

of the Iraq Government. The annual production is about 4 million kilograms. The accumulated stocks of 1949-50 are approximately 5 million kilograms of leaf tobacco and 1 million kilograms of crushed tobacco, for which Iraq is anxious to find markets. Import of foreign tobacco is prohibited and all the tobacco factories purchase their raw material from the Monopoly.

Iraq's industries, mostly centred in Baghdad, chiefly consist of textiles, cement, beer, cigarettes, vegetable oils, soaps, bricks and leather.

Iraq's foreign trade suffered great vicissitudes during the last war. The most important development was that India became Iraq's principal supplier and exported to Iraq large quantities of cotton goods, tea, matches, underwear and haberdashery.

Imports from India in 1939 approximated 590,000 Dinars (Iraq's currency). They shot up to 8,750,000 Dinars in 1943. Indian

exports to Iraq dropped immediately after the war to 4 million Dinars in 1946, primarily due to restrictions imposed on exports from India.

Import from the US increased, on the other hand, the chief items being cotton textiles, underwear, paper and luxuries, as well as machinery, motor cars and accessories.

Of late, the devaluation of the rupee has restored the Iraqi market to Indian textiles, particularly in grey cloth and sheetings, while Iraq's trade with countries like Italy has declined due to non-devaluation.

Iraq has nearly 60 per cent, of its trade with the sterling area, UK being the most important country. Its earnings from royalties in oil are large and are payable in gold.

Iraq's balance of trade in 1948 on merchandise account showed a deficit of 10 million Dinars, though invisible items helped very much to reduce this deficit. The principal imports in order of importance were cotton textiles, iron and steel, boilers

and machinery, sugar, automobiles and spare parts, tea, electrical machinery, woollen piecegoods, cement, soaps, chemicals and pharmaceuticals, motor spirits, art silk piecegoods, coffee, gunny bags, leather and leather goods, paper and cardboard, cotton yarn and thread, wood and timber, lubricating oil, glass and glassware, crockery, spices, oilseeds and edible oils. The foreign trade is mostly in the hands of the Iraqi Jewsly

India faces a serious threat of competition from Japan in the Iraqi market. Prices of Japanese textiles, especially; are substantially lower than those from India; besides, the quality is also reported to be better. But since Japan is now a hard currency area, India will be able to retain its position in the Iraqi market. The price of soap supplied by India, however, is twice that of Australia. Hence India will not be able to exploit export opportunities to the full until internal prices can be brought down.

A New Deal for the Farmer in Hyderabad

Dr. R. V. Rao, Nizam College, Hyderabad

"Agriculture was the dominant issue in India. It could not be dealt with unless all feudal relics were swept away and modern methods were introduced and co-operative farming was encouraged."

—Pandit Jawaharlal Nehru.

JUNE 10, 1950 will go down into the economic history of Hyderabad as an epoch-making day when the Government of Hyderabad placed on the statute book the Hyderabad Tenancy and Agricultural Lands Act. Under this Act, all tenants actually cultivating agricultural lands on that date automatically became protected tenants and will enjoy all the rights and privileges covered by that protection.

It is felt, however, that unless far-reaching agrarian reforms are introduced, so as to establish the tenant on the soil, agriculture cannot be put on stable basis by a mere change of tenancy by legislation.

The problems relating to tenancy, ownership and cultivation of agricultural land still remain to be solved. Absentee landlordism and tenancy farming have been a feature of the agrarian economy in Hyderabad, as elsewhere in India. The problem has been accentuated

in Hyderabad by the accumulation of large areas of agricultural land in the hands of certain families, particularly in Telangana. There are instances in which certain families own the entire cultivable land in several villages. These land-owners are large "pattedars," paying hind revenue to Government.

Moreover, large tracts of land and, in some instances, the entire cultivable lands in villages were granted to certain persons in the past, particularly in the undeveloped areas of the State, on a reduced assessment with the object of bringing these areas under cultivation. Such grants are known as *qowls* and *ijaras*.

Another factor is the extravagant claims made by Jagirdars in regard to what are called the *seri* lands. A few of these land-owners have been actually cultivating their lands on modern lines and have been good farmers, while a majority of them has been content to remain rent-receivers. Considering

the enormous size of the holdings it has become inevitable for them to lease a large portion of their estates to others. This circumstance has given rise to the problem of tenancy.

This problem attracted attention more than a decade ago when the Government appointed a Tenancy Committee. On the recommendations of this committee, the Government passed the Asami Shikmi Act. The provisions of this Act were designed to confer certain specific rights, such as freedom from eviction, regulation of rent, rights to trees and dwelling houses on the protected tenants, i.e., tenants who have been continuously cultivating their lands for a period of not less than six years,

While this Act has been on the Statute Book for nearly six years, its provisions have not been understood by the people and have not been implemented to any appreciable extent. Moreover, since the promulgation of this Act, Tenancy

Legislation has made rapid strides in the adjoining States and its provisions were out of date. Frequent complaints are being received from ryots of forcible eviction, rack-renting and other malpractices. The Government felt that a thorough enquiry into these problems was necessary before measures could be designed to cure these ills.

The Hyderabad Government appointed an Agrarian Reforms Committee last year with Sri N. Madhava Rao, former Dewan of Mysore as Chairman, and Mr. Gulam Hyder and the present writer as members, to suggest tenancy and agricultural land reforms for the State. The Committee not only made a number of recommendations in regard to tenancy and land reforms but also in regard to cottage industries, food production, animal husbandry, etc. The Committee itself submitted two draft bills, embodying its recommendations, within five months. The bills were circulated for eliciting public opinion and the present Act incorporates the recommendations of the Committee and the criticisms received from the public in respect of them.

A lasting and satisfactory solution of the agrarian problem involves:

- (1) Elimination of all intermediate interests between the cultivator of the soil and the State;
- (2) Limitation of the size of holdings;
- (3) Improvements in the relations between the landlord and the tenant, including provision for security of tenure and reasonable rent; and
- (4) Prevention of the transfer of agricultural land to non-agriculturists.

The Act seeks to prevent excessive sub-division of agricultural holdings, empowers Government to assume management, in certain circumstances, of agricultural lands, and provides for registration of co-operative farms. It extends to the whole of the State and prohibits the leasing of lands after the expiry of three years from the commencement of the operation of the Act which comes into immediate force. Leases are allowed under special

cases such as if the landholder is a minor or a female or permanently made incapable of cultivating the land personally due to physical or mental infirmity or if he is employed in the active forces.

The Government will determine for all or any classes of land, in any local area, the minimum area of an economic holding. An economic holding is defined as a holding yielding sufficient produce to enable the holder to maintain a normal family of five members including the holder to enable them to live in reasonable comfort. According to the Committee, it should enable a person to earn 150 rupees per month. An economic holding is not liable to further sub-division. The size of the maximum holding has been fixed at ten times the size of an economic holding.

As regards surplus lands, the Committee says:

" We have not overlooked the fact that the possession of land beyond a certain limit imposes a social responsibility. We have, therefore, made certain suggestions for granting pre-emption rights to all protected tenants and for ensuring that, save in exceptional cases, every landholder cultivated his lands personally and efficiently. Neglect or mismanagement of land is penalised by providing that such lands may be taken over by the Government. The result of these measures would be to reduce large estates to a reasonable size without resorting to measures which are certain to upset agrarian economy and social order."

It is expected that a reduction in the size of large holdings will be brought about imperceptibly and gradually by the interplay of forces released by other measures introduced by the Act, namely, the enlargement of the privileges of protected tenants; grant of pre-emption rights to protected tenants; insistence of personal cultivation by every landholder; and provision for Government taking over the management and cultivation of lands which are mismanaged and not properly cultivated.

The elimination of absentee landlordism necessitates the prevention of the transfer of agricultural land to non-agriculturists. There was an Act on the Statute Book, known

as the Prevention of Agricultural Land Alienation Act. While purporting to prevent the transfer of agricultural land to non-agriculturists, this Act was in effect an attempt to perpetuate communal and caste distinctions in the regulation of the agrarian economy of the State. The Government, agreeing with the views of the Committee, have repealed this Act.

However, to prevent agricultural land passing into the hands of absentee landlords, the Act lays down that no transfer of agricultural land, whether to an agriculturist or a non-agriculturist, irrespective of caste or community, should take place without the previous sanction of the Taluqdar. If, however, a non-agriculturist wishes to take to the profession of agriculture, such bonafide non-agriculturist will be permitted to acquire agricultural land for personal cultivation within the ceiling prescribed.

Maximum Rent

The maximum rent payable is to be determined by a special tribunal to be appointed under the Act. It shall not, in the case of irrigated land, exceed one-third and in the case of un-irrigated or irrigated land under wells, exceed one fourth of the crop of such land. The payment of rent either in kind or labour is prohibited under the Act.

The Government may provide for commutation of crop share rent into cash after due notification. The land tribunals will conduct enquiries in regard to the reasonableness of rent.

Termination of tenancy shall be subject to restrictions. A protected tenant shall be one who has held it for a period of six years preceding 1st January 1948, or for a period of not less than six years commencing not earlier than 1st day of Fasli year 1353 (6-10-1943). Tenants are given the first option of purchasing the site on which they built the house. Tenants shall not let out land. A tenant shall have right to trees planted by him.

The Government, according to the Act, are empowered to assume management of the land if it appears to them that, for any consecutive years, any land has remained

uncultivated, through default other of the tenant or the landholder, or that cultivation has seriously suffered for any other causa whatsoever."

Rights of protected tenants shall be heritable. Landholders shall restore possession, if they fail to cultivate land personally. Tenants may also apply for the same.

Co-operative Farms

As regards the existing uneconomic holdings, the remedy suggested by the Committee is that they should be grouped into co-operative farms. Accordingly the Act provides for the creation of co-operative farms and holds out certain concessions to the ryots to induce them to take to co-operative farming.

Any ten or more landholders of a village or contiguous villages, holding between them fifty acres, may apply for the registration of a co-operative farm. Provision is made for the formation of a co-operative (arm of uneconomic holdings. Land in the uneconomic holdings shall be transferred to the farm.

The Act also lays down the procedure and powers of the Tribunal, offences and penalties besides others.

Just as there can be no navigation of ships by an Act of Parliament, there can be no growing of corn by tenancy legislation. The value of any legislation depends upon the public approval and support that it commands. People must be made aware of what the tenancy law does for them and what it expects of them.

Good to Farmer

The Act is an honest attempt by the Government to do real good to the farmer. Defects in the Act can be rectified with experience of it, working. I feel that it is better to have one tenancy legislation for the whole of India. After all, rent, enhancement, eviction, stability, commutation are some of the topics covered by tenancy legislation in all states.

The Committee also held the view that no scheme for the reform of the land system would be complete unless it provided effective means for reducing rural and under employment. They felt that rural industries to the

unemployment and suggested several such industries that could be developed. In regard to animal husbandry and the Grow More Food' campaign also, they made some realistic suggestions.

In the land system they envis-

age, the absentee landlord on the one hand, and the tenant-at-will on the other, will be eliminated; Considerations of economic prudence and realities of a long established social order have not been overlooked in the search for an ideal solution,

The Stock Exchange

STALE FLAT AND UNPROFITABLE

Thursday, Morning.

ARRING a few isolated spells of brisk activity, conditions prevailing on the Bombay Stock Exchange during the past week could be appropriately described as stale flat and unprofitable. As neither bulls nor bears were inclined to extend fresh commitments, even

professional activity was at an extremely low ebb. In slow dealings, leading industrials drifted, aimlessly, within narrow limits. And, on balance, closing prices on Wednesday, June 21, showed a sprinkling of small losses over the

STOCK EXCHANGE TRENDS

(In Rupees and Annas)

	This Week				1950		
	Previous Closing 14-6-50	Opening 20-6-50	High	Low	Closing 21-6-50	High	Low
Steels							
Bengal Steel	... 21	20-15	21-1-6	20-9	20-10	24-1	18-6
Indian Iron	... 29-15-6	29-15	30-2	29-4	29-4	33-7	26-13
Tata Steel Dfd.	... 1677-8	1681-4	1696-4	1653-12	1657-8	1730	1535
Tata Steel Ordy.	... 329	328	331-8	324-8	325-8	345	309
Textiles							
Bombay Dyeing	... 967-8	965	975	958-12	962-8	1167-8	935
Central India	... 243	233-8	334	327	230-8	276	224
Finlay	... 240	240	240	238-8	240	285	238-8
Gokak	... 237	238	239-8	234	236-8	295	234
India United Ordy.	... 11-8	11-7	11-9	11-5	11-9	12-13	11
Kohinoor	... 297	296-8	300	294	295	323	285
New Great	... 130	131-8	133	131-8	—	175	125
Simplex	... 221	220	223	218-8	218-8	224	178
Swadeshi	... 249	250	251	245-8	246-8	294	245
Banks							
Central Bank	... 83	82-8	82-8	80-12	81	87	79-4
Imperial F.P.	... 1850	1852-8	1860	1835	1835	1856-4	1720
India	... 178	177	178	176-8	177	183	164
United Com.	... 44-12	—	44-12	44	—	51-8	41-8
Insurance & Electric							
New India	... 63-4	62-8	64	62	64	69	54-4
Andhra Valley	... —	—	1412-8	1400	1412-8	1457-8	1387-8
Tata Hydro	... 152-8	—	153	151-12	152-8	156-8	151-8
Tata Power	... —	—	1525	1507-8	1522-8	1580	1502-8
Miscellaneous							
Alcock	... 286-4	—	287-8	282-8	282-8	340	271-4
A. C. C.	... 154-12	154-8	155	153-4	153-4	167	145-4
Belapur	... 229	229-8	229-8	227	229	244	217
Bombay Burma Old	... 502-8	501-4	508-12	491-4	493-2	517-8	352-8
Premier Construction...	90	90	91	84-4	87-8	103-8	80-4
Scindia	... 10-11-8	10-11	11-6-8	10-4-6	11-3-6	15-12	10-4-6
Wimco	... 215	215	216-4	213-2	215	237-8	205

C. D. = Cum dividend

X. D. = Ex dividend

previous week's closing quotations. The Government of India's decision to increase ceiling prices for 1850-51 cotton crop by Rs. 150 per candy has been welcomed in cotton trade circles. That the Government of India have accepted the recommendation of the Textile Advisory Committee in spite of the strong opposition of the Bombay Government is generally interpreted as an indication of the growing sense of realism in their cotton policy. This is, of course, arguable.

From the view point of the Stock Exchange, the increase in cotton prices is of no immediate consequence. It is not likely to have any appreciable effect on cotton mill shares as cloth and yarn prices are to remain unchanged for about six months till the new cotton crop comes into the market. Balance sheets of textile companies for the year ending December 1950 will not, therefore, be affected in the least by increase in cotton prices and the consequent anticipated rise in cloth and yarn prices. Prices of cloth manufactured out of the new cotton crop will be fixed as usual according to the then ruling prices of cotton. What the ruling prices of cotton would be six months hence is anybody's guess.

Dalai Street had been bidding up textile shares in anticipation of decontrol or early increase in cloth prices. But neither has cloth prices been decontrolled nor are they going to be raised during the current year. So Dalai Street is appointed and cotton mill shares have developed an irregularly lower tendency. This had an unsettling influence on the general market sentiment.

Time and again it has been repeated in these columns that the activity on the stock exchange continues to be exclusively of a professional nature. And it is elementary knowledge that while professional operators can push up prices, the rise cannot be sustained without adequate investment support. Recent market behaviour suggests that unable to attract outside support, professional bulk who had been rigging up a few speculative issues, particularly Tata Deferreds, are now finding themselves in an uncomfortable position. Though they are still endeavouring

to support the market with a view to liquidating their holdings profitably, it seems doubtful if they could unload their holdings without bringing about a sizeable setback in prices. For, the market has been rendered highly vulnerable as a result of persistent short covering during the past two weeks. Shrewd observers incline to the view that Dalai Street is marking time for making a downward move.

Marketwise, there is very little to report that is really worth reporting. Tata Steels drifted irregularly lower on occasional bull liquidation and lack of fresh support. Calcutta issues were generally dull but Indian Irons suffered sizeable setback towards the close on Wednesday due to weaker advices from Calcutta.

Textiles displayed a hesitant tendency. Price fluctuations were narrow and leading counters suffered small losses on speculative selling and profit taking at higher levels. In view of growing threat of foreign competition and upward Irene! in domestic cost of production, the outlook for cotton mill share; is generally regarded as far from encouraging.

While Bank's suffered from lack of support, Insurances and Electrics ruled slightly steadier on modest inquiry, particularly in Tata Powers, which were marked

up from Rs. 1,502.8 to Rs. 1,525. In the Miscellaneous Section, Scindias spurted towards the close on bear covering and renewed buff support, based on expectations financial assistance to the Company's shipbuilding yard at Viragapatam by the Government of India. After touching a new low for the past many years at Rs. 10-4-6, Scindias rallied to Rs. 11-6-6. Premier Constructions also moved up in sympathy. Tata Oils suffered marked decline from Rs. 48 to Rs. 38 on persistent selling pressure induced by expectations of substantial reduction in the annual dividend. Bombay Burmahs and Associated Cements cased off on scattered profit realising at higher levels.

Wall Street Women

Recent investigations conducted by Wall Street into the working of the female mind in regard to investment make interesting revelations. Most women, Wall Street finds, show as good judgment in their investments as does the average man and they realise the value of sound factual information.

Women are holder than men when it comes to a gamble and they take a chance where a man would hesitate. They are much keener on profits. Whereas men will buy cautiously for income, women throw off caution on the chance of quick profit.

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