cash expenditure. All the items of cash and kind expenditures were lower as compared to those in the upper strata except disposals.

It may be observed that 'other' cash expenditure amounted to Rs 79 per family in the upper strata and Rs 18 per family in the lower strata and formed 13 per cent and 10 per cent respectively of the total expenditure. The item 'other' cash expenditure comprises expenditure on twelve specified items, such as cash rent, land revenue and other agricultural charges, salaries to annual or permanent farm servants. In Table 8.5, the expenditure on the twelve items and their percentage shares are shown.

In the case of families in the upper strata, three items, namely, (1) salaries paid to annual or permanent farm servants, (2) cash rent paid to landlords and (3) cash contributions to tenants, co-sharers and partners were important, accounting for more than three-quarters of the total expenditure under this head. The average expenditure on account of salaries paid to annual farm servants amounted to Rs 32 per family, representing 41 per cent of the total expenditure. The cash rent paid to landlords amounted to Rs 20 per family, accounting for 25 per cent of the total expenditure. The cash contribution to tenants, etc., amounted to Rs 9 per family or 12 per cent of the total.

In the case of families in the lower strata, expenditure on account of hire of implements and bullocks was most important. The average expenditure per family was Rs 6 accounting for 33 per cent of the expenditure under 'other' expenditure. Next in importance was cash rent paid to landlord which amounted to Rs 4 per family and accounted for 23 per cent of the total. The cash contributions to tenants, co-sharers and partners amounted to about Rs 3 per family and formed 19 per cent of the total.

TABLE 8.5—OTHER CURRENT FARM CASH EXPENDITURE

[Intensive enquiry data. Amount in rupees per family]

Item	Upper strata		Lower strata		All cultivators	
	(Rs)	(Per cent)	(Rs)	(Per cent)	(Rs)	(Per cent)
	1	2	3	4	5	6
1. Cash contributions to tenants, co-sharers and partners.....	9.0	11.5	3.4	18.8	6.2	12.9
2. Purchase of material for farming*.....	4.0	5.1	—	—	2.0	4.1
3. Maintenance and repairs of implements and machinery.....	7.2	9.1	1.4	8.0	4.3	8.9
4. Hire of implements and bullocks.....	4.1	5.2	6.0	33.2	5.0	10.4
5. Transport charges for marketing.....	0.2	0.2	—	—	0.1	0.2
6. Sale commissions.....	—	—	—	—	—	—
7. Storage and other marketing costs.....	—	—	—	—	—	—
8. Salaries paid to annual or permanent farm servants.....	32.0	40.9	0.8	4.7	16.4	34.1
9. Cash rent paid to landlords.....	19.8	25.1	4.1	23.2	11.9	24.8
10. Land revenue and other agricultural charges....	0.2	0.3	1.3	7.0	0.8	1.5
11. Interest paid on loans..	—	—	—	—	—	—
12. Other cash farm expenses.....	2.1	2.6	0.9	5.1	1.5	3.1
Total.....	78.6	100.0	17.9	100.0	48.2	100.0

* Other than seed, manure and fodder.

Table 8.6 shows the sources of finance for the various items of cash expenditure in the two strata of cultivating families.

In both the strata of cultivating families, reliance had been placed on owned resources like current income and past savings for financing the various items of cash expenditure. Borrowed resources played a very insignificant role in the finance of the various items of cash expenditure. The percentage share of borrowings in the total cash farm expenditure did not exceed about 4 per cent for any item of cash expenditure.

8.2 DISPOSALS IN KIND

In regard to expenditure in kind we found that the disposals per family amounted to Rs 5.5 in the upper strata and Rs 12.1 in the lower strata (see Table 8.4). The item disposals in kind comprises (1) rent share to landlord or co-sharer, (2) wages to labour for harvesting, (3) remuneration to artisans and other services and (4) other payments at harvest time. The most significant item was wages to labour for harvesting. The expenditure per family was higher in the lower strata than in the upper strata. Inter-village analysis also shows that of the four villages which reported disposals in kind, wages to labour for harvesting was the only item reported

by three villages; the fourth village, namely, Huria reported rent share to landlord or co-sharer.

TABLE 8.6—CURRENT CASH FARM EXPENSES ACCORDING TO SOURCE OF FINANCE

[Intensive enquiry data. Amount in rupees per family]

Strata/Item	Total current cash farm expenses	SOURCE OF FINANCE				
		Current income	Past savings	Sale of assets	Borrowings	Others
	1	2	3	4	5	6
Upper strata						
Purchase of seed.....	18.4 (100.0)	16.1 (87.5)	2.2 (12.0)	- (-)	0.1 (0.5)	- (-)
Purchase of manure.....	47.7 (100.0)	42.5 (89.1)	5.2 (10.9)	- (-)	- (-)	- (-)
Purchase of fodder.....	203.2 (100.0)	166.6 (82.0)	32.3 (15.9)	0.9 (0.4)	3.3 (1.7)	- (-)
Cash wages.....	186.2 (100.0)	143.2 (76.9)	34.5 (18.5)	0.9 (0.5)	7.6 (4.1)	- (-)
Other cash expenditure.....	78.6 (100.0)	53.2 (67.7)	22.4 (28.6)	0.2 (0.3)	2.8 (3.5)	- (-)
Total.....	534.1 (100.0)	421.7 (78.9)	96.7 (18.1)	2.0 (0.4)	13.8 (2.6)	- (-)
Lower strata						
Purchase of seed.....	6.7 (100.0)	5.1 (75.8)	1.5 (21.8)	- (-)	0.2 (2.4)	- (-)
Purchase of manure.....	12.2 (100.0)	10.7 (87.9)	1.5 (12.1)	- (-)	- (-)	- (-)
Purchase of fodder.....	72.9 (100.0)	61.7 (84.7)	8.5 (11.6)	- (-)	2.7 (3.7)	- (-)
Cash wages.....	39.5 (100.0)	33.4 (84.6)	5.1 (12.9)	- (-)	1.0 (2.5)	- (-)
Other cash expenditure.....	17.9 (100.0)	16.8 (93.9)	1.1 (6.1)	- (-)	- (-)	- (-)
Total.....	149.2 (100.0)	127.7 (85.6)	17.6 (11.8)	- (-)	3.8 (2.6)	- (-)
All cultivators						
Purchase of seed.....	12.6 (100.0)	10.6 (84.4)	1.8 (14.6)	- (-)	0.1 (1.0)	- (-)
Purchase of manure.....	30.0 (100.0)	26.6 (88.8)	3.3 (11.2)	- (-)	- (-)	- (-)
Purchase of fodder.....	138.0 (100.0)	114.2 (82.7)	20.4 (14.8)	0.4 (0.3)	3.0 (2.2)	- (-)
Cash wages.....	112.9 (100.0)	88.3 (78.3)	19.8 (17.5)	0.5 (0.4)	4.3 (3.8)	- (-)
Other cash expenditure.....	48.2 (100.0)	35.0 (72.5)	11.8 (24.4)	0.1 (0.2)	1.4 (2.9)	- (-)
Total.....	341.7 (100.0)	274.7 (80.4)	57.1 (16.7)	1.0 (0.3)	8.8 (2.6)	- (-)

(Figures within brackets denote percentages to total.)

8.3 CASH FARM RECEIPTS

In this section we propose to consider the size of cash receipts and the relative importance of the various sources of cash receipts. The cash receipts of cultivators

are divided into two broad groups for purposes of discussion. These are (1) cash proceeds from the sale of crops and fodder and (2) cash receipts from 'other' sources. The latter group includes cash receipts from sale of milk and milk products, sale of poultry and poultry products, sale of seed and plants, sale of manure, wages, remittances, carting, rent, interest and other sources. Information regarding receipts from non-farm business was not asked for. Table 8.7 shows the amount of receipts from different sources and the relative importance of each of them.

TABLE 8.7—CASH FARM RECEIPTS

[Intensive enquiry data]

Item	UPPER STRATA		LOWER STRATA		ALL CULTIVATORS	
	Amount per family (Rs)	Proportion to total (Per cent)	Amount per family (Rs)	Proportion to total (Per cent)	Amount per family (Rs)	Proportion to total (Per cent)
	1	2	3	4	5	6
Total cash farm receipts	512.2 (80.6)†	100.0	192.8 (151.1)†	100.0	352.4 (92.4)†	100.0
1. Sale of crops and fodder	374.8 (58.6)†	73.2	39.6 (30.5)†	20.6	207.2 (54.5)†	58.8
2. Sale of milk and milk products.....	22.7	4.4	21.9	11.4	22.3	6.3
3. Sale of poultry and poultry products.....	2.0	0.4	6.5	3.4	4.3	1.2
4. Sale of seed and plants.	7.2	1.4	—	—	3.6	1.0
5. Sale of manure.....	1.6	0.3	—	—	0.8	0.2
6. Cash wages.....	20.3	4.0	63.8	33.1	42.0	11.9
7. Remittances.....	3.1	0.6	4.0	2.1	3.6	1.0
8. Carting.....	5.9	1.2	12.3	6.4	9.2	2.6
9. Cash rent.....	4.2	0.8	0.1	0.1	2.1	0.6
10. Interest.....	—	—	—	—	—	—
11. Other sources.....	70.4	13.7	44.5	23.1	57.3	16.3
Total current cash farm expenses.....	534.1	104.3*	149.2	77.4*	341.7	96.9*

* Denotes the percentage of current cash farm expenses to total cash farm receipts.

† Denotes the average per acre of sown area.

The average cash receipts of an upper strata farmer is much higher than that of a farmer in the lower strata. For a farmer in the upper strata, receipts from sale of crops are most important while for a farmer in the lower strata, cash wages form a significant item of cash receipts. In the upper strata, the total cash receipts per family amounted to Rs 512 per family or Rs 81 per acre of sown area. Nearly three-fourths of the cash receipts was accounted for by receipts from sale of crops and fodder. The next important source of cash receipts was 'other' sources, which accounted for 14 per cent of the total cash receipts. Receipts on account of sale of milk and milk products and cash wages accounted for 4 per cent each.

For families in the lower strata, cash receipts from sale of crops and fodder accounted for only 21 per cent of the total cash receipts while cash wages constituted 33 per cent of the total cash receipts. Receipts from 'other' sources and sale of milk

and milk products, accounted for 23 per cent and 11 per cent respectively of the total cash receipts.

8.4 SEASONALITY OF FARM BUSINESS

An important aspect relating to the data on farm business collected by us is that of the extent to which there was marked seasonality in either expenditure in farm business or in receipt of cash income by the cultivating families. The expenses of which we took special account in the intensive enquiry were only current farm business expenses. The important issue in a consideration of seasonality is, therefore, the extent to which farm business expenditure is seasonal, i.e., has to be incurred more during particular periods in a year rather than during others and the extent to which cash receipts are seasonal, i.e., the extent to which they accrue more during one part or period of the year rather than in another. The seasonality of these receipts and of expenditure may establish a certain pattern of borrowing and repayment also to the extent that the cultivators have to borrow for their normal expenditure in the various seasons.

Seasonality of cash farm expenses is a function of the agricultural seasons and the type of crops grown by the cultivators. The seasonality of cash farm receipts is a function of the maturity of agricultural produce and its availability for sale. Farmers in regions where only a single season of cultivation is possible will have a highly seasonal incidence of both expenditure and receipts. Among receipts, it is receipts of farm business and more particularly receipts from sale of crops that are characterized by seasonality. Other cash receipts such as those from sale of milk and milk products and wages, except to the extent they are derived from seasonal agricultural labour, are not equally seasonal. It may, therefore, be expected that total cash receipts, for example, of the lower strata, who derive their incomes from a larger variety of sources, would exhibit less marked seasonality than the total cash receipts of the upper strata who depend much more largely on sale of crops as a source of cash receipts.

Table 8.8 sets out the cash farm expenditure and cash receipts of the upper and lower strata during the two halves of the year covered by the Survey.

We have noted in Chapter 1 that the most important crop grown in the district is *aus* and *aman* rice. A few cultivators grow cash crop like jute. But many families raise vegetable crops among which potato and onions are important. We have also noted that among the total cash expenditure, wages to labour and expenditure on fodder constitute the most significant items of expenditure. In view of this, the seasonality in cash expenditure was not as marked as could otherwise be expected. However, the cash expenditure per family both in the upper and lower strata is higher in the period April to September 1951 than in the subsequent period. In regard to cash receipts from sale of crops a marked seasonality is noticeable, the receipts being heavily concentrated in the period October 1951 to March 1952. The seasonality is also noticeable in the case of cash wages and receipts from sale of milk and milk

TABLE 8.8—CASH RECEIPTS AND CASH FARM EXPENDITURE

[Intensive enquiry data. Amount in rupees per family]

Item	APRIL-SEPTEMBER 1951			OCTOBER 1951-MARCH 1952		
	Upper strata	Lower strata	All cultivators	Upper strata	Lower strata	All cultivators
	1	2	3	4	5	6
Total current cash farm expenditure.....	289.7	89.9	189.8	244.4	59.3	151.9
Cash farm receipts from :						
1. Sale of crops and fodder	146.1	8.2	77.2	228.7	31.4	130.0
2. Sale of milk and milk products.....	8.5	5.8	7.1	14.2	16.1	15.2
3. Sale of poultry and poultry products.....	1.4	4.1	2.8	0.6	2.4	1.5
4. Sale of seed and plants	—	—	—	7.2	—	3.6
5. Sale of manure.....	—	—	—	1.6	—	0.8
6. Cash wages.....	5.6	15.8	10.7	14.7	48.0	31.3
7. Remittances.....	3.0	—	1.5	0.1	4.0	2.1
8. Carting.....	2.8	6.3	4.6	3.1	6.0	4.6
9. Cash rent.....	0.3	—	0.1	3.9	0.1	2.0
10. Interest.....	—	—	—	—	—	—
11. Other sources.....	7.4	2.1	4.7	63.0	42.4	52.6
Total.....	175.1	42.4	108.7	337.1	150.4	243.7

products. Families in both the strata receive a greater proportion of cash wages at harvest time. As regards cash receipts from sale of milk and milk products, it is not possible for cultivators to raise the output of milk and milk products and market them in the towns during the rainy season due to shortage of fodder and communication difficulties while during the winter, the position becomes more favourable.

CHAPTER 9

CREDIT AGENCIES

Information regarding the type of agency from which loans were borrowed during the year or to which loans were outstanding at the end of the year was collected for all rural families in the General Schedule and for the sample of cultivating families in the intensive enquiry. Information was also collected from each type of credit agency regarding its transactions and methods of operation. Using these two types of information, an attempt is made to assess the role of various credit agencies which supply credit to the rural families.

Borrowings of rural families were divided into nine classes according to the type of lending agency. All borrowings from Government, through various departments and under various schemes, were considered together in one class. Borrowings from different types of co-operative institutions, primary and central, credit and non-credit were all treated as borrowings from co-operatives. A separate class was created for interest-free loans given to borrowers by their relatives ; interest-bearing loans borrowed from relatives were put in the appropriate class of private agency to which the relative belonged, such as the agriculturist moneylender, the professional moneylender. Loans from landlords were classified separately as from landlords only when they were made by landlords to their own tenants. An agriculturist moneylender was defined as one whose major profession is agriculture and whose moneylending business is of comparatively minor importance. Borrowings from persons who are, in the main, traders and commission agents, were put in a separate class-referred to hereafter as traders. The category of professional moneylenders includes those who earned a substantial proportion of their income from money-lending and could not be classified as agriculturist moneylenders. Borrowings from all banks, scheduled and non-scheduled, were classified as borrowings from commercial banks. A separate class 'others' was formed to include borrowings from agencies other than those mentioned above.

9.1 RELATIVE IMPORTANCE OF VARIOUS CREDIT AGENCIES

Table 9.1 shows the relative position of the various credit agencies in the borrowings of the rural families.

The predominant source of borrowing for all groups of rural families was the professional moneylenders. About 54 per cent of the borrowings of cultivators as well as non-cultivators was supplied by this agency. In the case of medium and large cultivators, the proportion was slightly less, but in the case of small cultivators it was 66 per cent. The next important source of borrowing was relatives, who supplied nearly 32 per cent of the total borrowings of cultivators as well as of non-cultivators. In the case of big, large and medium cultivators, the share of relatives

in the total amount supplied by all sources was somewhat larger. The agriculturist moneylenders supplied about 8 per cent in the case of cultivators and 5 per cent in the case of non-cultivators. The percentage share of this agency in the case of borrowings by medium cultivators was slightly higher at 10 per cent. Other private agencies like landlords, traders and commission agents and commercial banks did not supply or supplied only a negligible proportion of the loans to the cultivators and non-cultivators.

TABLE 9.1—BORROWINGS CLASSIFIED ACCORDING TO CREDIT AGENCY

[General Schedule data. Amount in rupees per family]

Credit agency	Big culti- vators	Large culti- vators	Medium culti- vators	Small culti- vators	All culti- vators	Non- culti- vators	All families
	1	2	3	4	5	6	7
Government.....	- (-)	4 (2.0)	5 (5.5)	9 (8.0)	6 (4.4)	3 (8.0)	5 (5.1)
Co-operatives.....	3 (0.9)	2 (0.9)	2 (2.5)	2 (2.0)	2 (1.6)	- (0.2)	1 (1.3)
Relatives.....	151 (40.4)	82 (37.8)	34 (35.4)	17 (14.5)	44 (31.4)	13 (32.1)	30 (31.5)
Landlords.....	- (-)	- (-)	- (-)	- (0.2)	- (-)	- (0.3)	- (0.1)
Agriculturist moneylenders.....	23 (6.2)	16 (7.1)	10 (10.1)	10 (8.3)	12 (8.2)	2 (5.4)	7 (7.7)
Professional moneylenders.....	196 (52.4)	113 (51.9)	44 (46.2)	78 (66.2)	76 (53.9)	22 (53.7)	52 (53.8)
Traders and commission agents.....	- (-)	- (0.2)	- (-)	1 (0.7)	- (0.3)	- (0.3)	- (0.3)
Commercial banks.....	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Others.....	1 (0.2)	- (0.2)	- (0.2)	- (0.2)	- (0.2)	- (0.1)	- (0.2)
Total.....	373 (100.0)	218 (100.0)	95 (100.0)	117 (100.0)	140 (100.0)	40 (100.0)	96 (100.0)

(Figures within brackets denote percentages to total.)

Borrowings from Government constituted about 4 per cent in the case of cultivators and 8 per cent in the case of non-cultivators of the total. A higher proportion in the case of non-cultivators was accounted for by grants of loans to displaced persons from East Pakistan by the Government under various schemes for the rehabilitation of displaced persons. The co-operatives supplied only about one to two per cent of the total borrowings to each class of borrowers, excluding the non-cultivators who received only 0.2 per cent of the total borrowings from this agency.

9.2 RELATIVE IMPORTANCE OF CREDIT AGENCIES IN DEBT OWED BY RURAL FAMILIES

We may now discuss the relative importance of different credit agencies in the outstanding debt of the rural families. Table 9.2 shows the debt of the rural families classified according to credit agency.

TABLE 9.2—AVERAGE DEBT PER FAMILY CLASSIFIED ACCORDING TO CREDIT AGENCY

[General Schedule data. Amount in rupees per family]

Credit agency	Big culti- vators	Large culti- vators	Medium culti- vators	Small culti- vators	All culti- vators	Non- culti- vators	All families
	1	2	3	4	5	6	7
Government.....	1 (0.3)	31 (7.9)	51 (24.2)	65 (32.5)	49 (18.4)	63 (47.1)	55 (26.6)
Co-operatives and com- mercial banks.....	6 (1.2)	4 (1.0)	3 (1.2)	2 (0.9)	3 (1.0)	- (0.2)	2 (0.8)
Relatives.....	169 (31.4)	107 (27.3)	58 (27.4)	39 (19.4)	68 (25.6)	25 (18.5)	49 (23.5)
Landlords.....	22 (4.0)	18 (4.6)	1 (0.7)	- (0.2)	6 (2.4)	3 (1.9)	5 (2.2)
Agriculturist moneylenders.....	25 (4.7)	18 (4.5)	17 (8.0)	11 (5.5)	15 (5.8)	3 (1.9)	10 (4.7)
Professional moneylenders.....	313 (58.3)	215 (54.6)	81 (38.4)	83 (41.1)	124 (46.6)	41 (30.3)	87 (42.0)
Traders and commission agents.....	- (-)	- (-)	- (-)	1 (0.4)	- (0.1)	- (0.1)	- (0.1)
Others.....	1 (0.1)	- (0.1)	- (0.1)	- (0.1)	- (0.1)	- (-)	- (0.1)
Total.....	537 (100.0)	394 (100.0)	210 (100.0)	201 (100.0)	265 (100.0)	135 (100.0)	208 (100.0)

(Figures within brackets denote percentages to total.)

The proportion of debt owed to different credit agencies differs from that noticed in the case of borrowings in one important respect, namely, that larger proportion of the debt was owed to Government. This was mainly due to sanction of loans to displaced families settled in the selected villages. This was corroborated by the concentration of debt owed to Government particularly in the medium and small cultivator and non-cultivator groups. Since loans from relatives are generally short-term, the percentage share of relatives in the total debt owed by rural families was somewhat smaller than that noticed in the case of borrowings. It is also noticed that a small proportion of the debt was owed by big and large cultivators to landlords while in the case of borrowings, no part was supplied by landlords. Despite these differences, the private agencies stand out as the principal suppliers of loans to the rural families.

9.3 PURPOSE-DURATION ANALYSIS OF BORROWINGS

We shall now discuss the borrowings of the cultivators according to purpose-duration given in Table 9.3 on page 97.

The analysis will be based on the data collected through the intensive enquiry. Of the total borrowings by selected cultivators from Government nearly 94 per cent was for long-term non-agricultural purposes and the balance for short-term agricultural purposes.

TABLE 9.3—BORROWINGS OF SELECTED CULTIVATORS FROM VARIOUS CREDITORS ACCORDING TO PURPOSE-DURATION

[Intensive enquiry data. Amount in rupees per family]

Credit agency	Total borrowings	AGRICULTURAL PURPOSES		NON-AGRICULTURAL PURPOSES		CONSUMPTION PURPOSES		Repayment of old debts	Other purposes
		Short-term	Long-term	Short-term	Long-term	Short-term	Long-term		
		1	2	3	4	5	6			7	8	9
Government...	2.6 (100.0)	0.2 (6.4)	-	-	2.5 (93.6)	-	-	-	-
Co-operatives...	4.7 (100.0)	4.7 (100.0)	-	-	-	-	-	-	-
Relatives.....	22.3 (100.0)	2.3 (10.3)	2.3 (10.3)	-	-	8.7 (38.8)	6.4 (28.8)	-	2.6 (11.8)
Landlords.....	-	-	-	-	-	-	-	-	-
Agriculturist moneylenders	1.8 (100.0)	-	0.2 (11.9)	-	-	1.6 (88.1)	-	-	-
Professional moneylenders	34.9 (100.0)	-	0.9 (2.4)	-	-	6.6 (19.0)	27.4 (78.6)	-	-
Traders and commission agents	-	-	-	-	-	-	-	-	-
Commercial banks	-	-	-	-	-	-	-	-	-
Others.....	-	-	-	-	-	-	-	-	-
Total.....	66.4 (100.0)	7.2 (10.8)	3.4 (5.1)	- (-)	2.5 (3.7)	16.9 (25.4)	33.9 (51.0)	- (-)	2.6 (4.0)

(Figures within brackets denote percentages to total.)

This is indicative of the fact that a large amount of loan was given to displaced persons for the construction of houses or setting up of shops, etc. All the loans granted by co-operative societies were for short-term agricultural purposes. Of the loans granted by relatives, 39 per cent was for short-term consumption purposes, 29 per cent for long-term consumption purposes and 10 per cent each for short-term and long-term agricultural purposes. The balance was for 'other' purposes. The predominant purpose for which the private credit agencies granted loans was for consumption needs. Nearly 88 per cent of the loans granted by agriculturist moneylenders was for short-term consumption purposes and 12 per cent for long-term agricultural purposes. A substantial amount lent by professional moneylenders was for consumption purposes, long-term consumption purpose accounting for nearly 79 per cent of the total. Only 2 per cent of the amount lent by this agency was for long-term agricultural purposes.

We may discuss the share of each credit agency in the supply of finance for a particular purpose as given in Table 9.4 on page 98.

The total amount borrowed for meeting short-term agricultural purposes was Rs 7.2 per family of which 66 per cent was supplied by co-operative societies, 32 per cent by relatives and the balance by the Government. The amount borrowed

TABLE 9.4—PROPORTION OF BORROWINGS FROM EACH CREDIT AGENCY FOR EACH PURPOSE-DURATION TO THE TOTAL BORROWINGS FROM ALL AGENCIES FOR THE RESPECTIVE PURPOSE-DURATION

[Intensive enquiry data. In per cent]

Credit agency	AGRICULTURAL		NON- AGRICULTURAL		CONSUMPTION		Repay- ment of old debts	Other pur- poses
	Short- term	Long- term	Short- term	Long- term	Short- term	Long- term		
	1	2	3	4	5	6		
Government.....	2.4	—	—	100.0	—	—	—	—
Co-operatives.....	65.6	—	—	—	—	—	—	—
Relatives.....	32.0	68.3	—	—	51.5	19.0	—	100.0
Landlords.....	—	—	—	—	—	—	—	—
Agriculturist moneylenders.....	—	6.2	—	—	9.3	—	—	—
Professional moneylenders.....	—	25.5	—	—	39.2	81.0	—	—
Traders and commission agents.....	—	—	—	—	—	—	—	—
Commercial banks.....	—	—	—	—	—	—	—	—
Others.....	—	—	—	—	—	—	—	—

for meeting long-term agricultural purposes was Rs 3.4 per family. About 68 per cent of this amount was supplied by relatives and the balance by professional and agriculturist moneylenders. The entire amount borrowed for long-term non-agricultural purposes was from Government alone. In the case of finance for long-term consumption purposes, 81 per cent was supplied by professional moneylenders and 19 per cent by relatives.

TABLE 9.5—DEBT OF SELECTED CULTIVATORS CLASSIFIED ACCORDING TO PURPOSE-DURATION

[Intensive enquiry data. Amount in rupees per family]

Credit agency	Total debt owed	AGRICULTURAL PURPOSES		NON- AGRICULTURAL PURPOSES		CONSUMPTION PURPOSES		Repay- ment of old debts	Other pur- poses
		Short- term	Long- term	Short- term	Long- term	Short- term	Long- term		
		1	2	3	4	5	6			7
Government...	62.3 (100.0)	1.4 (2.3)	38.6 (62.0)	— (—)	2.6 (4.2)	— (—)	13.2 (21.1)	— (—)	6.5 (10.4)
Co-operatives..	0.4 (100.0)	0.4 (100.0)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Others.....	221.3 (100.0)	6.4 (2.9)	9.2 (4.1)	— (—)	29.2 (13.2)	108.1 (48.8)	50.1 (22.7)	— (—)	18.3 (8.3)

(Figures within brackets denote percentages to total.)

Analysis of the debt owed by selected cultivating families according to creditor-purpose given in the above Table shows that of the debt amounting to Rs 62.3 per family was owed to Government, nearly 62 per cent was for long-term agricultural purposes, 21 per cent for long-term consumption purposes, 10 per cent for 'other' purposes, 2 per cent for short-term agricultural purposes and the balance for long-term

non-agricultural purposes. The entire amount owed to co-operative societies was for short-term agricultural purposes. The amount of debt owed to other credit agencies was Rs 221.3 per family. The bulk of this debt was contracted for consumption purposes, short-term and long-term purposes accounting for 49 and 23 per cent respectively. About 7 per cent was granted for agricultural purposes.

We may now analyse the shares of the different creditors in the debt contracted for various purposes as given in Table 9.6 below.

TABLE 9.6—PROPORTION OF DEBT OWED TO THE SPECIFIED CREDIT AGENCY FOR EACH PURPOSE-DURATION TO THE TOTAL DEBT OWED TO ALL AGENCIES FOR THE RESPECTIVE PURPOSE-DURATION

[Intensive enquiry data. In per cent]

Credit agency	AGRICULTURAL PURPOSES		NON-AGRICULTURAL PURPOSES		CONSUMPTION PURPOSES		Repayment of old debts	Other purposes
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term		
	1	2	3	4	5	6		
Government	17.3	80.8	—	8.2	—	20.8	—	26.2
Co-operatives	5.2	—	—	—	—	—	—	—
Other agencies	77.5	19.2	—	91.8	100.0	79.2	—	73.8

In the case of debt for short-term agricultural purposes, nearly 78 per cent was supplied by other agencies, 17.3 per cent by Government and 5.2 per cent by co-operatives. In the case of debt for long-term agricultural purposes, nearly 81 per cent was supplied by Government and 19 per cent by other agencies. Of the debt for non-agricultural purposes, about 92 per cent came from other agencies and the balance from the Government. The entire debt contracted for short-term consumption purposes was supplied by other agencies. In the case of debt for long-term consumption purposes about 80 per cent was supplied by private credit agencies.

To sum up, the most important credit agency in the district is the private money-lender. The institutional agencies supplied a very small proportion of the current credit requirement. In regard to outstanding debt, the share of Government is slightly high mainly on account of disbursement of loans to displaced families from Pakistan. The role of co-operative societies as a credit agency is insignificant. The private agencies supplied finance for all types of purposes while the disbursement of loans by institutional agencies was confined mostly to agricultural purposes, solitary exception being loans granted to displaced persons.

CHAPTER 10

GOVERNMENT FINANCE

10.1 LEGAL BASIS AND ADMINISTRATIVE STRUCTURE

The Government of West Bengal provides finance to agriculturists under the following Acts and schemes :

- (1) The Land Improvement Loans Act, 1883,
- (2) The Agriculturists' Loans Act, 1884,
- (3) Grow More Food Campaign, and
- (4) Rehabilitation of displaced persons.

The main provisions of each of the Acts and schemes are discussed below.

10.1.1 Land Improvement Loans Act, 1883

The main purposes for which loans are granted under this Act are :

- (i) the construction of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture ;
- (ii) the preparation of land for irrigation ;
- (iii) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or wasteland which is cultivable ;
- (iv) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes ;
- (v) the renewal or reconstruction of any of the foregoing works, or alterations therein or additions thereto ; and
- (vi) such other works as the Government may, from time to time, declare to be improvements for the purpose of the Act.

The district Collector is competent to grant loans under the Act, but for loans exceeding Rs 2,000 the previous sanction of the Commissioner is required and for those exceeding Rs 5,000 the previous sanction of the Government is necessary.

The applications for loans are to be submitted to the Collector or Sub-divisional Officer in the prescribed form or orally. If an oral application is made, the officer to whom it is made shall cause it to be recorded as early as possible in the prescribed form. If the grant of the loans appears *prima facie* to be desirable, an enquiry is made by an officer not below the rank of *Kanungo* or by a reliable non-official agent, for the purpose of verifying various particulars such as the area of the land owned by the applicant, status of the applicant (that is, whether proprietor, tenure holder, etc.), nature and value of immovable property offered as security, the pre-existing encumbrances on the property, etc. After completion of the enquiry the Sub-

divisional Officer sends the application to the Collector with his opinion as to whether the loan should be sanctioned or not.

In case the amount of the loan does not exceed three-fourths of the value of the applicant's transferable interest in the land, after the improvement has been made, no collateral security is required. Where the applicant's interest in the land is not sufficient by itself to guarantee the repayment of the loan, further security consisting of the applicant's transferable interest in other lands or of applicant's sureties' interest in lands or of personal security, is required. Where a body of five or more co-villagers bind themselves jointly and severally for the repayment of the loan, their personal security will be generally sufficient, provided the loan does not exceed five times the annual rental of the land held by members of the group. If a loan is sanctioned after due completion of enquiries and formalities, the applicants and their sureties, if any, are required to sign an agreement and execute a bond in the prescribed form.

Subject to a limit of Rs 500 for a single loan or instalment, loans may be disbursed in the village or at the treasury. Loans are ordinarily given in three instalments, namely, two-fifths before the work has been commenced, two-fifths when the work is approximately half finished and one-fifth when it has been passed as completed after due inspection. If the borrower, after taking one or more instalments fails to apply for any other instalment within six weeks from the date on which he is entitled to it, the loan may be closed. In that case total of the instalments taken by the borrower will then constitute the loan. The loans are generally repayable in instalments within a period not exceeding 20 years. The ordinary rate of interest on loans is one anna in the rupee or $6\frac{1}{4}$ per cent per annum. The dates for repayment are fixed in all cases by the Collector with due regard to the dates of harvest of the principal crops.

The Collector may grant suspensions of instalments of loans by a general order relating to a specific area on account of failure of crops or any other exceptional calamity. No interest will be charged for the period of suspension, and the payment of each remaining instalment due will be postponed to the date of the next instalment, and a new date fixed for the last instalment.

There is provision for inspection from time to time of all works undertaken under the Act. In all cases, the work is, if possible, to be inspected within one month from the date for completion of the work specified in the agreement. If the Collector is convinced that any part of the loan has been misapplied or is not being spent on the work for which it was intended, he may proceed to recover the whole amount of the loan.

10.1.2 The Agriculturists' Loans Act, 1884

Under this Act loans are granted for relief of distress, purchase of seed or cattle or any other purposes not specified in the Land Improvement Loans Act but connected with agricultural objects. Special loans may be given to the agriculturists

under the Act to facilitate processes which are ordinarily employed by them, or which are necessary to the marketing of their crops, for example, for the purchase of small plants for *gur* making, oil pressing and *dhan* husking.

The Collector and Sub-divisional Officers may grant loans for the above purposes upto the limits of Rs 500 and Rs 250 respectively in each case, provided that the limit of the funds placed at their disposal is not exceeded ; for loans exceeding Rs 500, the sanction of the Commissioner is necessary. Loans exceeding Rs 3,000 require the sanction of the Government. In considering an application for a loan the Collector is to decide (1) whether the need for the loan is established, (2) whether the security offered is sufficient, (3) what amount should be advanced, (4) the number of instalments and (5) what period is to be allowed before repayment commences.

The borrower (applicant) is required to mortgage any transferable interest in immovable property of value as security for the loan. If the borrower does not possess such interest, he is required to procure some person or persons, possessing such interest to become his surety. When the applicants are a body of five or more co-villagers who bind themselves jointly and severally to Government for the payment of the amount, their personal security may be accepted.

The procedure for getting the bonds executed by borrowers, the rate of interest to be charged, the method of fixing repayment dates and the conditions under which remission for payment can be granted, are similar to those described in the case of loans under the Land Improvement Loans Act. The noticeable difference is that loans made under the Agriculturists' Loans Act are ordinarily made repayable within one or two years, but for special reasons a longer period can be given with the sanction of the Commissioner.

When extensive distress due to draught, floods or other calamities is imminent or is present, loans for the prevention or relief of distress or for enabling the people to cultivate their lands are disbursed in the villages with the least possible delay. Loans are granted on the joint bond system to groups of co-villagers and the amount granted to each group is ordinarily not to exceed Rs 350. The number of members in a group can ordinarily be from eight to twenty and the groups are to be so arranged that the poor and those who are better off are combined in the same group so as to improve the security. In such cases no written applications are insisted upon and no detailed enquiries are made regarding the circumstances of the borrowers. When the period of distress is prolonged, a second loan may also be given to any one who has already received a loan.

10.1.3 Grow More Food Campaign

Under the Government of India's Grow More Food Campaign, the West Bengal Government advanced sizeable loans under the scheme of Big Growers' Loan. Loans are granted to farmers owning large holdings for their reclamation and for agricultural purposes. Every loan must be repaid in ten annual instalments. For the first three years loans carry interest at the rate of $3\frac{1}{4}$ per cent per annum and $6\frac{1}{4}$ per cent for

subsequent periods of the loan. Applicants may contact the Sub-divisional Agricultural Officer or Superintendent of Agriculture for the terms and conditions of the loan. If these terms and conditions are acceptable to the applicant, he may submit the application for loan in a prescribed form. These applications are subjected to careful scrutiny by officials of the Agricultural Department and enquiry is made into the title deeds of the property proposed to be mortgaged. The opinion of the Government pleader on such titles is also obtained. The cost of such enquiries is to be paid by the applicants. The reports of the Government pleaders are sent direct to the Legal Remembrancer for his approval. If the legal opinion is favourable, the Superintendent of Agriculture forwards the applications with his comments and reports on the valuation of the property to be mortgaged to the Government. If the loan is sanctioned, the applicants are required to execute a mortgage deed and agreement in the prescribed form. The Director of Agriculture, on the recommendation of the Superintendent, can sanction upto Rs 20,000 in each case without further reference to Government. The total value of the loan sanctioned should not, in any case, exceed 80 per cent of the total value of the property mortgaged as security.

10.1.4 Rehabilitation of displaced persons

Loans and subsidies to displaced persons from Pakistan are granted under several Government schemes, orders and notifications and not under any statute. Under these schemes come the displaced persons rehabilitation loans and the gratuitous relief loans. The various categories which come under such schemes are discussed below :

LAND PURCHASE LOANS

A *bona fide* displaced person can apply for the loan to the District or Sub-divisional Relief Officer. The loan is sanctioned after due enquiry by any of these officers, namely, Sub-divisional Officer, District Rehabilitation Officer or Sub-divisional Relief and Rehabilitation Officer. The loan is interest-free in the first year but bears 3 per cent interest for the subsequent four years, within which period the loan must be repaid. When the loan is advanced, the borrower must execute an unregistered deed and undertake to mortgage the land, when purchased, to the Government.

HOUSE BUILDING LOANS

After a displaced person has actually purchased land, he can apply for this loan for construction of houses. The maximum amount of the loan sanctioned is usually Rs 500 in rural areas. The loan is disbursed in two instalments.

AGRICULTURAL LOANS

This is sanctioned for purchase of agricultural land, reclaiming land, irrigation, purchase of seeds, manures, implements and cattle. Ordinarily a maximum amount of Rs 900 is admissible for purchase of agricultural land, Rs 600 for agricultural implements etc., and Rs 50 per acre for reclamation. The loan is interest-free for the first two years but carries an interest of 3 per cent for subsequent eight years.

SMALL TRADERS' LOANS

These loans are sanctioned to displaced persons to enable them to carry on small trade. The maximum limit upto which a loan can be sanctioned is Rs 750 in urban areas and Rs 500 in rural areas.

GRATUITOUS RELIEF

Under this scheme displaced persons receive grants for a period of three months after they leave a Government refugee camp.

We may now study the amount of loans sanctioned to the rural families in the district. The data relating to the Land Improvement Loans Act and Agriculturists' Loans Act were supplied by the West Bengal Government. We, however, could not obtain data in respect of loans granted under the Refugee Rehabilitation Scheme for the district. Table 10.1 shows the number and amount of loans sanctioned for agricultural purposes in the year 1950-1.

TABLE 10.1—GOVERNMENT FINANCE FOR AGRICULTURAL PURPOSES
(Amount in hundreds of rupees)

District data	APPLICATIONS RECEIVED		APPLICATIONS SANCTIONED			PURPOSE FOR WHICH AMOUNT WAS SANCTIONED		
	Number	Amount applied	Number	Amount applied	Amount sanctioned	Purchase of manure	Purchase of draught animals	Land improvement
	1	2	3	4	5	6	7	8
Loans under the Land Improvement Loans Act, 1883, or similar Acts in force.....	75	750	36	120	95	-	-	95
Loans under the Agriculturists' Loans Act, 1884, or similar Acts in force.....	2,570	5,947	1,003	5,048	3,801	2,801	1,000	-
Loans under the Grow More Food Campaign	-	-	-	-	-	-	-	-
Cash subsidies under the Grow More Food Campaign.....	-	-	-	-	-	-	-	-

Under the Land Improvement Loans Act, 75 applications were received during 1950-1, the amount applied for being Rs 75,000. Of these, 36 applications were sanctioned, the amount applied for in these applications being Rs 12,000. Nearly 80 per cent of this amount was sanctioned for meeting expenditure connected with land improvement. Under the Agriculturists' Loans Act, 2,570 applications were received, the amount applied for being Rs 5,94,700. Of these applications, 1,003 or 39 per cent were sanctioned. The amount sanctioned was Rs 3,80,100 representing 75 per cent of the amount applied for in the sanctioned applications. Nearly three-fourths of this amount was for purchase of manure and the balance for purchase of draught animals.

We may consider what proportion of the rural families investigated through the General Schedule borrowed from or owed debt to Government, the average borrowing or debt per family and the proportion such borrowing or debt bears to total borrowing from or debt owed to all sources. Table 10.2 shows the position in respect of borrowings from the Government by different groups of rural families.

TABLE 10.2—ROLE OF GOVERNMENT AS A CREDIT AGENCY
[General Schedule data]

Group	Proportion of families reporting borrowings	Borrowings per reporting family	Borrowings from the agency as percentage of total borrowings
	(Per cent)	(Rs)	
	1	2	3
Big cultivators.....	—	—	—
Large cultivators.....	1.5	296	2.0
Medium cultivators.....	1.8	290	5.5
Small cultivators.....	3.2	292	8.0
All cultivators.....	2.1	291	4.4
Non-cultivators.....	1.2	266	8.0
All families	1.7	283	5.1

Less than 2 per cent of the rural families borrowed from Government. The highest proportion of families borrowing from the Government was 3.2 per cent among the small cultivators. The average amount borrowed per reporting family ranged between Rs 266 and Rs 296 in all groups of families. The amount borrowed by rural families from Government constituted about 5 per cent of the total borrowings. In the case of small cultivators and non-cultivators this proportion was slightly higher at 8 per cent.

Table 10.3 shows the position in respect of debt owed by rural families to Government.

TABLE 10.3—DEBT OWED TO GOVERNMENT
[General Schedule data]

Group	Proportion of indebted families	Debt per reporting family	Debt owed to the agency as percentage of the total debt owed
	(Per cent)	(Rs)	
	1	2	3
Big cultivators.....	1.4	108	0.3
Large cultivators.....	4.0	771	7.9
Medium cultivators.....	8.3	612	24.2
Small cultivators.....	10.5	619	32.5
All cultivators.....	7.6	642	18.4
Non-cultivators.....	10.8	590	47.1
All families	9.0	615	26.6

The proportion of families owing debt to Government was 9 per cent among all families, 11 per cent among non-cultivators and 8 per cent among medium cultivators. The highest proportion of cultivating families owing debt to Government was 10·5 per cent among small cultivators. The average amount of debt owed by a reporting family ranged between Rs 590 and Rs 771 in all groups, leaving the big cultivators, who owed Rs 108 per reporting family. In the case of all rural families, debt owed to Government constituted about 27 per cent of the total debt owed by them. In the case of non-cultivators and small cultivators, the proportion worked out higher at 47 per cent and 33 per cent respectively, reflecting mainly large borrowing in the past by displaced persons who were resettled in some of the selected villages.

10.2 LOAN OPERATIONS AND WORKING

Ninety-nine cases of sanctioned loan applications were selected at random at the four Sub-divisional headquarters where the investigation was concentrated and a case-study was made of these applications. No study of the rejected applications could be undertaken as no records of such applications were kept. The discussion in this section on some aspects of the Government loan operations and their working in the district is based on an examination of these loan applications.

Table 10.4 gives the purpose-wise classification of the number of sanctioned loans included in the case-studies and the total amount disbursed on these loans.

TABLE 10.4—CASE-STUDIES OF LOANS: SIZE OF LOANS DISBURSED FOR SPECIFIC PURPOSES

Purpose	Number of loans disbursed	Percentage to total	Amount disbursed (Rs)	Percentage to total
	1	2	3	4
Purchase of livestock	36	36·4	5,175	28·1
Land improvements	2	2·0	660	3·6
Other purposes and more than one purpose	61	61·6	12,595	68·3
Total	99	100·0	18,430	100·0

About 36 per cent of the loans involving 28 per cent of the amount sanctioned were for purchase of livestock. About 61 per cent of the loans involving 68 per cent of the amount sanctioned were for 'other purposes and more than one purpose'. In most of the applications included in this category, the purpose was vaguely written as 'agricultural purpose'. Very few applications for loans under the Land Improvement Loans Act were received. Such applications constituted about 2 per cent of the total applications studied involving about 4 per cent of the amount sanctioned.

Table 10.5 analyses the types of security against which Government advances loans.

TABLE 10.5—CASE-STUDIES OF LOANS : NUMBER AND AMOUNT OF LOANS CLASSIFIED ACCORDING TO SECURITY

Security	Number of loans disbursed	Percentage to total	Amount disbursed (Rs)	Percentage to total
	1	2	3	4
Personal security.....	30	30·3	3,750	20·4
Immovable property.....	11	11·1	3,060	16·6
Joint bond.....	58	58·6	11,620	63·0
Total.....	99	100·0	18,430	100·0

The largest proportion of loans were granted on a joint bond basis. Such loans constituted 59 per cent of the total number and 63 per cent of the total amount sanctioned. About 30 per cent of the loans involving Rs 3,750 or 20 per cent of the amount sanctioned were given on personal security. About 11 per cent of the loans were secured by immovable property.

Table 10.6 analyses the loans disbursed for various purposes according to duration.

TABLE 10.6—LOANS DISBURSED BY GOVERNMENT ACCORDING TO PURPOSE-DURATION

Purpose	Number of loans disbursed	Average size of loan disbursed (Rs)	AMOUNT DISBURSED FOR THE DURATION AS PERCENTAGE OF THE TOTAL AMOUNT DISBURSED		
			One to three years	Three to five years	Duration not specified
	1	2	3	4	5
Purchase of livestock.....	36	143·8	100·0	—	—
Land improvements.....	2	330·0	24·2	75·8	—
Other purposes, more than one purpose and purpose not specified.....	61	206·5	93·6	—	6·4

The average size of the loan for purchase of livestock was about Rs 144 while that of the loans included under 'other purposes' was Rs 207. Most of these loans were granted for a period of one to three years. The Land Improvement Loans were generally granted for 3 to 5 years. It is, however, noticed that about 25 per cent of the amount disbursed was for a period of 1 to 3 years. This is due to the fact that one of the beneficiaries of the loans granted under this Act availed of the first instalment of the loan and repaid the same after one year.

Analysis of the loans according to the rate of interest shows that all the loans irrespective of their purpose or duration carried interest at the rate of 6½ per cent per annum.

About 80 per cent of the loans were disbursed outside the place of residence of the applicants and the remaining loans at the villages in which the applicants were residing.

Table 10.7 shows the time-lag between the date of application and the date of disbursement.

TABLE 10.7—LOANS CLASSIFIED ACCORDING TO THE TIME-LAG BETWEEN THE DATE OF APPLICATION AND THE DATE OF DISBURSEMENT

	Upto one month	One to three months	Three to five months	Five to eight months	Above eight months	Time- lag not specified	Dis- burse- ment in more than one instal- ment
	1	2	3	4	5	6	7
Number of loans disbursed	21 (21·2)	33 (33·3)	1 (1·0)	1 (1·0)	— (—)	43 (43·5)	— (—)
Amount disbursed (Rs)...	4,125 (22·4)	5,935 (32·2)	500 (2·7)	165 (0·9)	— (—)	7,705 (41·8)	— (—)

(Figures within brackets denote percentages to total.)

In the case of 44 per cent of the applications, the time-lag between the date of application and date of sanction could not be ascertained because the date on which application was submitted or signed by the borrower was invariably missing. The loans were sanctioned and disbursed within a month in the case of 21 per cent of the loans and in the case of another 33 per cent of the loans, the amount was disbursed within 1 to 3 months. In the case of loans granted under the Land Improvement Loans Act, the time-lag was longer on account of the time involved for verifying several particulars about the borrower and the projects for which the borrower wanted loans.

CHAPTER II

CO-OPERATIVE FINANCE

II.1 STRUCTURE OF THE CO-OPERATIVE MOVEMENT

In the Burdwan district the constitution and working of the co-operative societies including land mortgage banks are governed by the Bengal Co-operative Societies Act, 1940 and the rules made under it. The basic unit in the credit structure is the primary credit society at the village level. The activities of the primary societies are generally confined to only credit operations. The financing of primary credit societies is done by central banks which are located at the district and sub-divisional headquarters. At the apex level is the West Bengal State Co-operative Bank. For advancing long-term loans to agriculturists, a Central Land Mortgage Bank was constituted in 1950.

II.2 PRIMARY AGRICULTURAL CREDIT SOCIETIES

A primary credit society generally operates in one or a group of contiguous villages. It cannot be registered without a minimum membership of fifteen persons of over eighteen years of age. Its primary object is to create funds to be lent to its members, each of whom has one vote, irrespective of his shareholding. The maximum borrowing power of the society is fixed annually at the general meeting. The liability of the members is unlimited. The managing committee is composed of not less than six elected persons, all of whom retire every year but are eligible for re-election.

Generally short-term loans for specific purposes connected with agriculture are repayable within twelve months. The maximum amount of loan per member is fixed at Rs 250. Application for loan has to be made in the prescribed form for consideration by the managing committee. The society is required to submit a statement showing all particulars of loans applied through the central bank to the Assistant Registrar of Co-operative Societies, on whose recommendation, the West Bengal State Co-operative Bank sanctions the amount to the Central Co-operative Bank. The latter will then issue loans to the primary society which disburses the loans to its members on the security of mortgage *karbarnama*. In actual practice the Central Co-operative Bank arranges for the scrutiny of applications, disbursement of loans and their realization.

At the end of June 1952, there were 1,356 agricultural credit societies and grain banks, with a total membership of 27,597. We selected eight primary credit societies for purposes of studying their working and loan operations. Of these eight societies, four are situated in the villages where enquiry through the General and intensive schedules was conducted. One society, however, turned out to be a non-credit society. The names of the remaining societies are given below :

1. Huria Samabay Samiti

2. Auriadanga Krishi Rindhan Samiti
3. Bhabanandapur Krishi Bank
4. Bijur Co-operative Society
5. Kurmun Samabay Samiti
6. Jabui Samabay Samiti
7. Pachandi Co-operative Society

Three societies, namely, Kurmun Samabay Samiti, Jabui Samabay Samiti and Pachandi Co-operative Society were dormant, a dormant society being defined as a society which had neither issued any loans in 1949-50 and 1950-1 nor reported any other activity at the time of the Survey. We shall now study the assets and liabilities position of each of the remaining societies.

11.2.1 Huria Samabay Samiti

This society had a membership of eighteen in 1950-1. Its working capital amounted to Rs 998, working capital being defined to include owned funds consisting of paid-up share capital and reserves and other funds and borrowed funds made up of amounts borrowed from central financing agencies and Government and deposits. Owned funds amounted to Rs 425, of which reserve funds accounted for Rs 366 and paid-up capital Rs 59. Borrowed funds consisted entirely of borrowings from the Central or State Co-operative Bank.

It did not advance any loan during 1950-1. Total repayment by individuals during the year amounted to Rs 306. The loans outstanding at the end of the year including interest amounted to Rs 835, the entire amount being considered as overdue. Its investments amounted to Rs 150, the entire amount being held in the form of shares and debentures of co-operative societies.

11.2.2 Auriadanga Krishi Rindhan Samiti

This society had 35 members. The owned funds amounted to Rs 260, of which Rs 227 was paid-up share capital. It had no borrowed funds outstanding except for a fixed deposit of rupees five. It advanced Rs 1,730 during the year and recovered the same amount. Loans outstanding at the end of the year amounted to rupees eleven only. It had no investment.

11.2.3 Bhabanandapur Krishi Bank

This society had 30 members. Its owned funds amounted to Rs 670, paid-up capital amounting to Rs 299 and reserve fund Rs 371. Its borrowed fund consisted of fixed deposits amounting to Rs 57 and borrowings from the Central or State Co-operative Bank was Rs 511. It did not advance any loan during the year. The recoveries of past loans amounted to Rs 850 during the year. The amount of loans outstanding at the end of the year was Rs 451. Investments amounting to Rs 240 were held in shares and debentures of co-operative institutions.

11.2.4 Bijur Co-operative Society

This is relatively a big society having 78 members during the year of Survey. Its maximum borrowing power was fixed at Rs 6,000. Its owned funds amounted

to Rs 3,545, of which Rs 2,980 represented reserve fund and Rs 565 paid-up share capital. Fixed deposits kept with this society amounted to Rs 520. The outstanding borrowings from the Central or State Bank amounted to Rs 4,241. It advanced Rs 1,312 during the year to its members and repayments of loans amounted to Rs 815. Loans outstanding at the end of the year amounted to Rs 5,761, of which Rs 4,449 was considered overdue and Rs 481 as bad and doubtful debts.

Fifty-four loan applications sanctioned by the selected co-operative societies were investigated and a case-study was made with a view to assessing the loan operations of these societies. Table 11.1 shows the size distribution of the loans studied by us.

TABLE 11.1—SIZE OF LOANS ADVANCED BY PRIMARY SOCIETIES*

Size of loan	Number of loans	Percentage to total number of loans	Amount disbursed (Rs)	Percentage to total amount disbursed
	1	2	3	4
Less than Rs 100.....	29	53.7	1,022	19.5
Rs 100 - Rs 200.....	12	22.2	1,420	27.1
Rs 200 - Rs 300.....	12	22.2	2,500	47.7
Rs 300 - Rs 400.....	1	1.9	300	5.7
Total.....	54	100.0	5,242	100.0

* During 1950-1 or the latest year for which information was available.

Fifty-four per cent of the loans involving Rs 1,022 or 19.5 per cent of the amount disbursed fell in the class interval of less than Rs 100. Twenty-two per cent each fell in the class intervals of Rs 100 to Rs 200 and Rs 200 to Rs 300. Only one loan of Rs 300 was sanctioned. Thus it could be seen that the size of loans does not generally exceed Rs 250, which is the maximum limit fixed by most of the societies for individual loans.

Analysis of the loans according to purpose shows that all the loans were granted for meeting current expenditure on farm. All the loans were carrying interest rate at 9½ per cent per annum and were secured by immovable property. About 60 per cent of the loans were granted for the duration of one year or less, the amount constituting 75 per cent of the total loans. The rest of the loans were of the duration one to three years.

11.3 CENTRAL CO-OPERATIVE BANKS

The Central Co-operative Banks may be either of the pure type having only primary co-operative societies as their members or mixed, having individuals also as members. There are four Central Co-operative Banks in the district of which one is of the pure type.

The object of these banks is to create funds to be lent to affiliated societies, to promote the working of and to organize co-operative societies, to inspect and supervise

the work of affiliated societies. Generally a Central Bank operates over at least a sub-division. Minimum membership is fixed by statute to be five and the liability of its members is limited to the nominal value of shares held by them. The maximum borrowing power of the bank is fixed at the annual general meeting but it cannot ordinarily exceed ten times the paid-up capital plus reserve fund separately invested.

The banks must maintain fluid reserves as under : (1) 25 per cent of the fixed deposits maturing within the ensuing six months, (2) 33 per cent of the savings deposits and (3) 60 per cent of the current deposits. Loans of the following types could be granted to affiliated societies for disbursement to their members, namely, (1) short-term loans repayable within twelve months for agricultural operations, marketing of produce, payment of rent, family maintenance expenses, (2) intermediate term loans, repayable within three years, for purchase of cattle and agricultural implements and liquidation of small debts and (3) long-term loans for liquidation of prior debts, purchase of land to round off holdings for economic cultivation and major improvements of land.

The management of a Central Bank vests in a committee of elected and nominated members. The Registrar can nominate not more than 50 per cent of the total number of elected members. One-third of the directors must retire from office by rotation and are not eligible for re-election for one year after retirement.

The central banks maintain outdoor staff designated as Supervisors for the proper functioning of the affiliated societies but mainly for the disbursement and realization of loans. Before being appointed, these Supervisors must qualify themselves by attending a training course at the Co-operative Training Institute maintained by the Co-operative Directorate of the State Government. The actual functions of the Supervisors are (1) to hold enquiries into the applications for loans made by the primary societies, (2) to disburse the loans sanctioned by the central banks and (3) to realize the instalment of loans from borrowers. In addition to the central bank's Supervisors, Government employees of the Co-operative Directorate, namely, Inspectors and Auditors also devote much of their time for the disbursement and recovery of loans.

The names of the four Central Co-operative Banks are : (1) Burdwan Central Co-operative Bank, Ltd., (2) Katwa Central Co-operative Bank, Ltd., (3) Kalna Central Co-operative Bank, Ltd.; and (4) Asansol Central Co-operative Bank, Ltd. These banks had, as on 30 June, 1952, 259 individuals and 1,272 societies as members. Their total working capital as on that date is shown in Table 11.2.

Out of the total deposits of Rs 45.55 lakhs outstanding, Rs 24,000 represented deposits of co-operative banks and societies. It may be mentioned that the bulk of the advances by the State Co-operative Bank represented funds made available by the Reserve Bank of India under Section 17 of the Reserve Bank of India Act. The Burdwan Central Co-operative Bank did not report any borrowings at concessional rate from the Reserve Bank of India. The amounts availed of were Rs 1.14 lakhs

by the Kalna Central Co-operative Bank, Rs 1.91 lakhs by Katwa Central Co-operative Bank and Rs 0.53 lakhs by the Asansol Central Co-operative Bank.

TABLE 11.2—WORKING OF CENTRAL CO-OPERATIVE BANKS DURING THE YEAR ENDED JUNE 1952

(Amount in thousands of rupees)

Name of the bank	Paid-up share capital	Reserve and other funds	Deposits	Loans from State Co-operative Bank	Total working capital
	1	2	3	4	5
Burdwan Central Co-operative Bank, Ltd.....	152	303	3,697	-	4,152
Katwa Central Co-operative Bank, Ltd.....	46	85	261	179	570
Kalna Central Co-operative Bank, Ltd.....	45	60	197	112	414
Asansol Central Co-operative Bank, Ltd.....	25	72	400	87	584
Total	268	520	4,555	377	5,720

(Source: Annual Report on the Working of Co-operative Societies in the State of West Bengal for the year ending 30 June, 1952.)

Total loans issued by the four Central Co-operative Banks to individuals and banks and societies and loans repaid by each of them are given in Table 11.3 below.

TABLE 11.3—LOANS ADVANCED AND REPAID

(Amount in thousands of rupees)

Name of the bank	LOANS ADVANCED TO				LOANS REPAID BY			
	Individuals		Banks and societies		Individuals		Banks and societies	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	1	2	3	4	5	6	7	8
Burdwan Central Co-operative Bank, Ltd...	61	101	397	1,071	61	100	147	1,150
Katwa Central Co-operative Bank, Ltd.....	..	..	180	341	..	..	80	214
Kalna Central Co-operative Bank, Ltd.....	..	..	146	123	..	..	80	95
Asansol Central Co-operative Bank, Ltd...	..	..	105	85	..	..	80	29
Total	61	101	828	1,619	61	100	387	1,488

(Source: Annual Report on the Working of Co-operative Societies in the State of West Bengal for the year ending 30 June, 1952.)

It may be seen from Table 11.3, that only Burdwan Central Co-operative Bank advanced loans to 61 individuals amounting to a little over rupees one lakh. Total amount advanced to societies and banks amounted to Rs 16 lakhs. Repayment by banks and societies amounted to Rs 14.9 lakhs, representing nearly 92 per cent of the amount advanced during the year.

Total loans due at the end of the year by individuals and banks and societies amounted to Rs 69 thousand and Rs 12·30 lakhs respectively. Of the total outstanding loans owed by banks and societies, Rs 3·13 lakhs or about 25 per cent was considered overdue. Banks and societies affiliated to the Burdwan Central Co-operative Bank accounted for Rs 2·50 lakhs of the total overdues.

11.4 LAND MORTGAGE BANK

There is one co-operative land mortgage bank in Burdwan which is located at the district headquarters. It had 1,030 members at the end of June 1952. Its total working capital amounted to Rs 6·23 lakhs of which paid-up capital accounted for Rs 47 thousand, reserve and other funds Rs 18 thousand, borrowings from the apex institutions Rs 5·57 lakhs and deposits from individuals and other sources, rupees one thousand.

It advanced Rs 1·26 lakhs to individuals during 1951-2. Loans repaid amounted to Rs 88 thousand. Loans outstanding as at the end of the year stood at Rs 5·73 lakhs, of which Rs 19 thousand was considered overdue.

We studied 74 loan applications sanctioned during 1950-1 by the land mortgage bank with a view to assessing the working and loan operations of the bank. Table 11.4 gives the size distribution of the loans sanctioned by the bank.

TABLE 11.4—LAND MORTGAGE BANKING INSTITUTIONS : LOANS ADVANCED DURING 1950-1 CLASSIFIED ACCORDING TO SIZE

Size of loan	Number of loans advanced	Percentage to total number of loans advanced	Amount advanced (Rs)	Percentage to total amount advanced
	1	2	3	4
Less than Rs 1,000.....	47	63·5	25,630	33·9
Rs 1,000 - Rs 3,000.....	21	28·4	27,550	36·4
Rs 3,000 - Rs 5,000.....	4	5·4	12,450	16·5
Rs 5,000 - Rs 10,000.....	2	2·7	10,000	13·2
Total.....	74	100·0	75,630	100·0

The largest proportion of the loans were of amounts below Rs 1,000. These loans accounted for 63·5 per cent of the total and involved Rs 25,630 or 33·9 per cent of the total amount advanced. Loans of amounts between Rs 1,000 and Rs 3,000 accounted for 28·4 per cent of the total number of loans advanced and 36 per cent of the total amount advanced. Loans of amounts above Rs 3,000 were few in number and accounted for a little less than 30 per cent of the total amount advanced.

The most important purposes for which loans were granted were repayment of old debt and land improvement. About 46 per cent of the total number of loans involving Rs 36,780 or 49 per cent of the total amount advanced were granted for repayment of old debt. The balance of 51 per cent was for land improvement. All

these loans were granted for a period of ten to fifteen years. The most usual rate charged was 8 per cent.

A study of the time-lag between the date of application and the date of sanction showed that in overwhelming majority of cases, the bank took over six months for disposing of applications. Nearly 60 per cent of the loans involving Rs 38,680 or 51.1 per cent of the advances were sanctioned within six to twelve months and another 34 per cent of the loans involving 41 per cent of the total amount lent were sanctioned after one year.

To sum up, the societies at the village level constitute the weakest units. They rely mostly on the finances made available by the central banks. They have not made attempts to attract deposits from the members. Even the members play a passive role in the working of the societies. The main activities of the societies consisted of giving short-term crop loans to their members.

The central banks at the intermediate level advanced to their affiliated members to the extent of rupees sixteen lakhs. The Burdwan Central Co-operative Bank depended on its own resources and deposits while the others borrowed from the apex bank for their financing activities.

CHAPTER 12

PRIVATE CREDIT AGENCIES

12.1 LEGAL STRUCTURE

The purpose of this section is to describe briefly the more important aspects of the legal framework within which the private credit agencies operate. The three important aspects of this legal framework are (1) Acts attempting direct regulation of moneylenders, (2) regulations of mortgage credit attempted through restrictions on sale and mortgage of land, and (3) legislation passed chiefly in the depression and post-depression era for scaling down or adjusting debts.

12.1.1 Regulation of moneylenders

In West Bengal, the activities of the private credit agencies excluding commercial banks, are regulated by the Bengal Moneylenders Act 1940, in so far as these activities relate to lending to agriculturists. All loans, whether in cash or kind, granted solely for the purpose of agriculture come under this Act. All commercial loans are excluded from the scope of the Act. To carry on the business of moneylending lawfully, every moneylender is required to obtain a licence valid for three years on payment of usual fees from the Registrar or the Sub-Registrar. No unlicensed moneylender can file any suit for a decree for the recovery of any loan and any security given in respect of a loan. At the discretion of the Court, however, he may be allowed to obtain a licence on payment of a penalty fee, in case he sues a debtor, without having a licence.

The licensed moneylender is required to maintain at least a cash book, ledger and a receipt book in the prescribed form and deliver to the borrower, at the time of making a loan, the details of the conditions of the loan, a complete receipt for every payment made on account of any loan and discharge any mortgage or cancel any assignment given by the borrower upon full repayment of a loan. Within two months of the commencement of each year, he must furnish to his borrower a statement of accounts showing the amount outstanding, the amounts of principal and interest due at the commencement of the year, amounts of any sum advanced to the borrower and amounts of payments received from the borrower. In case of any contravention of these requirements, the Court may disallow the whole or such portion of the interest as appears unreasonable.

A moneylender cannot charge any money or fee for negotiating or granting a loan. He may, however, charge for the costs of investigating title, stamp duty and the registration of documents. He cannot take from a borrower any note, promise to pay or the power of attorney, which does not state the actual amount of the loan, the rate of interest charged and the time of repayment of debt. Violation of this rule is punishable with simple imprisonment extending upto six months. The

moneylender also cannot molest a debtor for recovery of the debt. In case of molestation, the moneylender can be imprisoned upto one year or fined upto Rs 1,000 or both.

Under this Act, the borrower is not liable to pay any amount in respect of the principal and interest of a loan, which together with any amount already paid exceeds twice the principal of the original loan. He is also not to pay interest on unsecured loans at a rate exceeding 10 per cent simple and on secured loans, at a rate exceeding 8 per cent.

12.1.2 Restrictions on sale, mortgage or lease of land

The holding of an occupancy *raiyat* or a portion of the holding together with the right of occupancy is transferable in the same manner and to the same extent as other immovable property. Every transfer must be registered. An occupancy *raiyat* may enter into a complete usufructuary mortgage in respect of his holding for a period not exceeding fifteen years. Every mortgage including the mortgage by the conditional sale entered into by an occupancy *raiyat* in respect of his holding in which the possession of land is delivered to the mortgagee, which was entered into before 1928 or which being other than a usufructuary mortgage was entered into after 1940, will be treated as complete usufructuary mortgage. No mortgage other than a complete usufructuary mortgage entered into by an occupancy *raiyat* will have any force. The types of mortgage mentioned above will be extinguished on the expiry of the period mentioned in the instrument of the mortgage or of fifteen years whichever is less. The mortgagor will then become entitled to possession of the mortgaged property. The mortgagor may take legal action, if he is not given possession after the expiry of the specified period.

There are also certain restrictions on alienation or transfer of land by aboriginals. An aboriginal tenure holder, *raiyat* or under-*raiyat* cannot sell, lease or transfer or mortgage land to another person who is not an aboriginal. An aboriginal tenant's right to mortgage his land is restricted to only one form of mortgage, namely, complete usufructuary mortgage. The period for which a complete usufructuary mortgage can be entered into should not exceed seven years. If under certain circumstances an aboriginal cannot lease or transfer his land to an aboriginal and desires to transfer his land to a person not belonging to his community, he must take the prior permission of the Collector.

12.1.3 Debt relief measures

To provide relief to agricultural debtors, the Bengal Agricultural Debtors Act was enacted in 1935. This was amended in 1940. Debt representing arrear rent, contingent liabilities, dues recoverable as a public demand or debt due to a scheduled bank was excluded from its scope. The Act provided for the establishment of a Debt Settlement Board in different areas with a Chairman and not more than four members to be appointed by the State Government for a period of three years.

A debtor can apply in the prescribed form to the Board for the settlement of ancestral debts owed individually or jointly. The creditor can also apply giving

particulars of claims, the time and place at which loan was given and property of the debtor in his possession.

In disposing of cases, the Board should try its best to induce the debtor or the creditor to arrive at an amicable settlement. In determining the amount of debt to be settled, the decree of a civil court would be a conclusive evidence. Otherwise, the Board will determine the amount by allowing for a reasonable rate of interest and deduction of the net benefits which accrued to a creditor due to his having been in possession of any immovable property which the debtor offered as security.

In case no amicable settlement could be arrived at, the Board may give an award, which must be registered. The award will be binding on both the debtors and the creditors or successors in interest. When an award is made in respect of a debt secured by mortgage or charge on immovable property of the debtors, such mortgage or charge shall subsist to the extent of the amount payable in respect of such debt until the amount has been paid. If the debtor fails to pay any amount under the award, that amount will be recoverable as public demand on application by the creditor.

After 1946, the Government of West Bengal did not appoint any Debt Settlement Board, as the earlier Boards were in a position to effect a settlement of a large portion of the outstanding debt of the cultivators.

In the sections to follow we shall study the working of private credit agencies. This study will be based partly on the data obtained through demand enquiry from rural families and partly on data obtained in schedules and questionnaires completed for credit agencies. This is not true in the case of other private agencies. Great difficulties were experienced in obtaining information and it is not always possible to be sure about the degree of reliability of some aspects of information obtained from some private agencies. In very few cases it was possible for our investigation staff to obtain access to the account books and records of these private agencies and to extract information from them.

12.2 RELATIVES

The discussion of the role of relatives as creditors, is based entirely on the data collected on the demand aspect of the Survey. Interest-free loans from relatives were treated as loans from this agency. If interest-bearing loans from relatives had been taken by borrowers, such loans were classified under one or other of the categories appropriate for the purpose, such as, agricultural moneylenders or professional moneylenders.

Table 12.1 shows the proportion of rural families reporting borrowings from relatives, the average amount borrowed per reporting family and the proportion of borrowings from this agency to the total borrowings from all agencies in the different groups of rural families.

TABLE 12.1—BORROWINGS FROM RELATIVES

[General Schedule data]

Group	Proportion of families reporting borrowings from relatives (Per cent)	Average amount borrowed per reporting family (Rs)	Proportion of borrowings from relatives to total borrowings (Per cent)
Big cultivators.....	26.6	566	40.4
Large cultivators.....	23.9	344	37.8
Medium cultivators.....	19.8	171	35.4
Small cultivators.....	14.6	117	14.5
All cultivators.....	19.6	225	31.4
Non-cultivators.....	16.5	78	32.1
All families.....	18.2	167	31.5

On the whole 18 per cent of the families borrowed interest-free loans from relatives, the average amount borrowed per reporting family being Rs 167. Such borrowings constituted about 32 per cent of the total borrowings of the rural families. In the case of non-cultivating families, the average amount borrowed per reporting family was slightly less than half of the amount borrowed by all families. However, borrowings from relatives formed about 32 per cent of the total borrowings, which is, more or less, the same as that noticed in the case of all families. The proportion of families resorting to borrowings among the big, large and medium cultivators was larger than that for all families. Amounts borrowed per reporting family were also relatively higher. In their case borrowings from relatives constituted 35 per cent to 40 per cent of the total borrowings.

Judged by the proportion of borrowings from relatives to total borrowings, relatives played a significant role in providing finance to about one-fifth of the rural families but the beneficiaries of this finance were the relatively better off cultivating families.

Table 12.2 classifies the borrowings from relatives according to purpose and indicates the proportion of the amount borrowed for a particular purpose to total borrowings from all agencies for the same purpose. These were collected through intensive enquiry.

The predominant purpose for which loans from relatives were taken was for consumption, both short-term and long-term. The average amount borrowed per family was Rs 8.7 for short-term consumption and Rs 6.4 for long-term consumption. The amount borrowed for short-term consumption purpose constituted 38.8 per cent of the total borrowings from relatives and 51.5 per cent of the total borrowings for this purpose from all sources. The amount borrowed for long-term consumption purpose was 28.8 per cent of the total borrowings from relatives and 19 per cent of the total borrowings for this purpose from all sources.

TABLE 12.2—BORROWINGS FROM RELATIVES CLASSIFIED ACCORDING TO PURPOSE

[Intensive enquiry data]

Purpose/Duration	Average borrowing from relatives (Rs)	Borrowings from relatives for the purpose as percentage of total borrowings from relatives	Borrowings from relatives as percentage of total borrowings
Agricultural			
Short-term.....	2.3	10.3	32.0
Long-term.....	2.3	10.3	68.3
Non-agricultural	—	—	—
Consumption			
Short-term.....	8.7	38.8	51.5
Long-term.....	6.4	28.8	19.0
Repayment of old debts	—	—	—
Other purposes	2.6	11.8	100.0
All purposes	22.3	100.0	33.7

Borrowings from relatives for agricultural purposes were somewhat small, accounting for about 21 per cent of the total borrowings from this source. Borrowings for long-term agricultural purposes from relatives constituted about 68 per cent of the total amount borrowed for this purpose from all sources. No borrowing took place from relatives for meeting non-farm business expenditure and for repayment of old debts.

12.3 LANDLORDS

No family among the big, large and medium cultivators borrowed from landlords. A few families among the small cultivators and non-cultivators borrowed from this source during the year. The proportion of borrowings by these groups of families from this source to total borrowings from all sources was also very small as would be evident from Table 12.3.

TABLE 12.3—BORROWINGS FROM LANDLORDS

[General Schedule data]

Group	Proportion of families borrowing from landlords (Per cent)	Average amount borrowed per reporting family (Rs)	Proportion of borrowing from landlords to total borrowings (Per cent)
Small cultivators.....	0.1	150	0.2
Non-cultivators.....	0.1	83	0.3

None of the selected cultivators borrowed from this agency.

12.4 PROFESSIONAL MONEYLENDERS AND INDIGENOUS BANKERS

Table 12.4 shows the proportion of families in the different groups of rural families borrowing from professional moneylenders, the average amount borrowed

per reporting family and the proportion of borrowings from moneylenders to total borrowings from all agencies.

TABLE 12.4—BORROWINGS FROM PROFESSIONAL MONEYLENDERS

[General Schedule data]

Group	Proportion of families reporting borrowing from money-lenders (Per cent)	Average amount borrowed per reporting family (Rs)	Proportion of borrowings from moneylenders to total borrowings from all agencies (Per cent)
Big cultivators.....	28·1	695	52·4
Large cultivators.....	23·2	487	51·9
Medium cultivators.....	14·7	299	46·2
Small cultivators.....	28·5	272	66·2
All cultivators.....	21·4	353	53·9
Non-cultivators.....	18·1	119	53·7
All families.....	20·0	260	53·8

About 20 per cent of the rural families borrowed from professional moneylenders. The proportion of families borrowing from this agency among the medium cultivators was lower at 15 per cent as compared to that among the big and small cultivators at 28 per cent. The average amount borrowed per reporting family ranged from Rs 272 per small cultivator to Rs 695 per big cultivator. The average amount of borrowing per reporting non-cultivator was the lowest at Rs 119. In the majority of the cases in the different groups of families the proportion of borrowings from the professional moneylenders to total borrowings from all agencies was more than 50 per cent. In the small cultivators group this proportion was highest at 66 per cent.

Table 12.5 classifies borrowings from professional moneylenders according to purpose and indicates the proportion of the amount borrowed for a specified purpose to total borrowings from all credit agencies. The data were collected through intensive enquiry.

About 98 per cent of the borrowings from professional moneylenders was for consumption purposes. The average amount borrowed for long-term consumption purposes was Rs 27·4 per family accounting for nearly 79 per cent of the total borrowings from moneylenders. The average amount borrowed for short-term consumption purpose was Rs 6·6 per family which was nearly one-fourth of that borrowed for long-term consumption purposes. Borrowings for short-term consumption purposes from moneylenders constituted about 39 per cent of the total borrowings for this purpose from all sources and for long-term consumption purposes it was 81 per cent. Borrowings for long-term agricultural purposes constituted about 2·4 per cent of the total borrowings from professional moneylenders and about 26 per cent of the total borrowings for the same purpose from all sources.

TABLE 12.5—BORROWINGS FROM PROFESSIONAL MONEYLENDERS CLASSIFIED ACCORDING TO PURPOSE

[Intensive enquiry data]

Purpose/Duration	Average amount borrowed per family (Rs)	Proportion of borrowing for this purpose to total borrowings from money-lenders (Per cent)	Proportion to total borrowings for this purpose from all credit agencies (Per cent)
Agricultural			
Short-term	—	—	—
Long-term	0·9	2·4	25·5
Non-agricultural	—	—	—
Consumption			
Short-term	6·6	19·0	39·2
Long-term	27·4	78·6	81·0
Repayment of old debts	—	—	—
Other purposes	—	—	—
All purposes	34·9	100·0	52·6

Analysis of the debt owed to professional moneylenders according to security shows that 37 per cent of the debt was on personal security, 40 per cent was secured by immovable property and 23 per cent by bullion and ornaments. On analysing the debt position according to the type of mortgage, we find that 36 per cent was by way of simple mortgage and 3·6 per cent by usufructuary mortgage of land.

In the case of 66 per cent of the borrowings from professional moneylenders, no interest was specified. In the case of 25 per cent of the loans, the interest rate varied from 12½ per cent to 25 per cent. Only about 7 per cent of the loans carried interest rates varying from 35 to 50 per cent per annum.

We may now discuss the practices and loan operations of the moneylenders on the basis of the replies obtained from them to our questionnaires. In all 27 moneylenders in the urban centres were interviewed. None of the moneylenders in the villages replied to the questionnaire. Of the total urban moneylenders interviewed, 11 per cent were also cultivators, 7·4 per cent non-cultivating land owners, 3·7 per cent shopkeepers, 11 per cent traders in agricultural commodities, 7·4 per cent general merchants, 11 per cent brokers and commission agents and 22 per cent goldsmiths and jewellers. Forty-one per cent of the professional moneylenders were solely engaged in moneylending business. Ninety-six per cent of the moneylenders answering the question did not accept deposits from their clients. Only one moneylender was reported to have taken deposit from his clients.

Table 12.6 indicates the distribution of the moneylenders according to proportion of loans of various sizes given to agriculturists.

TABLE 12.6—MONEYLENDERS CLASSIFIED ACCORDING TO PROPORTION OF LOANS OF VARIOUS SIZES GIVEN TO AGRICULTURISTS

Size of loans	25 per cent or less	25-50 per cent	50-75 per cent	75-100 per cent	Total
	1	2	3	4		5
Less than Rs 100.....	5	2	2	4	13
Rs 100 - Rs 500.....	4	-	7	1	12
Rs 500 - Rs 1,000.....	7	-	-	-	7
More than Rs 1,000.....	1	-	-	-	1

There were fourteen moneylenders who answered this question and thirteen of them reported loans of size less than Rs 100. In the case of 7 moneylenders loans of sizes between Rs 100 and Rs 500 formed about 50 to 75 per cent of the total loans issued by them and in the case of 4 moneylenders, such loans formed 25 per cent or less. Loans of sizes between Rs 500 and Rs 1,000 formed 25 per cent or less of the total in the case of 7 moneylenders. Only one moneylender gave loans of the size of more than Rs 1,000 and such loans constituted 25 per cent or less of his total loans.

When asked as to what was the maximum amount they advanced against a sound security, about 83 per cent of the moneylenders indicated that they advanced money to the tune of Rs 500 or less. However, one moneylender had advanced between Rs 2,000 and Rs 5,000 against a sound security.

In reply to the question whether it was not their practice to advance loans against standing or harvested crop, most of the moneylenders replied in the negative. One moneylender out of 27 said that he advanced loans against harvested crops and produce. None of the moneylenders advanced grain loans. When questioned as to whether they made enquiries regarding the purpose of the loans, 56 per cent of the moneylenders replied that they did and 30 per cent replied that they did not. The remaining moneylenders replied that at times they made enquiries and at some other times they did not make such enquiries.

Eighty one per cent of the moneylenders who answered the question stated that they did not stipulate any definite period for the repayment of the loans. Of the moneylenders who stipulated some period for repayment of loans, 3 replied that 25 per cent or less of the loans were repaid within the stipulated period, in the case of one moneylender 25 to 50 per cent of the loans were repaid, whereas in the case of another 75 to 100 per cent of the loans were repaid within the stipulated period. Only nine per cent of the moneylenders who answered the question did not consider any proportion of the loans given to agriculturists as doubtful. However, 91 per cent of the moneylenders answering the question stated that 10 to 25 per cent of the loans advanced by them were considered doubtful by them. In very few cases the moneylenders had to institute legal proceedings against their clients for the recovery of loans made by them.

In reply to the question on the proportion of agriculturists to total clients, 36 per cent of the responding moneylenders replied that only about 25 per cent or less of their clients were agriculturists. In the case of another 36 per cent of the moneylenders, agriculturists constituted about 25 to 50 per cent. In the case of the remaining, agriculturists constituted above 50 per cent of the total clientele. In reply to the question as to what was the proportion of the finance made available by them for financing the agriculturists, about 64 per cent of the responding moneylenders stated that less than 50 per cent of the finance was made available by them to agriculturists. In the remaining cases, finance to agriculturists constituted about 75 to 100 per cent.

We shall now discuss the practices and loan operations of indigenous bankers in the district. In the district headquarters four houses of indigenous bankers were interviewed. They are situated at Burabazar. All these houses are owned by *Marwaris*. Of the four indigenous bankers, two were traders in agricultural commodities and one was general merchant. These bankers dealt mostly with persons engaged in commerce and trading. One indigenous banker reported having loan transactions with agriculturists. But in his case, agriculturists constituted 10 per cent or less of the clientele. Three indigenous bankers reported having given advances to traders for dealing in agricultural commodities. They depended mostly on their owned resources for their financing operations.

The usual rate of interest charged by the indigenous bankers on cash credits allowed to village moneylenders and traders was $6\frac{1}{4}$ per cent to $9\frac{3}{8}$ per cent in the case of two bankers and $9\frac{3}{8}$ to $12\frac{1}{2}$ per cent in the case of another banker. One indigenous banker reported having accepted deposits from his clients. Most of these depositors were either traders or other businessmen. For short-term deposits, the banker paid interest at the rate of less than 3 per cent and for long-term deposits between 3 per cent and $6\frac{1}{4}$ per cent. Deposits formed about 50 to 75 per cent of the total resources of the banker. All the bankers reported that they did not deal in *hundies*.

12.5 AGRICULTURIST MONEYLENDERS

Table 12.7 shows the proportion of families in the different groups of rural families borrowing from agriculturist moneylenders, the average amount borrowed per reporting family and the proportion of borrowing from agriculturist moneylenders to total borrowings from all agencies.

It is clear from Table 12.7 that about 4 per cent of the rural families borrowed from the agriculturist moneylenders. The proportion of families borrowing from this agency among the medium and small cultivators was somewhat higher. The total borrowing from the agriculturist moneylenders did not constitute more than 10 per cent for any group of cultivating families and non-cultivating families. The average amount borrowed per reporting family was highest at Rs 487 in the case of big cultivators and lowest at Rs 132 in the case of small cultivators and non-cultivators.

TABLE 12.7—BORROWINGS FROM AGRICULTURIST MONEYLENDERS

[General Schedule data]

Group	Proportion of families borrowing from the agency (Per cent)	Average amount borrowed per reporting family (Rs)	Proportion of borrowing from the agency to the total borrowings (Per cent)
Big cultivators.....	4.7	487	6.2
Large cultivators.....	4.2	372	7.1
Medium cultivators.....	5.4	180	10.1
Small cultivators.....	7.3	132	8.3
All cultivators.....	5.6	207	8.2
Non-cultivators.....	1.6	132	5.4
All families.....	3.8	193	7.7

Table 12.8 gives the classification of loans from agriculturist moneylenders according to purpose and indicates the average amount borrowed for each purpose and its proportion to total amount borrowed for the same purpose from all sources.

TABLE 12.8—BORROWINGS FROM AGRICULTURIST MONEYLENDERS CLASSIFIED ACCORDING TO PURPOSE

[Intensive enquiry data]

Purpose/Duration	Average amount borrowed per family (Rs)	Amount borrowed for the purpose as percentage of the total borrowings from agriculturist moneylenders	Amount borrowed for the purpose from the agency as percentage of the total borrowings from all agencies for the same purpose
Agricultural			
Short-term.....	—	—	—
Long-term.....	0.2	11.9	6.2
Non-agricultural	—	—	—
Consumption			
Short-term.....	1.6	88.1	9.3
Long-term.....	—	—	—
Repayment of old debts	—	—	—
All purposes	1.8	100.0	2.7

It may be seen from Table 12.8 that borrowings from agriculturist moneylenders took place only for two purposes, namely, short-term consumption purpose and long-term agricultural purpose. The amount borrowed for the former purpose accounted for 88 per cent of the total borrowings from agriculturist moneylenders and 9.3 per cent of the total borrowings from all agencies for this purpose.

Analysis of the debt owed to agriculturist moneylenders shows that 82 per cent of the debt was on personal security while 10 per cent was secured by bullion and ornaments and the balance by immovable property. In this context we may study the dues (receivable) reported by various groups of cultivators and non-cultivators. This would be indicative of the extent of lendings by rural families mostly amongst themselves. Table 12.9 indicates the dues per family in each group of rural families.

TABLE 12.9—DUES (RECEIVABLE) REPORTED BY VARIOUS CLASSES OF RURAL FAMILIES

[General Schedule data]

Group	Amount per family (Rs)	DUES REPORTED BY THE CLASS AS PERCENTAGE OF TOTAL DUES REPORTED BY	
		All families	All cultivators
Big cultivators.....	13	4.6	4.7
Large cultivators.....	73	77.9	79.1
Medium cultivators.....	3	3.7	3.8
Small cultivators.....	17	16.8	17.1
All cultivators.....	29	98.4	100.0
Non-cultivators.....	1	1.6	
All families.....	17	100.0	

It may be seen from Table 12.9 that dues receivable are important only in the case of large cultivators. The average dues per family in this group of cultivators amounted to Rs 73, accounting for about 78 per cent of the total dues reported by all rural families. This is partly indicative of the importance of large cultivators as a credit agent for rural families in the district.

12.6 TRADERS AND COMMISSION AGENTS

Traders and commission agents are not an important credit agency in the district as cash crops do not form an important aspect in the economy of the district. An insignificant proportion of the rural families borrowed from traders and commission agents and such borrowings formed less than one per cent of the borrowings from all sources. The average amount borrowed per reporting family was the highest at Rs 345 among the small cultivators and the lowest at Rs 10 among the medium cultivators while the big cultivators did not report any borrowings from this agency.

The relationship between agriculturists and traders and commission agents also arises from the fact that in the majority of cases the produce of the agriculturists is either sold directly to this agency or marketed through them. The information regarding the value of crops and fodder marketed through different agencies was obtained in respect of selected cultivating families. Since the main crop produced

in the district was rice, the sale transactions of the cultivators were influenced to a large extent by the operation of Government procurement agencies and the existence of organized black market in rice which was the direct result of the procurement regulations. The value of total produce sold amounted to Rs 375 per family in the upper strata, of which Rs 228 per family or 60.9 per cent was sold to traders and commission agents and the balance to other agencies including the Government. In the lower strata 40 per cent of the value of crops (which amounted to Rs 16 per family) was sold to traders and commission agents and the balance to other agencies including the Government. Prices were settled in most cases at the time of delivery of produce. Delivery of the produce took place at the village in the case of 67 per cent of the families in the upper strata. As regards the sources of credit, 25 traders out of 75 traders investigated, replied that they borrowed for their financing operations. Ten borrowed from commercial banks, eleven from moneylenders, four from wholesalers and one from indigenous bankers.

12.7 COMMERCIAL BANKS

None of the families in the selected villages reported borrowings from the commercial banks. There are eighteen offices of commercial banks in Burdwan. These offices were requested to reply to our questionnaire. Only eleven offices sent us the completed questionnaire. None of them reported having given advances directly to the agriculturists. As on 30 September 1951, none of the banks had any outstanding advances to wholesalers against agricultural produce for financing agriculture.

12.8 FINANCIAL SUPERSTRUCTURE OF PRIVATE CREDIT AGENCIES

The village and urban moneylenders, the traders and indigenous bankers who responded to the enquiry were asked questions regarding their sources of finance in case they were not able to meet the demands from their owned resources. Of the 27 urban moneylenders responding, only 3 moneylenders reported having relied on borrowed resources. In the case of one moneylender, borrowed funds constituted less than 10 per cent of his total resources and in the case of the remaining moneylenders, 10 to 25 per cent of their total resources. The sources of borrowing was indigenous banker in the case of one moneylender and other moneylenders in the case of another. The third moneylender did not specify the source.

Of the 75 traders investigated, 25 replied that they borrowed for financing their lending as well as trading operations, 10 borrowed from commercial banks, 11 from moneylenders, 4 from wholesalers and one from indigenous bankers. The indigenous bankers did not borrow from any source for financing their operations. While the private agencies lend and borrow amongst themselves, there is little relationship of the private system with the co-operative system. The district central banks may, however, have overdraft and other arrangements for financial accommodation with commercial banks.

CHAPTER 13

CONCLUDING REMARKS

Burdwan district presents a picture of contrasts. The western sector of the district is prosperous. There is a high level of economic activity owing to the concentration of mines, industry and steel works. The eastern portion comprising the agricultural sector is comparatively stagnant and placid ; it depends mainly on one principal crop and is under-developed and poverty stricken. However, the State and Central Governments have undertaken large schemes of social investments like the Damodar Valley Corporation, some of which have been completed or are nearing completion. These would help to bring about a period of continued prosperity for the agricultural sector of the economy.

With density of population as high as 810 per square mile, the average size of cultivated holding works out to 14·8 acres for a big cultivator, 8·9 acres for a large cultivator, 2·7 acres for a medium cultivator and less than one acre for a small cultivator. About 38·1 per cent of the cultivated holdings is held by the big cultivators, 68·8 per cent by the large cultivators, 25·6 per cent by the medium cultivators and 5·6 per cent by the small cultivators. For nearly two-thirds of the cultivators, the average value of gross produce per family was Rs 400 or less.

13.1 EXTENT AND INCIDENCE OF DEBT

About 72·6 per cent of the cultivating families were found to be indebted. The average indebtedness per family was Rs 537 for a big cultivator, Rs 394 for a large cultivator, Rs 210 for a medium cultivator and Rs 201 for a small cultivator. Debt per acre of cultivated holding—a measure of the incidence of debt—works out to Rs 36·2 for a big cultivator, Rs 44·2 for a large cultivator, Rs 78·8 for a medium cultivator and Rs 257·0 for a small cultivator. The average debt of a selected cultivator amounted to Rs 327·4 per family in the upper strata and Rs 240·7 per family in the lower strata, the ratio of debt to landed assets working out to 9·4 per cent in the upper strata and 35·1 per cent in the lower strata. A greater proportion of loan was outstanding for two years or less and was unsecured, that is, granted on personal security. Most of the debt was incurred for meeting family expenditure.

13.2 CREDIT TRANSACTIONS

About 50 per cent of the cultivating families borrowed during the period covered by the Survey, the average borrowing per family and per reporting family being Rs 140 and Rs 287 respectively. Of the total amount borrowed during the year, 28 per cent was accounted for by the big cultivators, 49 per cent by the large cultivators, 27 per cent by the medium cultivators and 25 per cent by the small cultivators. About 78 per cent of the borrowings by the cultivating families were for family

expenditure, 12 per cent for capital expenditure on farm and the balance for current expenditure on farm, capital expenditure in non-farm business and other expenditure. All these transactions were in cash. Transactions in loans in kind were not very significant.

13.3 EXPENDITURE AND SOURCE OF FINANCE

More than 60 per cent of the expenditure on marriage and about 18 per cent of the expenditure on construction and repairs of houses was financed by borrowing. Of the total borrowings for different items of family expenditure, ceremonial expenditure accounted for 34 per cent, medical expenses 20 per cent, other family expenses mostly consumption 21 per cent and expenditure on construction and repairs of residential houses 10 per cent. No part of the expenditure on account of acquisition of financial assets was financed by borrowing. Repayment was wholly met by current income and sale of assets.

An index of the activity in the agricultural sector is provided by the levels of capital investment in agriculture. In this respect the picture is not at all impressive. The average capital expenditure in agriculture of cultivators amounted to Rs 102 per family, the bulk of which related to purchase of land and livestock. Expenditure for land improvement and for development of irrigation facilities was too small to deserve mention. About 22 per cent of the expenditure on purchase of land and 33 per cent of that on purchase of livestock was financed by borrowing.

More than 80 per cent of the total current expenditure on farm was in cash. There is a marked seasonality in expenses as well as in cash receipts from farm. The cash expenditure per family both in the upper and lower strata was higher during April to September than in October to March. The cash receipts from sale of crops and fodder were concentrated in the period October to March. The receipts from sale of crops and fodder constituted more than 70 per cent of the total cash receipts in the case of families in the upper strata and about 20 per cent in the case of families in the lower strata. Cash receipts from other sources mostly cash wages contributed substantially to the total cash receipts of the small cultivator.

13.4 NET BALANCE OF CAPITAL TRANSACTIONS

The balancing of transactions relating to investment in farm and non-farm business, financial investment expenditure and liquidation of debt on the one hand and of those relating to borrowings and sale of assets on the other, disclosed a deficit for the agricultural economy during the year covered by the Survey. The deficit extended to all classes of cultivators. Borrowings and sale of assets for meeting family expenditure—ceremonial expenditure in case of the large cultivators and borrowings for meeting the ceremonial expenditure in the case of the small cultivators—were responsible for bringing about this deterioration. However, if credit for the expenditure on construction of residential houses is taken, the picture shows an improvement.

13.5 CREDIT AGENCIES

The role of the Government as a supplier of finance in the district is not very significant. The limited finance made available by it does not even meet the minimum of the requirements of the cultivators. Since it is stipulated that transferable interest in land should be provided as a security for accommodation from Government, the number of beneficiaries of such loans can only be very limited. However, in times of distress, cultivators get loans under a joint bond system. Analysis of a sample of loan applications showed that there was not much delay in the disposal of loan applications. In the case of loans made under Land Improvement Loans Act, the time-lag between the receipt and the disposal of application was longer, on account of the fact that verification of titles to land has to be made prior to the granting of such loans.

The position of the co-operative institutions in the district will be evident from the fact that in the villages surveyed, only about two per cent of the total borrowings of the cultivator was supplied by the co-operative societies. All these loans were advanced for meeting short-term agricultural purposes. None of the societies made any special effort to attract savings from its members. Societies depended mainly on central banks for funds, which in turn requested accommodation from the apex institution. But for the financial accommodation provided by the Reserve Bank of India, it would not have been possible for the cultivators to obtain even the meagre finance currently made available by the co-operative banks. However, the Land Mortgage Bank founded a few years ago is making some progress towards providing long-term loans to its members.

In the circumstances, the major portion of finance for the agriculturists is from the private agencies which include, among others, professional and agriculturist moneylenders. About 54 per cent of the borrowings of cultivators as well as non-cultivators was supplied by the professional moneylenders. The next important source of borrowing was from the relatives. The share of the private agencies in outstanding loans owed by the cultivators was also large. While the rural families were able to borrow with facility from the private agencies, such borrowings could not have been free from disadvantages. Although there are legal provisions to regulate the transactions and to curb the malpractices of moneylenders, they have remained more or less ineffective in the absence of an effective machinery to enforce them.

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