

RURAL ECONOMY  
IN  
THE BOMBAY DECCAN

BY

G. KEATINGE

INDIAN CIVIL SERVICE  
DIRECTOR OF AGRICULTURE, BOMBAY PRESIDENCY

*WITH MAP AND FOUR CHARTS*

LONGMANS, GREEN AND CO.

39 PATERNOSTER ROW, LONDON

NEW YORK, BOMBAY AND CALCUTTA

1912



TO THE COMPANION  
OF MY MANY WANDERINGS  
IN THE DECCAN



## PREFACE.

IN writing this book I have endeavoured to state the principal facts bearing on the economic situation, and to draw some conclusions from them. The facts relating to the Deccan have been taken from the statistical information published by the Bombay Government, or have been observed by myself during the seventeen years in which I have served in the Revenue and Agricultural Departments, during which time I have had opportunities of conversing with landowners and cultivators in every part of the Deccan. Those relating to other countries are taken from official publications, consular reports, or well-known works on Agriculture and Political Economy. I have not thought it necessary in most cases to quote my authorities, since this book does not claim to be an authoritative text-book.

About a quarter of the matter contained in this book has already appeared in the form of

articles in the "Agricultural Journal of India". The rest is now published for the first time.

The opinions expressed are merely my own personal opinions ; and it is not to be expected that every one will agree with them. If the statement of them creates some interest in the problems involved, and serves as a fresh starting point for further investigations by those who have better opportunities for detailed local inquiry than I possess, it will have fully answered its purpose.

I wish to express my indebtedness to M. Jouzier's excellent text-book, "Economie Rurale," to the many district officers who kindly answered questions that I asked them, to Mr. D. B. Parasnis who supplied me with some extracts from the Peshwas' records, to Mr. J. B. Sanjana who went through some old reports for me, and above all to Mr. Yeshwant-rao Nilkanth Anandkar who has placed at my disposal his wide knowledge of economic conditions in the Deccan, and has spared no pains to assist me in every way.

G. KEATINGE.

POONA, *September*, 1911.

# TABLE OF CONTENTS.

	PAGE
PREFACE . . . . .	vii
INTRODUCTION . . . . .	xv
The scope of rural economy. The importance of business knowledge to the farmer. The necessity for holding agricultural surveys for the collection and recording of accurate information.	

## PART I.

### LAND.

#### CHAPTER I.

HISTORICAL SKETCH OF LAND TENURES AND ASSESSMENTS IN THE DECCAN . . . . .	1
---	---

Early Hindu conceptions of land tenure. Principles of land tenure in the Deccan during the eighteenth century. Assessment and collection of revenue during the eighteenth century. The practice in force in 1818. Estimate of the rural prosperity of various tracts during the time of the Peshwas. Early British efforts. Pringle's survey.

#### CHAPTER II.

LAND TENURES AND ASSESSMENTS IN THE DECCAN AT THE PRESENT DAY . . . . .	18
---	----

Wingate's survey. Principles of classification. Principles of assessment. The position of Government with regard

to the land. The objects aimed at. How far they were obtained. Amendments of the original principles. Revision surveys. Periodic settlements. Suspension and remission of revenue. Alienated land. Previous and present assessments compared. Ratio between assessment and outturn.

### CHAPTER III.

#### THE DISTRIBUTION AND NATURE OF THE LAND . . . . . 37

The nature of the holdings. The location of the cultivators' houses. The size of the holdings. Each holding split up into several plots. Land held by non-agriculturists. Sub-letting and rents. Difficulties in the way of developing land. Common grazing. Forests. Waste land. Poor soils and rich soils. Is the fertility of the soil steadily deteriorating? Review of the situation. Necessity for a constructive policy. Economic holdings. Lines of development.

## PART II.

### LABOUR.

#### CHAPTER IV.

#### THE LABOUR OF THE SMALL PROPRIETOR . . . . . 56

Incentives to strenuous labour. Depressing conditions. Continuity of labour. Slack seasons. Estimate of the year's work done by the cultivator. Economy and waste of labour.

#### CHAPTER V.

#### HIRED LABOUR AND WAGES . . . . . 66

The labour supply of bygone days. Slaves. Labour mortgages. Ratio between wages and prices in 1825. Rates



of wages during the nineteenth century. The determining factors. Chart showing real and nominal wages in the Ahmadnagar District for thirty-seven years. The change in the rate of wages. Real wages distinguished from nominal wages. The wages of casual labour distinguished from the wages of permanent employment. Estimates of real wages at various periods. Demand for and supply of labour. The efficiency of labour. The prospects of the future.

PART III.

CAPITAL.

CHAPTER VI.

CAPITAL, CREDIT, AND RATES OF INTEREST IN THE DECCAN DURING THE PAST CENTURY . . . . . 80

The nature of capital. The meaning of interest. Rates of interest in Europe. Capital in the Deccan. Indebtedness at the beginning of the eighteenth century. Security for debts in old days. Early British legislation on the subject. The results of increased credit and settled conditions. Increase in the burden of indebtedness. The Deccan riots of 1875. The Riots Commission. The Deccan Agriculturists' Relief Act. Its effects. Restriction of the power to alienate land. Rates of interest. The case for the money-lender.

CHAPTER VII.

THE ORGANIZATION OF CREDIT. . . . . 92

Direct advances by Government. The peculiar difficulties of financing farming. Agricultural Banks. Experiment in the Deccan. Co-operative Credit Societies. Progress of the movement in the Deccan. The princi-

ples adopted. The present position of the societies. Their educative effect. The Central Bank. Future developments.

## CHAPTER VIII.

## FIXED CAPITAL. LAND AND PERMANENT IMPROVEMENTS . . . 103

The farmer's capital classified. Improvements effected in England. Improvements necessary in the Deccan. Irrigation the prime necessity. Reservoirs and wells. Water-lifting. Field embankments. Farm buildings. Fences. Estimate of the investment made in permanent improvements to the land in England and in the Deccan.

## CHAPTER IX.

## LIVE STOCK . . . . . 114

Figures of live stock. The Deccan as a breeding ground. Horses. Goats. Sheep. Cattle. The milk supply. Animals for draught. The demand for plough cattle. The disappearance of the grazing grounds. Lack of fodder. The effect of famines. Estimate of the number of plough bullocks required. Useless animals. Storage of fodder the prime necessity. Breeding. Cattle disease. Sanitary regulations adopted in England. The slaughter of cattle. Does it cause a deficiency of plough bullocks? The facts about the beef supply. The analogy of France.

## CHAPTER X.

## DEAD STOCK, CIRCULATING CAPITAL AND RESERVE CAPITAL . . . 132

The agricultural implements in use. Their efficiency. The change in Europe. Changes in the Deccan. Produce in hand. Grain. Fodder. Manure. Provision for unforeseen expenditure. Sinking Fund. Insurance.

PART IV.

THE BUSINESS SIDE OF FARMING.

CHAPTER XI.

	PAGE
MARKETS AND PRICES . . . . .	146

Production for personal use. Production for the local market. Production for the world's markets. Prices of staple grains for a century. Imports and exports in good and bad years. What high prices mean to the cultivator. The demand for cotton. Its effect on cultivation. Prices of wheat in Bombay and London compared. The action of the middleman. Bad marketing. Selling before harvest. Forward contracts. Possibilities of co-operative marketing.

CHAPTER XII.

PROFITS . . . . .	165
-------------------	-----

The criterion of profits. Profit and loss accounts for dry cultivation. Profits of irrigated crops. Profits largely dependent on skill. Minimizing the cost of labour. Subsidiary profits. The advantage of broadening the basis of operations.

PART V.

STATE AID TO AGRICULTURE.

CHAPTER XIII.

THE LIMITS OF GOVERNMENT ACTION . . . . .	181
---	-----

The farming interest. Protective duties. The facts regarding the sugar industry. The difficulty of organizing the

operations of small farming on a capitalistic basis. State action in Java and Formosa. Subsidies and bounties. Sanitary regulations. Cotton frauds and their prevention.

PAGE

## CHAPTER XIV.

THE WORK OF THE AGRICULTURAL DEPARTMENT IN THE BOMBAY PRESIDENCY . . . . .	196
Past efforts of Government. The lines on which the Department is now working. Its future.	
GLOSSARY . . . . .	309
INDEX . . . . .	211

## MAP AND CHARTS.

Map: Bombay Deccan . . . . .	PAGE xxii
Chart Showing the Variations of Real and Nominal Wages of Agricultural Labour in the Ahmednagar District from 1872 to 1910 . . . . .	FACING PAGE 69
Chart Showing the Fluctuations in the Price of Jowari and Bajri at Sholapur from 1821 to 1910 . . . . .	150
Chart Showing the Expansion of Cotton Cultivation in the Bombay Presidency during the past 40 Years . . . . .	155
Chart Comparing the Acreage in the Deccan Sown to Export Crops and to the Food Grains of Local Consumption during recent Years . . . . .	156