

# **Economic Principles in Ancient India**

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## **Economic Principles in Ancient India**

### **Introduction.**

First, despite some few economic terms used throughout the text like Land Value Taxation (which means simply taxing the value of land alone) there is nothing complex or complicated in this study and reading it does not require any training in Economics. I have made it all very simple. The reader need not be deterred also by the names of Adam Smith and other economists.

This study was first completed back in 1992 in rough notes to meet the needs of some students in Athens and London. It remained in that form for 10 years. Then new needs arose and after some study of new literature on the subject (e.g. Madan 1981, mainly Ambirajan 1994 and Rangachari 2002), I made revisions and cast the notes into the present format showing the relation of the Indic principles to certain modern concepts and particularly to Land Value Taxation.

The study deals with **principles** as found in the more ancient sources of the Vedic period in so far as this is possible. This should be grasped very thoroughly. Unlike a particular practice or application of a law which may well be affected by circumstances and thus appear to be different from place to place and time to time, a principle has an unchanging and eternal quality. I do not deal with actual practice except incidentally. For this reason, of course, I do not examine at all economic practices in the medieval period and more recent times, for which there is ample documentation. If the readers have this in mind they shall not wonder at the almost ideal or idyllic conditions that are presented in the pages that follow and the absence of references to the real-life practices that appear not only in the late centuries BCE but even in the Epics and much sūtra-literature. Kauṭilya's *Arthaśāstra* incorporates some of the wisdom of the principles formulated in the early Vedic period but it is obvious that conditions have changed and many of those principles have been forgotten or covered with distortions. The polity in *Arthaśāstra* is a mixture of private enterprise and state control: what we call today 'social democracy' or 'democratic socialism' (despite labels like "liberalism" or "free economy" and the like).

Nonetheless, in the Vedic and the later texts we meet the same

concern about the distribution of wealth that occupies the mind of modern economists. How much does a man or a family need to earn and how much should be given to the royal treasury (i.e. the State) and how should these be determined? Or to put it in other terms, how should taxation be levied? Then, how should the State dispose of its revenue? Also, how should lending operate and what would be fair rates of interest? The lawgivers in ancient India were fully aware of all these issues. One aspect of modern economies that is not treated by the ancients is unemployment because this problem appeared as such, on a large scale, only with the increase of population, the land enclosures (=privatization) and the industrial revolution in Europe at the end of the 18th century. But the texts take it for granted that people should feel secure in their different employments.

A most surprising feature is the principles of free access to land for all and the Land Value Tax which should be the source of Government revenue (and expenditure). It is surprising because Land Value Taxation is supposed to be a fairly modern concept. It was first broached briefly by Adam Smith in his *Wealth of Nations* in the late 18th century; but he was very cautious in an age and country of landlords and advocated tax only on used land – not unused land and houses. But he, D. Ricardo, J.S. Mill and all economists down to modern writers of Handbooks on Economics (e.g. Lipsey 1966: 449-450; McCormick, Kitchin et al 1983: 427) agree that a tax on land values cause no distortions in the economy of any one nation. Why then it is not applied is something of a mystery, but undoubtedly big financial interests (investments in land, oligopolies and the like) would be seriously affected not to say wiped out. Anyway, this idea is thought to have been especially embraced and promoted first by Smith's contemporaries, the Physiocrats in France (18th cent) and then most ardently by Henry George in the third quarter of the 19th cent. in the USA. But it turns out that very much earlier this idea, or one like it, was known to the lawgivers and sages of the ancient Vedic tradition. In the last chapter I show the close parallels. Of course, today Land Value Taxation is ignored by most economists because ownership of land is confused with ownership of houses, apartments and other goods.

Another point to note is that the Vedic tradition emphasizes duty (*dharma*) and does not seem to care much for rights. This is true of other traditions even in the West. Yes, there were the rights declared in the *Magna Carta* of Britain of the early 13th century (in fact, in a series of Charters granted by the Sovereign and much later in the Bill of Rights of 1688) but even in freedom-loving Britain the focus was on duties. The big change came with the Declaration of

Independence in 1776 in the USA with its announcement of the rights to Life, Liberty and the pursuit of Happiness (Jefferson 1975) and the 1789 French Revolution which amplified these basic rights that brought a new era in which duties began to be brushed aside more and more. Today, only rarely will someone speak or write of duties. All one constantly hears is – rights, rights, rights: the right to this, the right to that. In this clamouring for rights unfortunately people forget that it is the observance of duties that secures the corresponding rights. For what use is my right to my person, life and wallet, when others decide to beat me up and take my wallet? If people do not seriously observe certain duties – not to harm, abduct, steal, imprison etc – the much vaunted rights are but hollow slogans.

The Vedic tradition focused on duties again and again, period after period, text after text. One's entire embodiment was regulated by duties that led through the four *āśramas* 'stages of life'; the state of a student, of an adult householder, of a retired anchorite and of a *sannyāsin* who renounced everything, including duty, to attain *mokṣa* 'liberation' through self-realization. Economics was not an area on its own, separated from Ethics and Philosophy, or from the religious life in its widest sense. For this reason I examine at some length the ethical or religious duties of the king which correspond to a modern government's function. In today's India also the pressures of modern life and globalization are gradually but steadily pushing aside the traditional regard for duty in favour of rights while now the four *āśramas* are by and large a tradition of the past. Nonetheless, discovering in the ancient texts the principles that may be said to pertain to the politico-economic life of a nation, as we understand this life today, was for me yet another awakening to the great knowledge enshrined in the Vedic tradition.

In the last chapter I bring together the ancient principles with some modern concepts and formulations and set up a frame of nine rights which secure man's freedom in society but only provided that people earnestly observe the duty not to infringe on the rights of anyone else. The most fundamental condition both for the individual and for society is that land should be freely available to all men who want it (see I,b and II below) and that it should not be held out of use when others are ready and able to use it effectively. This condition would seem to be secured by Land Value Taxation. This subject will be explored in the final chapter.

## I) General Principles.

### a) *Civil Liberties*

The ancient Indian lawgivers composed many Codes of Laws. Although they have differences and contradictions in several particulars, yet a uniform spirit infuses them all. Some laws seem to us strange and inapplicable to modern conditions. Others are formulations of fundamentals regarding the human condition: man's relation to himself, to his family, to other men in society, to the broader natural environment and to the Supreme Deity or Absolute (*brahman*). In this essay we examine some laws that seem to be of universal application and have direct bearing on what we today call Economics.

We shall not investigate the actual application of these laws at different periods nor try to depict the economic history of Ancient India.

The Āryas, as the ancient Indians call themselves, or the sages who instituted their Laws, recognised fully all the needs of man for bodily wholeness, food and shelter, locomotion and assembly, property and reputation, solitude and peace, physical work and spiritual development. Their laws seek to regulate human actions so as to create conditions of freedom where these needs may be fulfilled. Thus some philosophical systems give a formulation that contains five general principles of conduct or duties: *ahimsāsatyāsteyābrahmacaryāparigraha*.<sup>1</sup>

These are: a) *ahimsā* non-injury towards all creatures; b) *satya* practising truth; c) *asteya* non-stealing; d) *brahmacarya* continence or clean mode of life aiding spiritual development; e) *aparigraha* non-accumulation of all types of possessions or enjoyment of measured life.<sup>2</sup>

The first three affect economic activities directly. When people observe non-injury, then all enjoy their natural bodily condition, remaining alive and sound of limb, to move about, work and pursue their legitimate aims; this non-injury could apply to the whole environment, of course, and so preserve the natural ecological systems. By observing truth in speech and action they fulfil promises and contracts; all economic dealings proceed in honesty and trust. By non-stealing, they all obtain the fruits of their labour (if they labour), they have security of property and enjoy their possessions.

These duties are embodied in all Codes. Nārada's lawbook, for instance, defines abuse and assault, prohibits them and ordains

various punishments for these offences.<sup>3</sup> The same holds true for fraud and breach of contract (VI-VIII etc), false witness (I,14,177 ff) and, of course, theft (SBE XXXIII, p 233 ff).

Br̥haspati's lawbook ordains that people are not to be obstructed in their locomotion in any way.<sup>4</sup> This unimpeded locomotion and then freedom from arrest is quite remarkable.

Nārada rules that people – even if they have committed some offence – are not to be arrested while they are engaged in their lawful occupation: cowherds attending their cattle; cultivators while tilling; artisans performing their work; soldiers on the march; and so on!<sup>5</sup> Such respect for man's work is rarely encountered.

The Aryan codes agree with those of other Nations in securing what in the West are called natural rights: of person, free locomotion and assembly, property and reputation and the like.

### **b) Access to Land**

It is a fundamental fact of existence in this world that a man needs space on land (the dry surface of our planet) to live and labour: and this, to the exclusion of others. Apart from his dwelling and work-place, man's food (and water) and most natural resources for his use are also to be found on and extracted from land. On land, too, his needs for air and sunlight find satisfaction. If man has no access to land freely then his whole life will be limited accordingly; if he has no access at all, he will cease to exist. This was recognised by all classical economists and Marx gives a succinct description in his *Capital* calling it "*locus standi* and *field of activity*" (both the Latin and the English phrase are so in the German original text: place to stay and field for action, work: 1.3.5).

The Aryan lawgivers recognised this need also and provided for it very fully and unequivocally. Nārada says : "A householder's house and his field are considered as the two fundamentals of his existence. Therefore let not the king upset either of them; for that is the root of householders"<sup>6</sup>. (The king's primary duty is to protect the people in his realm; if householders have not a piece of land to live and work and obtain food, or the means for food, the king would be failing in his duty. Governments today fail abysmally in this respect.)

Furthermore, a man's enjoyment of his land must not be disturbed by others. Br̥haspati states : "A privy, a fireplace, a pit or a receptacle for leavings of food and other (rubbish), must never be made very close to the house of another man."<sup>7</sup> This rule has, as do others, a wider application in respect of the general environment, adhering to *ahimsā*, non-injury.

However, as we shall see, the situation was not entirely ideal. In the same lawbooks we find private ownership of land, sales, mortgages, leases, division of estates (some very large) and the like. Nonetheless every settlement, a hamlet, village or town, has its own stock of common land all around. The most authoritative lawbook, the *Manusmṛiti*<sup>8</sup> ordains: "on all sides of a village (*grāma*: human community) let there be a space-reserve (*parihāra*) of 100 *dhanus* (= about 600 feet) or 3 *śamyā*-throws; three times that extent round a town (*nagara*)"<sup>9</sup>. That was the boundary.

Beyond was the *araṇya*, the wild, the jungle or desert, no man's land: anyone who wished could have a piece for himself with the consent of the community. This is seen plainly with *vānaprasthas* (= forest-dwellers) or *vaikhanasas* (hermits or ascetics) who live outside the communal settlement. But householders also do the same when they start their own family or independent individual living. The lawgiver Baudhāyana says: "After departing (from his ancestral home), he stops at the extremity of the village, or the boundary, builds there a hut or a cottage and enters it".<sup>10</sup> (For extension of, or disputes over, boundaries see V g, below.)

This mode of life persisted in many rural parts of India right up to the 20th century, according to economic historians<sup>11</sup>: fields around the village were held by the whole community. Marx noted with admiration the stability and "simplicity of the productive organism in these self-sufficing communities which constantly reproduce themselves... untouched by the storms... of politics".<sup>12</sup> But he did not pursue his study to the ancient beginnings and causes of these communities. It was the work of wise lawgivers in the remote antiquity of the Vedic period.

## II) Land-tenure in Vedic Times

There are three theories on land-tenure in the Vedic age. Some scholars advocate private ownership.<sup>13</sup> Others favour royal<sup>14</sup> and others joint communal ownership<sup>15</sup>.

The sources for the Vedic period are generally divided into early and late. Early are the Hymns known as *Ṛg-veda Saṃhitā*, Collection of recited hymns of knowledge; the earliest of these may have been composed before 3500 and up to 6000 BC.<sup>16</sup> The *Sāmaveda* collection has, in this respect, no significance as only 75 lines are original; its other 1500 are found in books VIII-IX of the *Ṛgveda*. A later source is the Hymn-Collection known as *Atharvaveda*; some of its hymns may be older than the late hymns of the *Ṛgveda*. After this come the mixed poetry-prose works known as *Yajurveda* (prayers and sacrificial texts), *Brāhmaṇa*, *Āraṇ*

*yaka* and *Upaniṣad*. These last prose-works presuppose the *Ṛgveda*-hymns, comment on them and explain or amplify them. The *Brāhmaṇas* deal mainly with sacrificial and other rituals, the *Āraṇyakas* describe aspects of the life of ascetics, while the *Upanishads* enlarge on the unity of *ātman* (the individual Self) with *brahman* (the Spirit or Self of the Universe). The latest of these must have been composed not later than 800 BC. (When this essay was completed early in 1992, the writer had abandoned the mainstream chronology (and the imaginary theory that the Indoaryans had invaded India c 1500 BC), but he had not yet settled for new dates; this is now being corrected in n 16.)

None of the three theories are supported by any references in the Hymns themselves. Clearly, most scholars confuse ownership with possession and use. Ownership implies and entails the possibility of alienation and sale whereas possession does not. The early texts indicate possession not ownership.

Only two relevant facts emerge clearly from the Hymns: land is cultivated by individuals (or families), not jointly by a community; land is a Goddess and therefore sacred. (Land, or parts of it round a community, could have been cultivated jointly or communally. I am only saying that the texts give no evidence for this – only individual holdings.)

Individuals certainly occupy and plough fields. There are many references to one's land; in a *Ṛgvedic* hymn the girl *Apālā* speaks distinctly of her father's cultivated field.<sup>17</sup> But such references show occupation and use, not ownership. Ownership, as we know it, would be shown indisputably only if there was mention of sale, exchange, or giving away of land. There are no such references in the Hymns. The head of a tribe or community or hamlet often gives away gifts – as in the hymn on *Liberality* (*Dakṣinā*, *RV X*, 107) or the *Vālakhilya* hymns 7 & 8 (*RV VIII*, 55 & 56) etc. The gifts are gold and jewels, cattle, steeds, skins and the like. But there is nowhere mention of land.

*The sacredness of earth* is attested by several hymns. Earth has many names: *pr̥thivī*, *bhūmi*, *ksīti*, etc. As *Pr̥thivī* she is a goddess and worshipped as such (usually with *Dyaus* 'Heaven': Greek *Zeus*, Germanic *Tiwaz*).<sup>18</sup> Earth's sanctity appears in other divine forms: as *Arāṇyānī*, goddess of wild and forest (*X*, 146); as *Kṣetrapati*, lord-protector of fields (*IV*, 57).

Here arises an important consideration. Since Earth is a goddess, an immortal universal power, it is not likely that it would belong to mortals, to be sold and exchanged like ordinary products, gold, chariots, foodstuffs etc. There would not be private ownership of land. This is borne out by the fact that land does not appear as

wealth. Words for wealth or property in the hymns are – *rai*, *rayi*, *rekṇas*, *vasu*, *dhana* and *vitta*. Wealth is mentioned in the form of gold, jewels, horses, elephants, even good sons and slaves, but not fields or land<sup>19</sup>. In fact, land or earth is called “*vasudhā*” (= wealth-producing, in *Atharvaveda* and after) and *vasuṃdharā* (wealth-holding, in the Upanishads and after); in other words, earth is the store, source or material cause of wealth.

Another consideration is the legendary marriage of Earth with a first king Pṛthu whence she acquired the name *Pṛthivī* (feminine of Pṛthu). There are two traditions on this. One, the Purāṇas and the epic *Mahābhārata*, would have Pṛthivī as the daughter of Pṛthu. The other, the *Manusmṛti*, has her as Pṛthu’s wife *bhāryā*. (See Vb and VIb, below.) As wife of king Pṛthu, the earth/land cannot belong to anyone else since marriage in the Vedic Tradition is indissoluble.

In a *Brāhmaṇa*, one of the later Vedic sources, the system of land-tenure emerges with clarity. The land belongs to all men equally; the whole community holds the region where it lives and through the chief gives freely a piece to anyone who needs to settle. In the *Śatapatha Brāhmaṇa*, as a householder settles in his new home and builds the *Gārhapatya*, the sacred fire-altar, the following description occurs:

“Yama hath given the settlement on earth (to this sacrificer); for Yama indeed rules over the settling on this earth, and it is he who grants to this one a settlement on this earth. The Fathers [=deceased ancestors] have prepared this place for him. For Yama is the *Kṣatra* [=nobility or rulingpower] and the Fathers are the clansmen; and to whomever the chief [=Kṣatriya], with the approval of the clan, grants a settlement, that settlement is properly given: and in like manner does Yama, the ruling power, with the consent of the Fathers, the clan, now grant to this sacrificer a settlement on this earth.” (VII, 1, 1, 3-4)<sup>20</sup>

This passage has deep implications. (1) Undoubtedly this principle was in force in the period of the Hymns. (2) The land is a divine entity and belongs to the whole of mankind. It is not just a matter of this generation or this tribe. The land has been prepared by all previous generations, whose spirits are now present in the people of today. Each generation holds the land in custody for the next. (3) The area or district or country is held in common by the whole clan or tribe, community or nation. They, expressing all previous generations, give the land by means of their ruler. (4) The ruler does the giving but he represents Yama, the lord of regulation, King and Judge in the World of Departed Spirits in heaven (*Pitṛloka*: such is Yama in the Hymns): the land is not really the king’s. A Divine Power with the consent of Humanity bestows it through the

king on the new settler-sacrificer. (5) The condition is that the receiver will live and work, will settle in the community. (6) More remarkably, nothing is asked in return – other than that the man should settle! And here we have an implicit recognition, which is the loudest declaration, that every man needs land (on which is light, air and space) to live and work. This he should have freely. This implies too that there were settled communities.

This reminds of Plato's allotments in *The Laws*: "Let the apportionment be made with this understanding that the citizen who receives his plot must consider it as common property of the whole State: since this land is his fatherland he should tend it even more diligently than a mother her children – in as much as being a goddess she is mistress over mortals" (740).

The same Brāhmaṇa prohibits the giving away of land in any other way at all. It may not be granted even as a gift to priests who perform sacrifices (or other rituals):

" Now of sacrificial gifts. Whatever there is towards the middle of the kingdom other than the land, the men and the property of the brāhmaṇa, of that the eastern region belongs to the Hoṭṛ... etc"<sup>21</sup> (Hoṭṛ is a sacrificial priest). Thus land as well as people and the brahmins' property is inalienable.

The same book, a little later, mentions the incident of King Viśvakarman Bhauvana who promised to give land to his officiating priest Kaśyapa. Thereupon Goddess Earth sprang up and reproached him: "No mortal should give me away! Thou wast foolish..."<sup>22</sup> Thus even the king could not give away land as a gift to his priest!

However, as one could expect, this primary, supreme principle came to be ignored, even as the early period of the Vedic Age was closing. In one of the somewhat later texts, an Upanishad,<sup>23</sup> King Jānaśruti gives to sage Raikva, gold, cattle, a village and his daughter in marriage. The village is given by the king as a dowry or gift. So already kings and other individuals possess or "own" more land than is needed for "settlement" and can give it away. Or this may be an exceptional act since the king wanted to be taught by Raikva and subsequently the region came to have the sage's name.

It is not difficult to see how the ruler and other influential nobles gradually came to consider that land is "theirs", to appropriate it and dispose of it as they liked. The royal function of bestowing land, similarly, generated the distorted notion that the land belonged to the King and that the taxes people paid were a kind of rent, something like the feudal arrangement in medieval Europe<sup>24</sup>. The notion was later strengthened by actual instances of quasi-feudal

conditions and the fact that kings did own land and did lease out areas as reported by the Greeks, (chiefly Megasthenes) after Alexander's invasion<sup>25</sup>. An additional reason for the error is the name "pati" itself: it certainly means lord or master (and husband) and it is used for the king as "master of the country, lord of the land, lord of all" etc. But it is still some way off from meaning "owner"! Its primary meaning is "protector" (*pā: rakṣaṇe*= protecting, guarding). Protection was the king's primary function and taxes (tribute "bali" in Vedic times) were his reward or salary.

However, the communal possession of land, the principle that land exists to be enjoyed by all men equally, did not pass into oblivion. We saw that it is found in some form in later works like the Lawbooks (Manu VIII, 237; Baudhāyana III, 1, 17). It is restated in Buddhist texts, as well, in Jaimini's *Pūrva Mimāmsā* (VI, 7, 3) and elsewhere. Most noteworthy is a passage in the epic *Mahābhārata* (Bk 14 *Aśvamedha*: 10,7,...) where the King gives land to sage Vyāsa but the latter says this should stay with the King and does not take it! We find a similar situation in the other epic, the *Rāmāyaṇa*, in Bk I *Bālakāṇḍa*, ch 13, where again, after the *aśvamedha* 'horse-sacrifice, the king wants to give away land to the brahmin-priests but they refuse it and say he alone should keep and protect it.

But before following this investigation it would help to know a little about the life, aims and structure of the Aryan society, at least as it appears in the early period, in pre-Buddhist times.

### III – The Supreme Aim

For the post-Vedic period (taken to begin after about 800 BC by mainstream academics in the West but beginning after the great war of Bharatas, 3137 BC, as the native Indian tradition has it and closer to 2500) our sources are still mostly what one would term "religious". Even some secular compositions, like passages in the epic *Mahābhārata* or the strictly political text *Arthaśāstra* (Statecraft<sup>26</sup>), bow humbly before religious tradition. For at that time and until very much later, economic activities, *vārt(t)ā* in Sanskrit, i.e. manufacture, trade etc, were not divorced from ethics and religion. Production, commerce, war and politics (whether royalist or republican), as well as religion (with ethical rules and rituals), were all inseparable aspects of man's life in this world. Thus *dharma* denotes religion and religious law but also secular law and, at the same time, the duties, religious and civil, that a man has to perform towards himself, his family, the State-officials, other members of the community, the priests and holy men, strangers,

the environment and gods! It is all dharma, aspects of universal Natural Law.

Despite it's enormous diversity, life in this world was regarded as a unitary movement of growth and development with three major phases, each with it's distinct objective, named respectively *dharma*, *artha* and *kāma* and *mokṣa*.<sup>27</sup> It was, as it still is with all people, the steady physical growth up to the age of 18-20, then the continuance of that state for a period until the onset of old age and the bodily debilitation. At the same time there was the inner development in knowledge and skill, eventual maturity and spiritual growth. Not everybody, of course underwent the inner development to the full, reaching the highest good *śreyas* or *niḥśreyasa*.

The first phase is that of education where the child and youth learns all about the law: the religious or moral law that will govern his spiritual development and his relations with God and all other creatures; all the laws of the craft or science he will follow in his profession in adult life. Adulthood is the second phase which has it's own object (*artha*), the application of *dharma* in all his actions, the mastery of a profession, the earning of wealth and the gaining of experience of life. As this succeeds, the third phase opens with the enjoyment of desires (= *kāma*). Broadly desires are of two kinds: one that keeps the man attracted and bound to the material world and the grosser aspects of life; a second that leads man to finer aspects, good actions and worship of gods, that will ensure a place in Paradise and rebirth in auspicious circumstances in the next embodiment, or the development of mind towards wisdom, bringing Self-Knowledge and full liberation of spirit. In pursuing the latter course, the man aims at the final objective, *Mokṣa*, that is emancipation from the chain of birth-death-rebirth, achieved through the realization that man's own individual Self (*ātman*) is indeed the Supreme Self, the Mystic Spirit of the Universe (*brahman*). In the later orthodox philosophical Schools this was the supreme good, the *niḥśreyasa*.

These phases or stages are called *āśrama*. The first is that of the *brahmacārin*, i.e. the young man who studies dharma with a guru, teacher. The second is that of the *gṛhastha*: the man has his own family now and pursues artha. The third is that of the *vānaprastha*, when the mature man withdraws from worldly pursuits to follow more fully the path to salvation. The final one is that of the *sannyāsīn* whereat the man renounces all worldly pursuits and gives himself wholly to spiritual practices to reach mokṣa, liberation through Self-realisation. All this is regulated by dharma, every stage comes under dharma and has its distinct features which again reflect dharma. Only when a man attains *Mokṣa*, is he free of dharma. But then he is one with the Absolute, the First Principle of

the entire creation (Brahman); he is a realised man, a *jñānin* a *jīvanmukta*.

What we call purely economic activities were not and could not be viewed as independent sectors; they were activities or functions (mainly in the second phase) within the larger movement of life and were governed all the time by dharma so as to lead the man, and help others to whatever extent, onto the next phase and the final objective of inner development and salvation or realisation.

With this end in view, from the earliest known times, the Aryan society was differentiated into 4 castes, as they are now called (*varṇa*=class of people). The *brāhmaṇas* (or brahmins) were priests and holy men, custodians of ancient wisdom who performed sacrifices, taught the law (*Veda*=knowledge of natural law) and advised rulers and people as the need arose. The *kṣatriyas* were rulers and warriors, who protected society through arms and enforcement of laws (justice) both against external enemies and internal criminals. The *vaiśyas* were the producers (herding, tilling and manufacturing) and merchants. Although only the *brāhmaṇas* officially could teach, the other two castes could study the *Veda* (and some *kṣatriyas* made excellent teachers<sup>28</sup>). Members of the fourth caste, *sūdras*, could not study or take part in holy sacraments (though some sources allow this): they had only one function – to serve the other three.<sup>29</sup> Any member of the three higher castes, called "twice-born" (*dvija*), would be regarded as a *sūdra* if he failed to perform his duties. (It is a much debated point whether people from lower castes could rise higher, but since any man from any caste could attain liberation, the point need not be pursued here). There was a fifth class of people, the *dāsas* who are normally considered as "slaves". The term *dāsa* will be kept here because they were not slaves of the sort we meet in ancient Greece or Rome. They were more like bondsmen; they had no rights of property nor free locomotion. Neither *sūdras* nor *dāsas* could participate in the sacraments of initiation etc: they were not "twice-born" and could not normally follow the course of the three stages (*āśramas*) like the three castes (but see note 29). We shall hear more about *dāsas* in VIII, a, below.

All these relationships and functions were regulated by dharma as formulated in the Lawbooks and works of similar nature. As Āpastamba's rules say, the aim is to attain Self-Knowledge or realization of the Self (*ātman*) (22, 2): "There is no higher (objective) than the attainment of self (that is the One Universal Spirit, the Self of all)."<sup>30</sup> Provided people perform their duties dedicating them to the Supreme Lord, they shall attain this liberation from sin and rebirths (*saṃsāra*), however low their position in the world. *Aitareya Brāhmaṇa* (II, 19) tells the story of

Kavaṣa, son of dāsa, who is inspired by goddess Sarasvatī and is accepted by Brahmins as a sage. *Chāndogya Upanishad* IV, 4 again speaks of Satyakama whose mother, a servant in various households, could not tell him who his father was, but the young man was so truthful that he was taught not only by a brahmin teacher but also by various deities in animals, birds, fire, water etc.

#### IV – The nature of our sources

Apart from the epic *Mahābhārata*, Kauṭilya's *Arthaśāstra* and some Buddhist texts<sup>31</sup>, our sources are the Lawbooks. These fall into two categories: Dharma-sūtra and Dharmaśāstra. Sūtras are short pithy statements of law, of what is or what should be done; normally in prose, often elliptic in syntax and sometimes unclear or ambivalent in meaning, they usually require explanatory amplification from commentators versed in the subject. Śāstras are traditional texts of Holy Writ (including the revealed Vedas and Upanishads) and others which we would call Sciences like Politics (Nīti), Linguistics (*Vyākaraṇa*), Medicine (*Āyurveda*) etc: these may be composed in prose-sūtras (like Pāṇini's Grammar) or in verses (like Manu's Lawbook) or a mixture of both (like Kauṭilya's *Arthaśāstra*).<sup>32</sup>

Nonetheless, whether *sūtra* or *śāstra*, prose or verse, the texts are not at all handbooks on Economics. As was mentioned in the Introduction, Economics was never in fact a subject or science independent of Ethics, which was an aspect of Religion or (as we prefer it today) Philosophy. What we today regard as economic activities were then ethically lawful or unlawful (*dharmika* or *adharmika*) actions (*karma*) that lead or did not lead to the highest good (*śreyas* or *niḥśreyasa*), that is the attainment of heaven, entry into paradise or emancipation from the chain of birth and death. Thus in its totality, every text has an unmistakable religious tenour. And, of course, when we go back to the Vedas themselves, as we have to do often, we find that these texts are wholly religious and any information about Economics is purely incidental.

The Dharmaśāstra texts are comparatively late, composed not earlier than the 2nd cent CE, according to the old mainstream chronologies, but all these dates will need to be revised radically (see note 16, end). The Sūtra works on dharma, or Law, generally seem to be several centuries older: many belong probably to the 2nd millennium and some to the 3rd, BCE. But both kinds contain material which is on the whole very similar. The Laws of Manu (*Manusmṛti*) is generally regarded in modern times as the most authoritative.<sup>33</sup>

Although the books of Manu, Nārada and others are of uniform spirit, they contain disagreements and contradictions. The Āryas were different tribes, spread widely apart and developing with their distinct dialects, customs and usages. They accepted generally the authority of the Veda or God, but each one might differ in its interpretation or manner of worship. One example of contradiction is the sale or exchange of children. Āpastamba and Manu prohibit it; Gautama(=G) and Vasiṣṭha (=V) allow it.<sup>34</sup>

A second example is the proof of ownership. They all accept that a title (*āgama*) is stronger than a mere possession (*bhoga*) and some title is generally needed in order to prove possession/ownership (*svāmya*)<sup>35</sup>. However Nārada and Viṣṇu (=Vi) favour possession after a lapse of time<sup>36</sup>, while Yājñavalkya (=Y) demands a clear title.<sup>37</sup>

Such differences may be due to lapse of time, also, and the legalization of exceptional practices, sometimes in substitution of older principles. The exceptional practice becomes so common that it is best to legalize and regulate it rather than prohibit but not stop it. Thus, Dharmaśāstras, and to a lesser extent Dharmasūtras (Āpastamba, Baudhāyana, Gautama and Vasiṣṭha), are derived from older works, recast by later scholars, with many modifications, excisions of older rules, insertions of new ones, deletion of part of the rule, substitution of another, combination and fusion of different parts and so on. Consequently all lawbooks, and more so the Dharmaśāstras, contain contradictions within themselves.

Manu's text affords a good example. Since it refers to many previous sages and Vasiṣṭha by name (VIII, 100; IX, 23) who in his own sūtras refers to many previous lawgivers, and since it mentions (X, 44) explicitly Yavanas (Ionians, Greeks), Pahlavas (Parthians, Iranians) and Śakas (Scythians), who settled in Northern India in the 3rd BC, 1st BC and 1st centuries CE respectively, the work as we have it now, cannot be earlier than the 2nd cent. CE! On the other hand, it is very obvious that it contains excellent regulations that go back to very remote antiquity. Manu alone of all the lawbooks has the statement that a field belongs to the man who first cleared it of wild-growth. This rule (IX, 44) is joined with a reference to the marriage of King Pṛthu with the Earth (see III, above), who thereby got her husband's name and became "Pṛthivī" (see also VIb below). This shows very subtly an understanding that a man may have and use a piece of land but it can not become his "own" – since land, Pṛthivī, has already married the first king Pṛthu (and, by extension, all mankind), and marriage in the Vedic tradition, as was said, is indissoluble. But the stanza contains yet another element, the parallelism of a hunter taking the deer he has pierced with a dart. (Here we have the principle that any natural

product or resource becomes the property of the one who removes it from its natural environment and makes it fit for human use<sup>38</sup>.) The only trouble is that the two entities compared are incommensurable. Land and deer are not really similar in that men need land to dwell and work but do not need deer even for food. Thus it may be supposed that this stanza is a recast of two (or more) separate ancient statements about land and other articles and that the writer is no longer aware of the difference involved.

Some grosser instances of contradiction show the obvious interferences with the original text – whatever it was. Some stanzas allow śūdras to have property and others forbid it<sup>39</sup>. (See also chapter III, n 29 and text). Again, with meat, some rules prohibit it as food and others permit it!<sup>40</sup> (Obviously, some tribes would not abstain from their salmon, pheasant or venison). Then, as regards the sale of daughters as brides, even acceptance of the smallest gift, is severely condemned in rules III, 51-3, but allowed in VIII, 204; it is forbidden again in IX, 93, allowed in IX, 97 and disallowed in IX,98!!!

All these considerations indicate that the original statements of the lawgivers, probably in verse- and perhaps in sūtra-form, were worked over and re-arranged eventually in the shape we have them now. To a much lesser degree this holds true for the Dharmasūtras as well; but here, the original statements are often intact, particularly in the Dharmasūtras ascribed to Gautama and Āpastamba and regarded as the oldest.

The modifications, apart from deletions and rejections are of three sorts. First, the recasting of one sūtra, or more than one together, into a more modern and comprehensible form by someone who, perhaps, did not understand the original. Second, recasts or new insertions to deal with changes on customs and practices in the community. Third, modifications, rejections or accretions, that seek to maintain or increase privileges of powerful, ruling groups, particularly the brahmins. (This is also apparent in other works, like book XIII of *Mahābhārata*, where a large part is concerned with rules on generosity, Dāna-dharma, but somehow always directed towards the brahmins!). The original laws are thus mixed among the later formulations and often irretrievably buried within them.

It does not seem possible now – certainly not easy – to disentangle these thoroughly confused threads. We have to accept them as they are. But in some cases it is not difficult to spot the later interpolation or a genuine original formulation.

Another, not insignificant, problem comes with the modern translations which frequently incorporate the view of a later

commentator. Buhler's translation (SBE Series vol II) places in brackets commentatorial remarks and so the reader can separate the original text from the later comment; but P Olivelle's "*Dharmasūtras: The law codes of ancient India*" (OUP 1999), which claims to incorporate the results of 100 years scholarship (p vii), does not give the pristine original but incorporates into the translation comments from many centuries later. (An example is given in section VIII, d, below). For this reason, the quotations are from the older translations in the "Sacred Books of the East" series where the later comments are indicated clearly in the brackets.

## V) Land-tenure in Post-Vedic Literature

**a) The significance of land** is stressed in the Lawbooks in more ways than one. Gautama states: "By false evidence concerning small cattle a witness kills ten (of them). Regarding cows, horses, men or land, in each succeeding case (he destroys) ten times as many (as the preceding case). Or regarding land (he destroys) the whole (humanity or world). Hell is the punishment for theft of land. Concerning water (the guilt) is the same as about land"<sup>41</sup>.

All unoccupied land in and around the village – for some distance, not trespassing into other settlements – was held in common by the whole community and a piece of it was freely available to any new comer, householder or hermit. As Āpastamba puts it, "He shall build a dwelling outside the village with his wife, his children and his (sacred) fires; or he may dwell there alone".<sup>42</sup>

No charge is made for the granting of the land. Land is plentiful and equally fertile. Furthermore, the new settler will enrich the community's life with his presence; if a brāhmana, he will teach and give spiritual guidance; if a kṣatriya, he will protect and guard (against thieves and wild animals); if a vaiśya, he will produce and trade; if a sūdra he will serve in one or other required capacity.

In Baudhāyana, we find mention of a householder who lives by the mode called "*ṣannivartanī*", which is a kind of tenant farming. "He cultivates six nivartanas [a nivartana=6000 sq ft] of fallow land giving a share to the owner, or soliciting his permission (to keep the whole produce)".<sup>43</sup>

There is also a mode called "*dhruva*" which is a kind of labour for hire for any job. And here we have perhaps the spermatic forms of hired labour and landlords, of men who do not want the responsibility of having their own farm or do not have access to

free land and so do jobs for others or cultivate other's fields, and of men who do not work themselves their land but hire it to others.

I lay emphasis on land-tenure because land is a primary factor in the production of wealth that is goods and services. In fact without land human beings cannot exist in their normal form as we know it. Consequently land-tenure or the mode by which people have access to land, determines to some considerable extent the way other forces (labour, capital etc) operate in the economy. Relatively free access to land, but by no means to the same degree as in the period of our study, obtained until the middle of the 18th century in England and France where Adam Smith and the Physiocrats wrote the first specialized studies on Economics. It was to be found also in the British colonies in North America and Australia and New Zealand.

**b) The Buddhist sources** present a very mixed situation as regards actual land-tenure. There is still common land; the king owns large areas, parts of which he rents out to tenants or gives away as gifts, sometime's only for the duration of a man's life; there are privately owned plots of very large estates which can be rented or sold.<sup>44</sup>

One of these texts Majjhima Nikāya, from the Pāli Canon,<sup>45</sup> states that "All work can be carried out by virtue of land" (I, 230) thus highlighting again the importance of land. Here it is a primary factor of production, providing the basis for work.

In *Milindapanha* (The Questions of King Milinda or Menander) we find the following statement; "If a man who has cleared land of wood [vana=wood, forest] gets it, people say "this is his land". But the land is not made by him. It is because he has brought the land into use that he is called the lord/master of the land [*bhūmisāmiko*]"<sup>46</sup>

The passage says that land is not really any man's because no man has made it. A man is regarded as owner or possessor by virtue of clearing it of wild growth and bringing it into cultivation. A wider implication is that a natural product belonging to no man, becomes the possession or property of the man who works upon it transforming it for human use. As we saw (ch IV, above) the same principle appears in Manu (IX, 44): "Those who know the past know this Earth (*pṛthivī*) as wife of Pṛthu; they declare a field to belong to whomever cleared it (of wild-growth) and a deer to him who (first pierced it) with a dart." But here the ancient principle which distinguishes land as a universal element, given by Nature to all humanity, is adulterated and land is made similar to individual products of man's labour, like the shot deer.

**c) Kauṭilya's Arthaśāstra** presents both private property and royal property in land; there are also vast uninhabited tracts, wastes and jungles, which seem to belong to the State as a whole. These last are used for new settlements (*śūnyaniveśa*: settlement or occupation of vacant land). Such settlements (forms of colonization) are small or large villages from 100 to 500 families (*grāma*; II, 1,2).<sup>47</sup> Land grants are given to people willing to pay taxes and are, generally, for life only (*aikapuruṣika*=fit for one man), implying that the occupants are tenants, not full owners (II, 1, 8). If they fail to till or to produce adequate quantities (yes, there are assessors), the plots are taken from them and given to others (II, 1, 10).

Here we see two fundamental principles emerging as the population increases and some pressure on the land is beginning to be felt. The State (community or King) holds the land and gives it for individual settlement in return for a tax which, in this case, is definitely rent. With the second principle, if the settlers do not make full or adequate use of the land, it is taken from them and given to others; this seems quite fair. Both seem somewhat grosser than the Vedic principle which gives freely to everyone the necessary land demanding nothing, but both are inevitable in the circumstances and just. A third principle is the granting of land to brāhmanas who fulfill their duty in doing spiritual work thus maintaining finer aspects of life in society: Brāhmanas will have forests for soma plantations (soma is used in rituals), for spiritual education and spiritual practice (schools, temples), etc (II, 2). However, some cultivators are also said (in III) to be free to mortgage or sell their land; thus it is a mixed state of affairs.

This pressure of population on land is probably indicated also by Bṛhaspati's sūtra XIX, 26: "A privy, a fireplace, a pit or a receptacle for leavings of food and other (rubbish), must never be made very close to the house of another man". This may reflect the urban conditions of the Mature Harappan culture. (See also note 7 and VI, d.)

**d) How did private property arise** and all these varied types of land possession?

It is not clear. We can only conjecture. "It is possible that the rule that all land belongs to the King reflects an earlier stage in the development of society when all land was the property of the entire tribe", so writes *Arthaśāstra's* editor, Kangle.<sup>48</sup> But when "over the generations individual families continued to hold and till the same separate pieces of land, a vested interest was created, which

practically amounted to ownership of the separate pieces of land. Then the rights of alienation came to be recognized": in other words, land became private property and could be bought and sold.

In stanzas VII, 113–124 Manu delineates some such process as he gives the structure of a quasi-feudal kingdom. It is said:

"All that the villagers should give to the king daily, food, drink, fuel etc, now the village-master should receive (118). The lord of the (villages) will enjoy (as much land as suffices for) one family [*kula*]; the lord of 20, five families; the superintendent of 100 villages, (the revenue from) one village; the overlord of 1000 villages, that of a town" (119). All these should be regularly inspected, "For the king's servants, who are appointed to protect, generally become rogues who grab the property of others..."(123)

Here, plainly, additional land is offered for increased responsibility, containing the seed of feudal development and also malpractices.

A more subtle and serious cause must have been the rejection by an increasing number of people of the third and fourth *āśramas*, i.e. the ascetic life for spiritual perfection, and of course the aim of liberation *mokṣa*. Attachment to worldly wealth and desire for it and its source, which is land, obviously grew stronger; malpractices like bribery and theft etc increased apace.

This increasing greed (which implied disregard for the injunction *aparigraha* 'non-accumulation') would seek to maintain privileges and enhance the status of privileges in life without necessarily fulfilling duties and, of course, at the expense of the other people. The divisions and differences of *varṇas* (=castes) are increasingly emphasized but the natural succession of the 4 stages of life is increasingly ignored.

The process of privatization was quite clear in England (land enclosures) whereby the large landowners by Acts of Parliament and often by crooked means acquired the common lands, where people had free access, and drove them out. Dispossessed now, these commoners swarmed into the developing towns and formed the legions of cheap labour required by the large factories, of the industrial revolution. This occurred at the end of the eighteenth century and the beginning of the nineteenth. The process was completed by the end of the wars with France in 1815.

**e) Manu and the late Dharmaśāstras.** Manu states (X, 115) seven legal (*dharmya*) modes of obtaining (*āgama*) wealth (or property: *vitta*): inheritance (*dāya*); finding in the ground or receiving as donation (*lābha*); purchase (*kraya*); conquest (*jaya*):

some commentators say "gambling"); lending at interest (*prayoga*); work generally (*karmayoga*); gifts from good people (*sat-pratigraha*). Commentators say that the first three are for all classes; the fourth, for kṣatriyas; the fifth and sixth for vaiśyas; the sixth for Śūdras; the seventh for brāhmaṇas. (Gautama gives almost identical modes of acquisition – inheritance, purchase, seizure etc.<sup>49</sup> )

Clearly these are late legal formulations to cover and regulate as best as possible existing conditions in society. They are of a different nature from the principle that something belongs to the person who through his labour makes it fit for human use; or that the land belongs in common to the whole community who, through their ruler, give it to people who need it to settle. The sale and transfer of land clearly violates the Vedic principle of non-alienation.

All this legislation surprisingly maintains enigmatic silence about the division (or not) of land (fields, orchards etc) in inheritance. There are numerous pronouncements – in all the Lawbooks – on the proportions of movable goods given to different sons and on the fitness to inherit (or lack of it) of different members of the family. But nothing is said clearly about land. Nor is it clear how the communal stock of land (or that held by the King for grants to subjects) gets replenished. Conquest might be one mode; clearance of wood or jungle would be another; and a third one might be the return to the common stock of lands left by possessors who had no offspring or lands not used adequately.

**f) The Greek report** - of Megasthenes – says: "The whole of the country is of royal ownership; the farmers cultivate it for a rental in addition to paying 1/4 of the produce (or, as some would translate the last clause, for wages on condition they receive 1/4 of the produce)". This report dates at about 300BCE when Megasthenes was an ambassador in north India.

What is important is the "royal ownership". Some scholars construct theories about the king's ownership and feudal leases turning taxation into a kind of rent. Thus Prof Basham, while noting taxation to be a return for the kingly protection, claims that "More than one source speaks of the king as the owner of all the land and water in his kingdom; the corollary... would be that the tax on crops and the other products of the earth was a sort of rent in return for tenancy". Later he adds: "Our sources show that the majority of thinkers on the subject favoured the doctrine of royal ownership".<sup>50</sup> Unfortunately he adduces only two sources: Manu's "Of ancient treasurehoards and metals in the ground the king takes half because of protection, for he is the supreme lord-protector of the

earth" (VIII 39); and commentator Bhaṭṭaswāmin's "the king is lord of land and water, but other things are the property of individual householders" (quoted by Basham, p 110).

Manu's statement does not at all support Prof Basham but rather the contrary. Buhler's translation "by reason of (his giving) protection, (and) because he is the lord of the soil", which is what Basham reads, is not warranted.<sup>51</sup> *bhūmer adhipatir hi saḥ* has no "(and) because"; it can only be rendered as "for (*hi*) he (*saḥ*) is the supreme (*adhi-*) Lord-protector (*-pati*) of the earth (*bhūmer*)". In other words, the king (*rājā*) takes half share by reason of protection (*rakṣaṇād*) since *he* is the protector – not someone else.

As for Bhaṭṭaswāmin's excellent statement, it comes a little too late (1st century CE?). A quasi-feudal system had already been established, first with the Mauryas (3rd & 2nd centuries BC) and then the Sātavāhanas (1st cent BC).<sup>52</sup> The inception of a feudal form appears clearly in Manu (VIII, 113 – 124), as was shown above, in (d). In any case, the commentator's words (a neat couplet) will be shown in the next section to signify something rather different.

**g) Conclusions and clarifications.** Memories of the clear older Vedic principle that land is sacred and is for all people are found scattered in all the sources. Earlier, we noted Nārada's injunction that a householder's dwelling and field should be respected (XI, 42). Also Manu's ordinance (VIII 237) that there should be common land all round villages and towns.<sup>53</sup> Another one concerns witnesses regarding boundaries: they are to be examined in the presence of all villagers (*grāmiyakakulānām samakṣam*; VIII 254). And if two villagers dispute about a boundary and their representatives cannot agree, then witnesses from 4 neighbouring villages shall give evidence to the King (VIII, 258). Levin cites Kātyāyana's *smṛti* that a field can be sold only if the elders do not object; also Mitākṣara's comments on Yājñavalkya II, 114, that the sale of a plot takes place only with the consent of a village (*grāma*), relatives and neighbours.<sup>54</sup>

A much clearer memory, which is in fact a restatement of the old principle, comes from the tradition of the philosophical system *Pūrva Mīmāṃsā*. In discussing the import of the sacrifice Viśvajit, where a king gives away all his possessions, the master of *Mīmāṃsā*, Jaimini, makes an exception in *sūtra* VI, 7, 3: "The land (of the Kingdom) should not be transferred because there should be some left for everyone (or literally, by reason of a remainder for all<sup>55</sup> : *na bhūmiḥ syāt sarvān prati avaśiṣṭatvāt*"). The most authoritative commentator on Jaimini, Śābaraswāmin, expounds, in Colebrooke's translation:

"The monarch has not property on the earth... His kingly power is for government of the realm and extirpation of wrongs; and for that purpose he receives taxes from husbandmen and levies fines from offenders. But right of property is not thereby vested in him... The earth is not the king's but is common to all beings enjoying the fruit of their own labour. It belongs, says Jaimini, to all alike."<sup>56</sup>

Other eminent, later commentators express similar views. Thus the Jurist Nilakantha of the 16th cent CE says: "Proprietary right in the whole land with regard to villages, lands etc, lies in their respective landlords. The King's right is limited to the collection of tax therefrom. Therefore what is technically called at present "gift of land" etc by the king does not mean giving away of land, but a mere creation of allowance". And Primeminister Mādhava, also eminent jurist, says: "King's sovereignty is for correcting the wicked and fostering the good. Hence land is not king's wealth. On the other hand, in that land (state-land) there is the common wealth of all living beings to enjoy the fruit of their labour. Therefore, although there can be a gift of a piece of non-public (asādhāraṇa) land, there can be no gift of the Great Land"<sup>57</sup> .

We can now look at the statement of Bhaṭṭaswāmin, commenting on *Arthaśāstra* II, 24, quoted by Prof Basam (p 110)<sup>58</sup>: "The learned see that the king is lord [pati] of land and water; any other thing can be property generally of the people [*kuṭumbin*]." Now, since no authority at all states unequivocally that the King is *the owner of the land* of the country, the interpretation here also must be that the king, as representative of the community, or nation, holds in protective custody, all land and water, both of which cannot (as other things can) become the property of individuals. "pati" is really the lord-protector rather than the lord-proprietor, which would be *svāmin*. (Prof Basham, in fact, cites a Jātaka story where a king tells his mistress that *he cannot give her his kingdom, for he is not its owner!*)

In this light should be seen, too, the king's claim to half of any treasures found in the soil (Manu VIII, 39). A treasure (jewels or metals) in the ground is natural resources, or, in other words, ready products of nature (if a mine), or of other people's labour (if a hoard). It is not a product of the finder's labour, as crops are of farmer's efforts. The treasure belongs to the community (as does the soil). No principle of justice is served if one man obtains it,

through luck and not through effort, and thereby gains an advantage over other members of the community. On the contrary, justice would demand that this should be shared by all members of the community. The surprising fact is that the king as custodian of communal goods takes only half, or 1/6 (Manu, VIII, 35), and not more. In fact, Gautama (X, 43) says all "treasure-trove is kingly property" (!) and this sounds, perhaps, a better principle.

## **VI) The King's (Government's) Function**

### **(a) The coronation Ceremony: the Contract.**

"The people [or tribes] elect you to rulership – the five godly regions [or glorious assemblies]. Rest thee on the top, the hump [i.e. throne] of the State; thence to us, as mighty-king, distribute wealth".<sup>59</sup>

This hymn describes, as do many others,<sup>60</sup> the coronation of the King who is elected by the people – or re-elected in some cases.<sup>61</sup> The ceremony of the coronation (*Rājasūya*) is highly symbolic.<sup>62</sup> As the King is led to sit upon the throne he is told: "This is thy Sovranty (or State)... To thee (it is given) for agriculture, for safekeeping (*kṣema*), for wealth, for development". And the narrator adds "For welfare (of the people)".<sup>63</sup> The King has already pledged to all the tribes (their representatives), all the classes, all officials (*Ratnin*): "Between the night I was born and the one I shall die, whatever good (*iṣṭapūrtam*) I have done, this world and heaven, my life and progeny, may I lose all, if I should injure you".<sup>64</sup>

The election and installation of a King (for life, normally) was a covenant or contract between the person elect and the people. But the divinities, also, participate in the ceremony bestowing their powers upon the monarch. Note that here too we have a settled community.

**(b) The Origin of Kingship (*rājya*)** is very ancient. The *Aitareya Brāhmaṇa* (I, 14) gives the oldest explanation by means of a tale. It tells how gods and demons were at war and the gods were losing. So they met all together and decided they needed a *rājan* (= king) to lead them: they appointed Soma as king and soon the tide turned in their favour. This is the earliest explanation of the kingly function: an organizer and leader in war selected by his peers, functionaries of State and common people (even metal and wood-workers).<sup>65</sup> The story is repeated in *Taittirīya Brāhmaṇa* I, 5 (which

is later?) with a significant difference. Here the discomfited gods made a sacrifice to highgod Prajāpati (= lord-of-creatures) and he sent his son Indra to become the gods' king. With this alteration, the king is still a leader in war but now has divine sanction (as in the Judaic and, later, in the Christian traditions: the Messiah was an amalgam of a spiritual and a warrior figure who would liberate the nation from foreign and sinful occupation).

The second tale involving divine sanction links up with an even earlier and different tradition which does not speak of the origin of kingship as such but of the first or archetypal king Pṛthu. The *Atharvaveda* hymn VIII 10, especially stanza 24, says that Pṛthī (=Pṛthu), son of Vena, extracted out of Virāj (=excellence, majesty, vital-force, the female principle of creation) the art of agriculture and all subsistence for men. At that time Virāj was moving and mutating and Pṛthu used as his collecting instrument earth herself: this was later said to be the marriage of Earth to Pṛthu whereby she was named also "Pṛthivī". In the epic *Mahābhārata*, VII 69, this tale is elaborated: the earth here is regarded as Pṛthu's daughter that gives to every class of creatures what they want (even poison to the snakes). At no time and in no source is the ruler a priest-king as in other cultures. Yet he is said in *Atharvaveda* XI 5, 17 to protect the kingdom by *brahmacarya* 'continence, chastity' and *tapas* 'spiritual practice, meditation'. This and certain magical rites<sup>66</sup> that the king should perform indicate that perhaps in remote prehistory king and priest were one person perhaps of the brāhmaṇa-caste. Then, as time passed kingship, rulership, went to the kṣatriya-caste and the brahmin was left with priestly functions. Here, one can only speculate. But it is just conceivable that in very ancient times the brahmin was not only wise but also naturally powerful: his knowledge gave him the power to command respect and obedience. No other explanation can be given for the early pre-eminence of the brāhmaṇas. But with time their spiritual power diminished as they, presumably, indulged in grosser wordly pursuits. Consequently the kṣatriyas took over the function of ruling.

Subsequent sources sometimes use the elective process, sometimes the divine sanction. Manu stresses the king's divine aspect; but aware of the danger of despotic tyranny, places the king himself under the jurisdiction of Punishment: "Punishment (*daṇḍa*) is the King, indeed ...the surety for the four orders and the Law (VII, 17)... the king who employs him properly prospers... otherwise gets destroyed by him (27) ...He [=Punishment] kills any king who swerves from duty, along with his relatives" (28).

*The Arthaśāstra*, the prime authority on secular aspects of Statecraft, gives another story, emphasizing the electoral and

contractual idea (I, 13). The same passage states that people must be told that the king performs the function of gods Indra and Yama: that is, he protects by leading (Indra) and by regulating or administering justice (Yama). For this function the people "fixed 1/6 part of the crops, and 1/10 of their goods, and money, as his reward."

The *Śukra-nīti-sāra* states: "For the purpose of protection was the King made by the Creator master in form, yet in servitude to the people by means of his sustenance [or, wages: *bhṛti*] which is his own share of their produce" (I, 188).<sup>67</sup>

### **(c) Kingly duties**

Leading, putting order and protecting: this is the king's function. Even as early as hymn III 43, 5 in the *RV* the king is called *gopā janasya* 'shepherd of the people.' Manu ordains that he should "protect this whole world" (*sarvasya... parirakṣaṇam*, VII, 2; or just "the whole kingdom"). Nārada, too, sees the King's share of 1/6th of the land's produce as "reward for the protection of his subjects" (VIII, 48).

According to the sage Atri, the king's duties constitute a fivefold sacrifice: "To punish the wicked, to honour the good, to increase the treasury in the right way, to deal impartially with litigants, and to protect the Kingdom [from internal and external enemies] – these five are declared to be sacrifices in the case of the kings".<sup>68</sup>

Kauṭilya goes a step further: having laid down the duties of different castes (*varṇas*), and life-stages (*āśramas*), he states (I, 3, 5, 17), "(The observance of) one's special duty leads to heaven and eternal bliss, but if it is transgressed, people will be exterminated through confusion (of the *varṇas* and *āśramas*). Therefore the king must not allow people to transgress their own special duties."

It is noteworthy that Kauṭilya mentions throughout the passage both *varṇas* and *āśramas*, emphasizing the goal of supreme beatitude – as in fact do all the Lawbooks. This means that to some degree the *āśrama*-tradition was still being followed by his time.

This is not new, of course. In the Hymns the king is expected to give leadership and wealth, or riches (*vasūni*). But both leadership and wealth can be in the spiritual realm as well. Thus we find in the Brāhmaṇas and Upanishads several kings of considerable spiritual attainment, like Janaka of Videha. One very interesting example is King Aśvapati who follows the spiritual path of Self-Knowledge (*ātman-vaiśvānara*); his fame is such that great Vedic scholars visit him in order to learn from him: and indeed they find that in his kingdom "there is no thief, no drunkard, no miser, no man without

the sacred fire, none ignorant and no adulterer or courtesan".<sup>69</sup> This may sound highly exaggerated but it could be true or it could reflect the memory of such a situation.

Obviously the king must protect, encourage and reward spiritual guides, such as brāhmaṇas. He (his administration) must provide welfare for those who definitely cannot take care of themselves.<sup>70</sup> Kauṭilya writes: "The king should provide maintenance for orphans, the aged, the infirm, the helpless..." etc and he should punish a capable person who abandons his dependants, without provision, even if he does it in order to embrace asceticism (II, 1). Here, it is obvious that some people pursued asceticism to avoid life's responsibilities and the law sought to prevent this.

Beyond this, the king must never shrink from battle; for fighting is the Kṣatriya's chief duty. And he must protect his subjects from corrupt officials.<sup>71</sup> He is to punish anyone who does not remain within the bounds of his own duty (*svadharma*), whatever his position might be, even teacher and priest.<sup>72</sup> The kṣatriya's chief duty is, of course, stressed very clearly in the *Bhagavad Gītā*.

Naturally the king cannot perform all the administrative functions on his own. So he has to separate the powers and delegate them to good and trusted men who will look after the army, the collection of taxes, punishment of culprits and so on, always with a view to the welfare of the whole nation.<sup>73</sup>

Kauṭilya, sums it all up beautifully: "In the happiness of his subjects lies the happiness of the King and what is beneficial to them is also his own benefit." (I, 19, 34).

Today, the State (equivalent to the ancient king) is expected to provide employment or conditions that favour employment so that people have jobs and income. Thus it often provides (financial) encouragements to enterprises to expand activity and absorb more labourers/workers or educational programmes for adults so that they may be re-allocated in different jobs. This situation did not exist in the Vedic or even in subsequent periods. Unemployment on the scale we know it today is a malaise of modern times. Consequently, there is very little about this matter in the texts. For some details see below, section d) *Environmental Care*, e) *Conclusions* and ch VII *Aspects of Work*.

Finally, all ancient sources agree that the King is master (*svāmin*) and lord-protector (*pati*, or compounds "adhi-nṛ/-pati-" etc) of the whole kingdom, but no one states that he has ownership of all the land, or the soil, and can dispose of it as he pleases – the way he might do with jewels, clothes or other articles of property. Secondary sources, commentators and modern scholars do express

different views but we are interested in the principles given by the ancient sources.

The taxes are nowhere stated to be payment for the use of land. On the contrary, as showed, they are said to be payment for the king's protection. So important is this function, that if the king, says Manu, "Does not afford protection (yet) takes his share in kind, his taxes, tolls and duties, daily presents and fines, he will soon sink into hell" (VIII, 307 etc).<sup>74</sup>

In fact, the *Arthasāstra*, a par-excellence pro-royalist text, states that if no protection is afforded by the king, the compact is not kept and the subjects can migrate to enemy country (XIII, 1). A similar view is stated in the *Mahābhārata*, another highly royalist text: citing an ancient lawbook of the Manu-tradition, it says that a "King not-protecting" is one of six persons that people may abandon, like a sinking ship at sea.<sup>75</sup> Manu says as much in X, 113, supported by all his commentators. Where there is deceit, injustice and oppression, there may even follow forcible removal, he implies, even though the king is inviolable and beyond punishment.<sup>76</sup> "That king who out of folly rashly oppresses the kingdom, soon, together with his relatives, will be deprived of life and kingdom".

The Coronation act and the whole contract is not to be taken lightly.

For more information one should consult J Gonda's *Ancient Indian Kingship from the Religious Point of View*, 1966 Leiden, E J Brill.

The royal protection meant, as is clear from the texts analysed above, conditions of peace and safety within which people could live and work. It should be noted that this was a demand voiced loudly by Adam Smith and other thinkers around 1800: the government should provide conditions of security in which people would live and pursue their various lawful aims without interference.

**(d) Environmental care** was another aspect of the protection offered by the King.

The King "should not damage trees that bear fruit or flowers", declares Vasiṣṭha adding: "He may injure them in order to extend cultivation" (XIX, 11 – 12). The second rule sounds fair provided it is applied strictly to woodland which is claimed for cultivation as the community expands. The rate of expansion at the time must have been very small and would not pose the slightest threat to the vast jungles around. But the principle is clear. Trees are not to be injured.

Manu (IX, 279, 281, 285) and others put severe punishments on those who damage water-tanks, reservoirs, dykes and any water-supply, generally; also bridges, temples and other buildings!<sup>77</sup> With this (and the next paragraph) should be compared Plato's *Laws* 842E-843D, where similar measures are recommended.

The land should be used fully and be kept in good condition. Manu sets big fines for those who leave rubbish or filth on the highways (IX, 282). Bṛhaspati also lays down fines for those who drop filth, make pits, plant trees or in any way obstruct public passageways (*samśarana*). He and Nārada extend this prohibition to all public roads, crossroads, sanctuaries of deities and other men's land.<sup>78</sup>

In the last rules we sense that problems arise in the manmade world itself, which constitutes man's immediate environment – streets and buildings. Obstructions begin to arise. This must be taking place during the mature Harappan period (i.e. starting 2600-2500 BC?) when cities and other settlements were expanding (see also V, c, above).

### **(e) Conclusions: "Free Economy"?**

The king and all his administrative apparatus is the equivalent of a modern government.

Obviously the Āryan lawgivers did not favour a centrally planned economy nor that the king should interfere with the different functions within the economic organism of the State.

The welfare service, provided for the orphans, the aged et al, was not at all on a national scale for everybody, including able-bodied citizens or persons who had relatives with some means: it was only for those who really needed it because there was none to care for them. There was neither a Welfare State nor much State-planning – as some modern Indian scholars suggest.<sup>79</sup> It was every householder's dharma to maintain his own family (all dependants) and not expect alms from the State – though some classes of householders might live by begging from the wealthier families.

Kauṭilya undoubtedly favoured a mixed system with considerable governmental interference. He advocates planning (what and how much to be produced), control (prices, imports, exports) and certain monopolies (precious metals, forests, salt etc). And no doubt actual events reflected perhaps more Kauṭilya's kind of social democracy (to use the modern term) than a truly free (but not capitalist) economy.

The law-givers too advocate some interference, planning and

control. Manu, for example, recommends the control of prices of marketable goods once every five days (VIII, 401-2). But such recommendations sound more like attempts to bring some regulation to existing practices rather than control of the economy. On the whole, the activities in the economic organism are allowed to proceed freely within the general frame of laws. Even where local customs deviate (in distant districts, in clans or guilds), so long as they are established usages, they are to be respected.<sup>80</sup>

## VII) Aspects of Work

**a) The primary division of Labour in Society**, as was said in ch III earlier, is an aspect of dharma. The Creator divided the body of human Society into three members with specialized functions. A fourth one arises for unspecialized common labour; here belong members of the three classes of the twice-born, brahmins, kṣatriyas and vaiśyas, who fail in the fulfillment of their dharma. This origin of the varṇas goes back to a hymn in *Ṛgveda* (X, 90, *Puruṣa-sūkta*), which describes the sacrifice and division of primordial man (*puruṣa*). (Scholars regard hymns in the tenth Book as of very late composition and this seems quite right. This of course doesn't mean that the ideas expressed in these later hymns are necessarily late.)

The brāhmaṇa, teacher and priest, educates and performs sacraments. Spiritual excellence was the aim of education then, not quite so much a worldly career, which later would be determined in large degree by the varṇa in which people were born. The Kṣatriya studies and defends the community from all dangers, internal or external, from criminals, wild animals, bandits, foreign invasions etc: he governs, polices, hunts and fights. The Vaiśya studies, too, produces wealth, trades and distributes it in the safety and peace which the kṣatriyas secure. The Śūdra serves in any and every capacity, mainly in manual and unskilled work.

The brāhmaṇas or brahmins are, clearly, outside the sphere of what we call Economics (*vārtā*): they live on gifts and alms and *cannot demand* or bargain for any fees. The kṣatriyas do not receive gifts but wages (*bhṛti*, *vetana*), as stated in the lawbooks (or "tribute" *bali*, in the Hymns). The vaiśyas live on their profits from trade or their own agricultural products. The śūdras receive food and clothing and wages according to the work they do as servants or hired labour.

In addition, we have the *dāsas* (bondsmen or slaves) who are not so numerous as to affect decisively the economic structure, but

obviously do not arise from the Lord's ordinances. The *dāsa* is a man-made product, then, the result of conquests in war or similar circumstances. There are examples of men selling themselves and their families, perhaps, for a period to repay debts. (In the *Mahābhārata*, King Yuddhiṣṭhira places himself, his brothers and his wife Draupadī, in bondage after losing a gambling-match with his cousins.)

Clearly, since the Lord created only 4 varṇas, according to the revelation of the Vedas, the emergence of the *dāsas* must be a non-natural event and the rules about them must belong to later periods when people lived in flagrant violation of the Vedic ordinances. The matter is unclear, however, because in the *RV* the *Dāsas* like the Panis are usually non-Aryans, often superhuman and (unlike the Panis) sometimes 'slaves'.

It is worth pointing out that a similar class division was found in Europe and especially in England in the Middle Ages. There was the clergy (bishops, priests etc) and the aristocracy who ruled: these two classes held most of the land. Then there were the commoners who held some land or engaged in productive crafts and commerce. There was also a servile class and finally bondsmen who had little or no freedom of movement. This social structure lasted more or less until the end of the 18th century. But when Adam Smith came to write about the division of labour things had changed very considerably with the land-enclosures and industrialization. There now appeared highly specialized functions within the large factories that produced vast quantities of cloths, tools, machinery and other commodities.

**b) Questions arise** with several aspects in the rules. Gautama's lawbook states that it is lawful for a brāhmaṇa to do "Agriculture and trade provided he does not do the work himself; likewise lending money at interest" (X, 5-6). This is astonishing because it is so out of tone with the usually strict spirit of the other rules. Other lawbooks give similar rules but always with a qualification. Thus Āpastamba says "In times of distress (a Brahmaṇa) may trade" (1, 7, 20, 10ff) and then gives a long list of merchandise brāhmaṇas should not deal in; money-lending is not mentioned at all. (More on money-lending in section d.)

Is this a case of interpolation? Can money-lending pass as a principle regulating a spiritual guide's life?

Another astonishing rule in Gautama states that "In distress, a brāhmaṇa may study under a teacher who is not a brāhmaṇa...walk behind him and obey him"(VII, 1-2). Āpastamba has identical rules.<sup>81</sup> It is interesting that such rules exist only in the two earliest

*Dharmasūtras.*

What is this time of distress? How does a non-brāhmaṇa become a teacher (in what?), since, by divine ordinance, only brāhmaṇas may teach? What can a brahmin-boy learn from a non-brāhmaṇa teacher?... However, in *Kauṣītaki Brāhmaṇa* XXVI 5 a king discusses with priests (brahmins) the sacrificial science while in *Śatapatha Brāhmaṇa*, Bk XI 3, 1 and 6, 2-3, king Janaka of Videha puts the priests to shame because of his superior knowledge. In some Upaniṣads also (eg *Chāndogya* V 11) brahmins receive tuition from kings.

The last rule (walk behind and obey) implies, also, that the brāhmaṇa loses his exalted station and his privileges when he does not fulfill the duties natural to his varṇa, irrespective of the prevailing circumstances. Here, obviously, birth was not enough; one had to live and operate by the dharma of his varṇa.

**c) Freedom for labour, production and commerce.**

One remarkable feature in the Lawbooks is the freedom they allow to the vaiśyas.

The vaiśyas are encouraged to make profits and increase their wealth "in a righteous way" (*dharmena*=according to law) and be able to provide food for all creatures".<sup>82</sup> We noted earlier (I, a) that they are not to be arrested while engaged on their work. Greek observers in late C4th BC reported that cultivators continued working even when a battle raged nearby; the combatants left them unmolested<sup>83</sup> and did not cut down trees, ravage fields or burn crops. (Contrast the modern practice of bombing non-combatants, towns etc and causing "collateral damage" as today's shameless jargon has it.)

As twice-born they should have an education similar to brāhmaṇas and kṣatriyas, then enter into the family business or follow a related occupation. They should know, beyond agriculture and animal-breeding, the values of metals, gems, fabrics, cosmetics, foodstuffs etc; about imports and exports; foreign languages, currencies and countries. One wonders if merchants and financiers of this order were all that common. Vaiśyas then were highly accomplished people.

Specialized craftsmen, tradesmen and other occupations, formed guilds and developed their own professional codes. Many law-givers<sup>84</sup> enjoin that these should be respected by the ruler. In fact Yājñavalkya ordains (I,361) that the king should compel such guilds to comply with their own rules. Here obviously we are very far from the older, simpler life style of the RV and must be in the

large cities of the Mature Harappan period. It is not likely that in simple agricultural communities of small numbers there would have been guilds.

The early Dharmasūtras do not mention any controls on prices or wages. Only the later Dharma-Śāstras prescribe various controls. Kauṭilya's *Arthaśāstra* also advocates controls (II, 12ff): mining industries and trade in gold and silver are to be State monopolies; the government should engage in foreign trade and set up large-scale enterprise in liquors, textiles etc. (Kauṭilya is interested in increasing the State revenues.)

The early law-givers adhere to the specialized functions of the varṇas and do not encourage government interference in the lawful activities of the economic organism of society – agriculture, trade, etc.

Adam Smith and many other thinkers after him advocated, of course, a free economy (*laissez-faire* "let [people] do/work [free from government interference]"). This is still advocated by many so-called liberal economists. But there is an important difference. Whereas in older times there was land freely available and people could move onto a plot and so eke out a living with minimal capital (an animal, a spade, some seed), today there is no free land available and so people do not have the same opportunity. Thus the economy today is not strictly "free" and the numerous landless people have severely restricted choices: they can only sell their labour at the prices offered by the various enterprises. Consequently the State often has to intervene in many ways (=socialism) in order to improve conditions.

**d) Money-lending** has an intriguing aspect. The Hymns and Āpastamba's rules contain no mention of money-lending or interest.

Manu regards loans etc as sufficiently important and common to assign them under his first of the 18 titles of Law (VIII, 4). He ordains that a money-lender (*vārdhuṣi*) can have 1/80 (11/4) interest per month (15% per annum) or even 2% and not become a sinner (*arthakilbiṣi*; VIII, 140-1). In the next verse, the interest is increased to 3% for kṣatriyas, 4% for vaiśyas and 5% for śūdras. Other lawgivers, including Gautama give very similar percentages.<sup>85</sup>

Now, it is obvious that no enterprise could easily survive with a charge of 48% per annum. And an unfortunate śūdra could not hope to repay a loan with 60% interest except by selling himself and his family into slavery.

What is happening? Why is not usury mentioned in the early Vedic sources nor in Āpastamba?

The subject is not found in the Hymns of the *Rgveda* and *Atharvaveda* because it did not exist.<sup>86</sup> First, there was no money as such: the medium of exchange was the golden *niṣka*<sup>87</sup> (an ornament worn on the chest or round the neck), and more commonly the cow. Would the charge be so many ribs per month? Second, on ethical grounds, it seems unlikely that in a society with simple needs and activities, living under a simple moral code that freely gives land to the needy, there would be lending at interest.

Āpastamba is not at all obtuse; he would not neglect such an important matter. In giving the vaiśya's duties he stipulates (II, 5, 10, 7) only agriculture, herding and trade – *not money lending!* The late Nārada allows usury to a vaiśya in "periods of distress" but not to a brāhmaṇa "even in extreme distress" (I, 111).

Interest is mentioned first in Gautama who stipulates 1/80 per month in an unbroken series of sūtras XII, 29-36. Both sūtra 28 and previous ones, and sūtra 37 and subsequent ones, deal with possession and damages (or not) to others' property. This suggests that the batch of usury-sūtras was an insertion by a later clumsy hand. The same may be said of Baudhāyana.<sup>88</sup> Here the usury-sūtras 21-25 are found among purificatory practices! Sūtra 23 rules that usury is a sin greater than killing a brāhmaṇa – which offence normally carries death-penalty. *Sūtra 24 expressly forbids brāhmaṇas to practice usury.* (Early christian communities also had rules against usury, but here too such rules were eventually disregarded.)

Another significant point about Baudhāyana is that his sūtra 21 gives the percentage *but not the period*: the "per month" is an assumption of later commentators and a bracketed insertion of the translator!<sup>89</sup> Vasiṣṭha also gives the rate 1/80th, but the period "per month" is added by commentators. In sūtras 40-42 kṣatriyas and brahmins are forbidden usury which is pronounced a heinous sin, as in Baudhāyana!<sup>90</sup>

We must conclude that initially there was no money-lending. Later it appeared, but was condemned by the sacred law. Then some small interest was permitted, perhaps with the return of the loan. Then greed prevailed. Brahmins gave themselves permission to practice usury and rates of interest shot high.

In the modern world money-lending has become very necessary. Although early Christianity (and Judaism) prohibited lending at interest, this practice became very common in the Middle Ages (the Jews in Europe thrived on this) and certainly by Adam Smith's time all prohibitions had evaporated. The interest rate is just as arbitrarily fixed today as it was in India. But today it is also, like taxation, an instrument of government policy to encourage

borrowing and spending (low interest-rate) or saving (high rates).

### VIII) Taxation

**a) Generalities.** Manu's concern with justice, and his care not to cause undue difficulty to the taxpayers are quite evident. "After due consideration, the king should so always arrange the taxes [*kara*] in his realm that both he himself and the performer of work receive their just reward. As the leech, the calf and the bee take their food little by little, even so the king must draw from his realm a moderate annual revenue [*kara*]"<sup>91</sup>. This is applied in actual taxes: "After fully considering (the rates of) purchase and sale, the (transport-) distance, (the expense of) food and condiments, the charge of securing the goods and the (eventual) profit, then let the king make the merchants pay tariffs"(127).

The same idea, dressed in similar images is found in the *Mahābhārata*: the king should so collect taxes that the citizens should not feel it, "as the bee extracts its honey from the plant"; the raising of the tax-amounts should be done little by little in accordance with the realm's increase in prosperity.<sup>92</sup>

This whole picturesque description gives a principle that is quite right and practical. Unfortunately it differs from Manu and has also a rather dubious, sinister motive. All this is not done only so that the citizens are happy but also in order for the ruler to go on taxing them. And he increases taxes – albeit gradually – simply because the people's wealth is increasing!

Surely this cannot be a basis for taxation. The State levies taxes to defray its own necessary expenses, and for no other reason. To tax people simply because their wealth increases is no principle but sheer theft, garbed in legality. We can conceive of conditions where taxation on increasing wealth is just: such taxation should be applied perhaps on wealth which goes on increasing in conditions of monopoly, which would be at the expense of others and cause damage to the community at large.

It would have been very beneficial if poetic expressions had been translated into practical terms showing how taxation could be levied, in steep gradation if need be, but without frustrating peoples' motive for work and, on the contrary, giving them added incentive to continue. Unfortunately we find no such descriptions in the texts.

As regards the convenience of the citizens to pay their taxes the Epic continues: The ruler should collect taxes from people in proper time and proper place, in a mild regular form and according to

law/custom (*vidhi*).<sup>93</sup> The mild regular form and the law imply that the taxes are known and certain in amount, also, not capricious and arbitrary. In addition, the ruler is advised to consider fully the nature and cost of collecting as well as the amount collected before arranging for such a tax.<sup>94</sup> Naturally if the cost is anywhere near the amount collected, the tax is not worth it. (In all this we see an early formulation of Adam Smith's and Henry George's 4 canons of taxation.<sup>95</sup>) Here again, we see that modern governments have moved very far from these simple principles: their concern is not the people's convenience but how to collect more and more by any means possible.

We see further that taxation is not merely a means to cover the public expenditure but also an instrument of policy. Āpastamba makes<sup>96</sup> young people liable to tax thus forcing them to enter into the economic game as soon as possible. In other texts tariffs are used to encourage or discourage the traffic of goods into and out of the country: "whatever causes harm to the country and is unnecessary [ie luxury-goods] should be excluded [from imports]; whatever is highly beneficial as well as rare grain-seeds should be allowed in duty free".<sup>97</sup>

**b) Taxes.** Manu states: "1/50th of cattle and gold is to be taken by the king; of crops 1/8th, 1/6th or 1/12th only" (VII, 130).<sup>98</sup> Āpastamba maintains a most curious silence on the subject having said that the king's officials should collect the lawful taxes (*Śulka*: in II, 10, 26, 9) and given a long list of persons exempt from taxes (10-17). But Gautama, referring to other unnamed authorities, gives the 1/50th for cattle and gold; he differs slightly from Manu in giving for crops 1/10th (not 1/12th), 1/8th and 1/6th.

Here we have difficulties. Gold is easy to assess and divide into fractions. But what is 1/50th of 13 or 47 cattle? Did owners give one calf, larger and larger as the herd neared the 50-mark? (The same could be said of sheep, goats, poultry, and other live-stock.) How does the 1/50th arise? Why not 1/40th or 1/60th? (Easier to calculate?)

Then we have the 1/12 (1/10th), 1/8th and 1/6th on crops. At least one commentator (Kulluka, on Manu's this very stanza)<sup>99</sup> would apply the tax "according to differences of soil and manner of cultivation". One might see here a concept of rent or surplus: *a higher charge on the more fertile land*. This cannot be ruled out. If this is indeed so, it is the only mention of rent (=surplus production); for there is precious little elsewhere in the sources. In any case, the commentator does not feel happy only with land-fertility and adds the "manner of cultivation", which is not rent, of course, but labour (longer hours and skill) and use of capital (tools).

But Kulluka adds later that the varied rate depends mainly on difficulties (*kleśa*) in the cultivation process. Medhātithi, the chief commentator, seconds this ascribing the variation to the labour-cost.<sup>100</sup> Here again, the older rule could have been a tax on the surplus product of the more fertile lands but later changed to include labour-cost and other labour- or capital-elements implied in the "manner of cultivation".

Again, the fractions seem arbitrary. At least, no explanation of their origin appears anywhere.

Brahmins, especially *śrotriyas*, i.e. versed in Vedas and sacred lore, are exempt from taxes. So are blind men, idiots, cripples and seventy-year olds.<sup>101</sup> Furthermore, lower-caste people, engaged in small-trade and having a low income, pay a small (*kim̐cit*) but unspecified tax<sup>102</sup> – presumably left to the discretion of the tax-collectors. (This may show concern for marginal production on less fertile lands and less productive enterprises, but just as probably compassion towards poverty.)

In addition to taxes in money-terms, the law-books ordain contribution in work-hours – as was practised in feudal Europe. Unskilled men, artisans and *śūdras* who live by manual labour should work for the State one day per month, says Manu<sup>103</sup>. Gautama gives the same measure and Vasiṣṭha probably intends the same with the rule – "(The king) shall take a monthly tax from artisans"<sup>104</sup>. This may sound strange and oppressive. But at an early stage of society when the community is not very large and when hired labourers are very few (if they exist at all), it is only through such arrangements, i.e. the offer of labour by all able-bodied citizens, that communal works (roads, communal stores, temples, harbours) could be done. It is quite possible that the people themselves offered such labour.

The Vedic sources say very little about taxation. There was definitely a tribute payable to the king called "bali". With regard to this Dr Saletore says, "In the times of the *Ṛgveda* the king was evidently only a kind of guardian expected to protect his subjects and for this protection he was entitled to a payment called *bali*"<sup>105</sup>. This bali 'tribute' occurs several times in the *RV* but as offering to god Agni (e.g. 5.1.10) or to Indra (7.18.19 where it is described as "heads of horses" slain in battle). It is in *Atharvaveda* 3.4.3 that we find it used as tribute to the (newly crowned) king – and in the *Brāhmaṇas* thereafter, where it is very plainly a tax for protection, as in the *Atharvaveda*. Sometimes this bali-payment might be excessive for in some hymns it is said that, "the king devours the rich" (*Ṛgveda*, I, 65, 4; *Atharva*, IV, 22, 7: but the meaning here may be metaphorical or symbolic). At any rate, the bali-tax<sup>106</sup> has a

very ancient origin.

**c) Kauṭilya's fiscal System**, based on actual experience of power-politics and the wisdom of older masters of *arthaśāstra* or *vārtā*, is of immense interest to historians. But, since it is comparatively late, we must bypass it, content with few remarks.

First, K (=Kauṭilya) definitely favours a mixed economy with a leaning towards State-control, akin to socialism. Then, like all lawgivers, he allows the king to impose pretty high rates of tax in emergencies, like war. Manu allows a tax of 25% on produce (X,18). K gives 33% (V,2,2); but when water-taxes and others are added, the amount reaches 50% (even prostitutes pay 50%! – V, 2,23). K considers that the Treasury (*kośa*) is the firm basis of the government (II, 12, 37; VIII, 1, 47-9) and advocates the use of unscrupulous and even criminal methods to collect revenue.<sup>107</sup>

However, there is another measure in the *Arthaśāstra* worthy of attention, mentioned earlier in ch V, c. It concerns the granting of land to new settlers. The chief Collector (*samāhartṛ*) maintains through assessor-assistants a record of all agricultural holdings showing the various grades of fields (fertility and irrigation and nature of crops raised in them). If the settlers do not cultivate the land, or do not cultivate it well, and therefore do not produce enough, they shall lose their land to others – and shall make good the loss of taxes to the State.<sup>108</sup>

This is clearly land-value taxation. The tax is levied on the capacity of the land and not on the actual produce, which may be negligible. Although known, however, this measure for various reasons did not acquire the popularity enjoyed by Kauṭilya's other schemes. In modern times the attention of economic historians focuses on aspects of the welfare state, not on land-value taxation which is little understood.

Taxation has always been not only the means whereby the government (in ancient times the king and his officers) collected the revenue for its operation but also a means for redistributing wealth. However the modern actual system of taxation does not follow the principles laid down by Adam Smith (see note 95) and in all Western countries has failed abysmally to effect a truly equitable redistribution. In all countries, even where socialist policies are rigorously applied, it is seen that in the long run the gap between the wealthy and the relatively poor increases all the time. This is largely due to the simple fact that within a period of four or five years the taxes on production are incorporated into the prices and so the initial benefits are cancelled out. Although this is well known,

the charade of taxation for redistribution continues.

#### **d) Land-value Taxation?**

Kauṭilya was not the only one to advocate taxation on the capacity of land. Āpastamba certainly laid down a similar rule. Manu has an *atyaya* levy which is a payment (tax or fine) to the State according to an original valuation, when there is loss (*atyaya*) of produce due to the cultivator's negligence.<sup>109</sup>

Āpastamba's rule states: "If a person who has taken (a lease of) land (for cultivation) does not exert himself, and hence (the land) bears no crop, he shall, if he is rich, be made to pay (to the owner of the land the value of the crop) that ought to have grown" (II, 2, 28, 1). Olivelle's translation reads; "If someone takes a piece of land on lease and it produces no harvest because he puts no effort in it, then if he has the means, he should be made to pay the landowner what would have been his due": here the distinctions between original sūtra and later commentary have been removed quite arbitrarily, the "landlord" *kṣetraswāmin* being inserted from the scholiasts. It is obvious that this practice in translation does not convey unadulterated the meaning of the ancient text.

The words in brackets are not in the original but are supplied by the translator who follows the explanations of commentators. This rendering gives a rule (crop-sharing) that certainly applied to many regions right up to India's Independence, and undoubtedly applies to other agricultural, less-developed countries. But there is no need to limit the rule only to such a situation – the sharing of crops between landlord and tenant. Manu has a similar rule with respect to default of-tax-payments, just like Kauṭilya's.

Manu's rule states: "If (the crops are destroyed by) the husbandman's fault, the fine shall amount to ten times as much as the king's share; but the fine (shall be) only half that amount if (the fault lay) with the servants and the farmer had no knowledge of it" (VIII, 243). The bracketed words, again inserted by the translator, are justified here by the preceding and subsequent stanzas. The rule concerns loss of tax; therefore the cultivator must pay a fine. Thus land cannot be held idle but must be used to full capacity. In contrast, today much land is held out of use (urban and agricultural) without any such charges.

Stripped of the additions, Āpastamba's rule reads: "*If any person holding land does not exert himself and hence bears no produce, he shall, if rich, be made to pay what ought to have been produced.*" We are fully entitled to stay with the original for the main commentator here is Haradatta who (according to Olivelle, following P.V. Kane) lived at C1100-1300CE, that is at least 1500 if

not 3000 years later. Then, the sūtra itself ***kṣetram parigrhyotthānābhāvāt phalābhāve yat samṛddhas sa bhavitad apahāryah*** makes perfectly good sense as it stands and as here translated without need of insertions from the commentators who, as is often the case, understand the original no better than modern scholars. The lack of understanding is due, it seems, to the confusion generated by the subsequent emergence of feudal conditions (V, d, above) and the like, and by the consequent loss of clearly defined and remembered principles, like the ones we describe.

This is as close to a formulation of land-value-taxation as anyone could get, not using the modern corresponding terms. It does not differentiate as fully as we might wish between central and marginal sites but in India, several centuries B.C. this might not be readily visible. What matters is the principle that a land-holder should pay a tax according to the productive capacity of the land even if there is no produce. (The qualification "if rich" shows great consideration. Naturally, if he is poor he cannot pay. The tax-collector must show clemency, since the holder would not do it on purpose: a poor man *must produce* in order to live, unlike the rich who may live out of accumulated stock.)

Before closing we ought to examine a passage in Gautama, which has considerable interest. Having given four rules for different taxes (rates and goods), sūtras 24-27 of chapter X, and the duty of the king to protect the taxpayer and give particular attention to the collection of taxes, 28-29, Gautama adds provocatively: "He (i.e. the king) shall live on the surplus (*adhikena vṛttih*)."

What is this "surplus" (= *adhika*)? Some take this to mean: "The king shall live on taxes paid for additional occupations exercised by him". Others explain: "The king shall live on the surplus which remains, after providing for the external and internal security of the kingdom". The latter interpretation seems more logical and probable, certainly. But in that case one would expect the use of the word "remainder" (*śeṣa*) rather than "additional" (*adhika*).

I would suggest a third possibility. The "surplus" is the difference between the less and more productive plots, that is the surplus produce, which, in modern terms, is the economic rent or surplus value. This may sound far-fetched, but only because our thinking has been conditioned by the arbitrary tax-rates 1/6th, 1/8th etc, given repeatedly in the sources. In fact this present suggestion is more reasonable. A wise lawgiver would ordain that the rich on the more productive sites should pay out of their surplus for the king's (and his administration's) expenses, not the poorer, who would

thereby become even poorer and would need help (as happens repeatedly in modern economies where taxation causes poverty, this necessitates various forms of welfare, which in turn calls for more taxation and so on in a vicious circle). As we saw, Āpastamba makes a similar distinction.

Although, there is little else in the sources to support this view, yet this rule must refer to a very old situation when there were not many taxes but only the one contribution to the king (the Vedic *bali*), the wages for his maintenance as reward for the protection he offered. The other taxes are probably later inventions (like the usurious interest-rates), and they are all variations and precursors of our modern and most dear income tax. It seems very natural and just that this *bali* should come out of the surplus product only. If the less productive (marginal) sites are not taxed, then the king (his administration) would have to exercise economy and limit their expenditure within the bounds of their income - unlike unwise government which tax all and sundry in order to cover much unnecessary expenditure.

## **IX) Conclusions**

In the course of this discussion we have seen that the principles formulated by the classical economists (Adam Smith, Ricardo, Mill, down to Alfred Marshall) for a Free Economy are found in spermatic form in the Sacred Laws of the Indoaryans. Society was not then structured as it is today and, obviously, neither finance nor capital in the form of large complex machinery, buildings and/or means of transport and communication were available then. However, we do find – and very clearly - concern with justice and harmony with natural processes that make up civilization.

Although human rights as such are not formulated in any text of the Aryans, yet on the basis of the regulations in the Lawbooks and the philosophical systems, we can construct a simple table of certain natural human rights based on natural needs. In some philosophical systems formulated perhaps later than the Vedic period, the real nature of man – overlaid by many artificial elements – is said to be SAT-CIT-ĀNANDA. SAT is being, true, unchanging, imperishable; CIT is intelligence, consciousness, knowledge; ĀNANDA is bliss, happiness, beatitude.<sup>110</sup> The needs and rights arise from this triad.

Observation and reason show that a man, in order to remain alive in this world, and to develop and manifest his full potential,

must satisfy certain basic natural needs: undamaged natural bodily condition; space in which the body will exist and move; food with which to maintain life and so grow; expression of inner impulses through gesture and speech; movement in space; assembly, or company of other men (family, co-operators etc); individual possessions, or property; reputation or honour; peace and quiet, for study, prayer, meditation and whatever else.<sup>111</sup>

When people speak of human rights, they in fact refer to these basic needs and their satisfaction. The laws of the Āryas imposed duties (dharma) whereby people would respect these basic needs or rights in every other human being. The Aryan thinking can help us formulate 9 primary rights: three related to being and life, three to intelligence and free action and three to happiness. (To these could be related Jefferson's formulation, in the American Declaration of Independence, of the rights to Life, Liberty and Happiness).<sup>112</sup>

BEING	INTELLIGENCE	HAPPINESS
(Life)	(Freedom, Action)	(Fullness)
1. Person	4. Expression	7. Property
2. Land	5. Locomotion	8. Honour
3. Food	6. Assembly	9. Peace

1. *Person* is the embodiment itself with all its limbs (personality, mind, soul etc). Clearly without this there is no existence in this world: hence the importance of the *Habeas Corpus* (in Britain) and all prohibitions of assault, injury and murder.

2. *Land* provides the space, air and light, which are freely available and the man enjoys effortlessly and constantly. Here is the scene for man's play and work, rest and movement, and the source of nourishment.

3. *Food* is mainly water and fruits of the earth (apart from air and impressions). Food at first comes to a man from others: from mother, when he is an embryo in the womb; from parents, when a child. Later man must seek it himself and for this he needs to move and act intelligently.

4. *Expression* is the movement of intelligence outwardly manifesting through facial expressions, speech and movement of hands and feet. From this arise mimicry, poetry, song, dance etc. With these a man may give enjoyment (food for the mind) and

receive gross food in exchange.

5. *Locomotion*: without this man cannot, unless supported by others, obtain food. Furthermore he must move (act, work or labour) to produce all other things he needs – clothes, shelter, tools etc. In this he usually benefits with the cooperation of other men. Only some need to be food-producers. The others can produce other useful things and exchange them for food.

6. *Assembly* satisfies man's need for companionship and family. In addition it facilitates a man in his work, amusement, act of worship etc. No man can live entirely by himself all his life. But once man lives in society he needs some things exclusively for his own use and consumption.

7. *Property* is what belongs exclusively to any one person (or group). A man has his inherent properties, i.e. his talents and weaknesses; also, the external possessions that are the products of his labour, or things exchanged thereby, or gifts, or bequests. (Land is No 2 and cannot belong here – except by defective or distorted thinking.)

8. *Honour* protects and promotes a man's work. With a besmirched reputation, the teacher, lawyer, doctor, merchant and baker, cannot continue their occupation in the community as before.

9. *Peace*, finally, outer as well as inner, is needed for a man, if he is to enjoy the fruits of his work, study, worship or endeavour to attain supreme liberation (mokṣa) of Spirit through Self-knowledge - which was the fourth and ultimate aim.

People today speak of "freedom of thought" or "of press" as a right. Rights are also considered to be the "freedom to work" or not work (i.e. strike, or "industrial action")<sup>13</sup>, free education etc etc. Clearly freedom of thought or press or conscience – all are included in No 4. Once there is a law that "No one shall be obstructed from expressing himself, provided he does not offend others" or simply "Be truthful", then people will, by extension, enjoy those liberties also. The modern "right to work" (or fair wages etc) arises automatically once all 9 rights are in operation – only then! If people understand and respect indeed these 9 rights in others, then all will enjoy political and economic liberty in a just society.

There is obviously, some gradation in these rights. Nos 4 and the rest are, in a way, though not absolutely, an unfolding of the need for food, (No 3). Nos 7,8,9 come as a natural consequence (again not absolutely) of the "assembly", i.e. many men living communally and needing to distinguish food, clothes etc. A man can be gagged and bound but provided he gets fed, he will survive,

however miserably.

If he is deprived of food, he will not survive long. If deprived of land, again he cannot survive in air and water. If deprived of person, that is his embodiment, he dies instantly. A man's life, action and fulfilment will be curtailed to the degree that the first three are restricted.

In any society, if people are to enjoy these rights, they must observe the duty to respect these rights where other people are concerned. Our freedom stops where that of others begins and we enjoy freedom only when, and to the extent that, others do not infringe our rights. Naturally we do the same. Ultimately it all amounts to avoid doing to others what we don't want others to do to us. (This is a rule found in most religions, or ancient philosophies, from Confucianism to Christianity; in the Christian tradition it is known as the "golden rule" and is found formulated in Mathew's gospel 7:12 and Luke's gospel 6: 31.)

Through ignorance, insecurity and greed, some people seek to have advantages over others so as to obtain riches by not working or not working enough. They succeed in imposing a system of laws and institutions that forbid large numbers of men from satisfying these fundamental needs freely as Nature intends; for in any ancient small community it is obvious that all healthy people are capable of satisfying these needs quite freely and naturally. In ancient Sparta the helots, and in feudal times the serfs, were tied down to landowners' estates having no freedom of expression, locomotion and the rest. In conditions of slavery the masters owned the person and could abuse, beat, maim or even kill him with impunity.

Today, all over the world, we ignore the second need – free access to land. Enormous numbers of people live and work in places owned by others and, to do so, have to pay a part of their income to the owners, thus being reduced to a subtle state of slavery. The vast majority of people everywhere, including those who suffer most from this deprivation, take this state to be natural: all economic activity proceeds under this delusion and oppressive restriction. It is not necessary.

In ancient times philosophers and law-givers provided their people both with common lands and individual holdings. Recognizing the truth that all land really belongs to and is given by the Supreme power, the Hebrews allowed every family its holdings:<sup>114</sup> "The land shall not be sold for ever: for the land is mine (saith the Lord); for ye (are) strangers and sojourners with Me." Plato, again, following Lycurgus of Sparta and Solon of Athens, provided all the citizens in his new State with sufficient land to live and work.<sup>115</sup> And in ancient

India, Nārada said: "A householder's house and his field are considered as the two fundamentals of his existence. Therefore let not the king upset either of them."<sup>116</sup>

Of course, with increase of population the idyllic conditions of the ancient simple communities changed considerably. As communities became larger growing into towns and cities, people would have to move much farther to obtain fresh lands. As a consequence there now emerged much more productive sites at the centre of the communities (or towns), and these gave a much bigger advantage to their possessors. Who should hold these? By what new arrangement those on the less productive sites would not be at a disadvantage?

John Locke stated the problem succinctly in the 17th century. "As much land as a man tills... and can use the product of, so much is his property. He by his labour does, as it were, enclose it from the common... Nor was this... any prejudice to any other man, since there was still enough and as good left, and more than the yet unprovided could use".<sup>117</sup> Locke offers no solution, because, perhaps, the problem was not so pressing: he had in mind the new colonies in America where land was plentiful.

A reasonable solution came in mid-nineteenth century in the USA from the self-taught economist Henry George. Plainly, it is the community – its very existence and development in numbers, sciences etc – that creates the difference between more and less advantageous (i.e. marginal) sites. This advantage, therefore, this difference, this "surplus" or "economic rent", should be rendered back to the community which generates it. Since the value of a site reflects its desirability and this indicates people's expectation to enjoy the advantage (or surplus produce) of the site, a tax could be levied on that value, thereby collecting (at least part of) the advantage for the entire community; the tax should be paid whether the site is in use or not – so that sites would not be held idle for speculative profits or other reason. This tax could substitute eventually all others. Under this system nobody in the community, by virtue of holding land, would reap an advantage over other members.<sup>118</sup>

Although George's measure has been half heartedly applied in some countries with good results, although many eminent economists (like M. Friedman) at times refer to it as "sound"<sup>119</sup> and others recommend<sup>120</sup> its implementation both in industrialized and less-developed countries, yet it does not enjoy much popularity. People, strangely, prefer the complex current taxation on income, capital etc, which acts as a brake on initiative and industry and, ultimately, perpetuates the unjust, inefficient and oppressive

condition whereby people have no free or easy access to land while others make large profits in land-speculation.

Thousands of years before Henry George and the French Physiocrats who held a similar view and John Locke, the Aryan sages stated the same problem and the same solution. "The earth ...is common to all beings enjoying the fruit of their own labour; it belongs...to all alike"; therefore, "there should be left some for everyone": so the philosophical system *Pūrva Mīmāṃsā*<sup>121</sup> of Jaimini.

How is this to be realized?

Very similar to the Land-value taxation is Gautama's rule that the king "shall live on the surplus", which means levying a tax on the difference of the more productive sites over and above the less productive (i.e. marginal). Āpastamba also is quite clear: "If any person holding land does not exert himself and hence bears no produce, he shall, if rich, be made to pay what ought to have been produced".<sup>122</sup> Land, in other words, should not be held out of production – particularly the land of central sites which are the most wanted and thus command the largest rent or surplus value.

But Āpastamba goes a little further than modern social and economic reformers. He indicates that justice will prevail only when people observe their duties towards all others and turn to the realization of their true nature, to the knowledge of their own inner Self *Ātman* who is the same in all people and no different from the Self of the Universe, Spirit Absolute *Brahman*, (see chs 22-33 of his *Dharmasūtras*). This implies the resuscitation of the four *āśrama* system in some form suitable to modern conditions and particularly the turn to *mokṣa*. This is, of course, the basic teaching of the philosophical system *Vedānta* but also an important element in the ancient Greek tradition, particularly the school of Plato and his teacher Socrates, the doctrine that was expressed in the Delphic maxim 'know thyself' (*gnōthi s'heauton*). *Vedānta* stresses the identity of the individual Self with the universal Self and provides guidelines for this realization in life. Many Gnostic Christians of the first four centuries of the Common Era held similar views, probably derived from the Vedic Tradition. Without this effort for realization, which includes the practice of truth and non-injury to others and the other basic duties (all summed up in not doing to others what we don't want others to do to us), even the finest economic formulations would, according to these ancient teachings, degenerate and fail eventually and lasting happiness would elude man.

### Notes

- <sup>1</sup> Patanjali's *Yogasūtra*, II, 30: numerous editions & translations. Also, in the system Vedānta and elsewhere.
- <sup>2</sup> The similarity with 5 of the 10 Mosaic commandments is obvious. I place them here in an order that corresponds to the *Yogasūtra*: "thou shalt not kill ... bear false witness (=speak truth) ... steal ... commit adultery (=maintain purity) ... covet [others' goods] ...".
- <sup>3</sup> XV, XVI, 1ff *Nārada-smṛti* (= N, from now on), Biblioteca Indica, 1885. Transl J. Jolly, *The Minor Lawbooks*, SBE (= Sacred Books of the East), XXXIII, ed 1965, pp 207 ff. Also, *Nārada-dharma-sāstra*.
- <sup>4</sup> XIX, 24-26, *Bṛhaspati-smṛti* (=Bṛ) ed by A.Furher, Leipsig 1879, Transl J. Jolly, as note 3, SBE XXXIII, p 254. Also, *Bṛhaspati-dharma-sāstra*.
- <sup>5</sup> N, I, 52-4. N = hereafter for Nārada.
- <sup>6</sup> N, XI, 42.
- <sup>7</sup> Bṛ. XIX, 26. Also Kauṭilya's *Arthasāstra*, III, 8. Bṛ hereafter for Bṛhaspati.
- <sup>8</sup> Numerous editions of Manu's lawbook, known also as *Manavadharma-sāstra* (=M hereafter). Transl by G.Bühler, SBE XXV, reprint 1982.
- <sup>9</sup> M, VIII, 237. *śamya* is a short stick, thrown for measurement.
- <sup>10</sup> III, 1, 17. *Baudhāyana-dharmasūtra*, various eds 1884, 1934 (=Ba hereafter). Transl by G.Bühler, SBE XIV, reprint 1965.
- <sup>11</sup> Romesh Dutt, *The Economic History of India*, Delhi 1960, Vol I, p 107.
- <sup>12</sup> Karl Marx, *Capital*, Vol I, ch 14, 4; Penguin, reprint 1982, p 479. Also the more extensive study in *Grundrisse*, Penguin, 1973, pp 471 ff.
- <sup>13</sup> P. Banerjee, *Public Administration ...*, London 1916, p179; KP Jayaswal, *Hindu Polity*, (Patna 1924) Bangalore 1967, passim.
- <sup>14</sup> V.Smith, *Oxford History Of India*, OUP 1922, p90; S.K Maity, *The Economic Life of Northern India ...*, Calcutta 1957, p25; R.Chaudhory 1986, A L Basham; et al.
- <sup>15</sup> R.C Majumdar, *The Corporate Life in Ancient India*, Calcutta 1933, pp183-193.

<sup>16</sup> For chronologies, see M. Winternitz, *History of Indian Literature* (1922) transl by V S Sarma, ed Delhi, 1981, Vol I, p270 ff. Those who take a date c1500 BC assume too great a velocity of change from 1200 (Ṛgveda) to 500 (Sūtras). Christian doctrine, despite the use of print, needed more than 1000 years to develop up to Thomas Aquinas and Palamas (Byzantium). The post-Ṛgveda practices and literature would have needed much longer, given the conservatism and mnemonic tradition of the Aryans.

There is now abundant evidence that the Aryans were in Northwest India c 4500BC (and perhaps c7000) and that the Ṛgveda was composed before 3100 and the sūtras in the period 2400-2000 (N Kazanas 1999, 2002). Much more concrete evidence than that adduced in Winternitz is the fact that the *RV* knows no urbanization as found in the Mature Harappan or Indus-Sarasvati Culture (2600 B CE) nor of ruins of towns as found in the late period of that Culture's collapse (c 1900 BCE); in the *RV* (see 7.95.2 etc) the river Sarasvatī is a perennial river which flows from the mountains to the ocean, a condition possible only before 3200 since after that date it began to dry up; the *RV* has no references to baked brick *iṣṭakā*, silver, rice, fixed altars/hearths etc, features that are common in the Indus-Sarasvati Culture and appear in post-Rigvedic texts. Then Archaeoastronomy has now established that several astronomical references in the *Mahābhārata* can be true only in the year 3067, which gives us a date for the beginning of the earliest layer of the epic. And since the *RV* is linguistically much much older it must be older than 3067.

<sup>17</sup> *Ṛgveda* VIII, 33 5-6. Hereafter *RV*.

<sup>18</sup> 6 whole hymns are addressed to Dyaus-Pr̥thivī, 1 to Pr̥thivī on her own and there are many references to both of them elsewhere.

<sup>19</sup> H.P. Chakraborti, *Vedic India: Political and Legal Institutions ...*, Calcutta 1981, p288. Also, R.C. Majumdar et al (eds): *The Vedic Age*, Vol I in *History and Culture of Indian People*, Bharatiya Vidya Bhavan, Bombay, 1965, pp360-1, 398-403; etc.

<sup>20</sup> SBE 5 Vols, 12, 26, 41, 43, 44, transl by J.Eggeling. The square brackets are the author's.

<sup>21</sup> ŚB XIII, 5, 4, 24 (repeated in XIII, 6, 2, 18) SBE Vol XLIV Delhi, 2nd ed, p402 (and p412).

<sup>22</sup> ŚB XIII, 7, 1, 14-15 (SBE XLVI, p421).

<sup>23</sup> Chāndogya Up, IV, 2, 4. Dr Saletore, *Early Indian Economic History*, Bombay, 1973, (p, 459, ch VIII, note 9) refers to Atharvaveda IV, 22, as a petition to the king for a share-grand in a village, But *enam bhaja grāme* means "give him (ie the ruler!) a share in the village" and not that the king should give land to somebody! It is a prayer to the gods for the prosperity of the ruler (kṣatriya, here).

<sup>24</sup> Keith and MacDonell (*The Vedic Index*, London 1912, Vol I, p100) show beyond doubt that this was not so!

<sup>25</sup> Strabo's *Geography* BK XV, 1, 40; Arrian's *Indica*, XI; etc.

<sup>26</sup> It is commonly ascribed to Kauṭilya, Chief Minister of Emperor Candragupta at the end of C4th BC. Edition & transl by R.P. Kangle in 3 vols, Bombay, 1965.

<sup>27</sup> The terms *dharma*, *artha* etc, can be interpreted in other ways also.

<sup>28</sup> Winternitz, Vol I, pp 212-3.

<sup>29</sup> Manu, I, 87-91; SBE XXV, p24. This however is neither absolute nor clearcut: Arvind Sharma shows with many examples that Śūdras could and did in many cases study the Holy Scriptures (2000 'Of Śūdras, Sūtas and Ślokas' in the *IndoIranian Journal* vol43 p225-28, See also section IV, note 39 and text, below).

- <sup>30</sup> Āpastamba (=Ap hereafter) I, 8, 22 and 23; ed G. Bühler, Poona 1892-4 and transl by Bühler SBE vol II.
- <sup>31</sup> *Jātakas* ie. Stories of Budha's former births, often in the form of animals; Texts from the *Pāli Canon*, which comprises discourses, debates, rules for monks etc.
- <sup>32</sup> Winternitz, vol II (HIL), transl by Subhadra Jha, Delhi, 1985, pp 575-607. Also, P. V. Kane, *History of the Dharmaśāstra*, vols I-V, Poona, 1930-1962, passim. Also, Bühler's Introductions to SBE vols II & XXV. But see also n 16.
- <sup>33</sup> Known as *Mānava-dharma-śāstra*: the science of (sacred) Law according to the school of the followers of lawgiver Manu.
- <sup>34</sup> ApII, 6, b, II; MXI, 62-67; G XXVIII, 33 (transl SBEII); V, XVII, 32-3 (transl SBE XIV).
- <sup>35</sup> Saletore has certainly an inadvertent error in giving (p 468) *svāmya* for "title" and *bhoga* for "ownership": the reverse is correct.
- <sup>36</sup> N, I 75-82; *Viṣṇu-dharma-śāstra*, V, 187, transl. J. Jolly, SBE, vol VII.
- <sup>37</sup> Y, II, 29: āgamena viśuddhena bhogo yāti pramāṇatām.
- <sup>38</sup> Compare John Locke, *2nd Treatise Concerning Civil Government*, ch V of Property, paragraphs 26 & 31.
- <sup>39</sup> M IX, 157 and X, 124; VIII, 416-7.
- <sup>40</sup> Prohibition in IV, 213, V, 48 and 52; permission V, 22-23 & 56: such discrepancies are quite extraordinary.
- <sup>41</sup> XIII, 14-18-SBE, II, p 244-5 (Words in brackets are commentators' and translators'). Also Manu, VIII 98-100.
- <sup>42</sup> II, 9, 22, 8-9: SBE, II, p 154.
- <sup>43</sup> III, 2, 2,. SBE XIV, p 288. Words in 2nd brackets are not in the original Sanskrit; words in square brackets are by the present writer.
- <sup>44</sup> Saletore, pp 661-3. Also F. M. Bongard-Levin, *Mauryan India*, Sterling Publishers, Delhi, 1985, pp 141-3.
- <sup>45</sup> Winternitz, Vol II, p 5-24. Pāli is a common people's dialect, derived from Sanskrit, bearing the same relation to Sanskrit as the "Koine" to Attic Greek or Italian to Latin.
- <sup>46</sup> Both texts are quoted fully in Bongard-Levin, p 141. The Pāli originals are given in notes 132 and 134, pp 215-6. The bracket with *vana* is by the present writer. *bhūmi-sāmika* from S *bhūmi-svāmi* 'lord/master of land'.
- <sup>47</sup> References are to R P Kangle's edition, Pt I, Univ Bombay, 1965. The latin numeral is chapter, the next is section and the last the sūtra (s). Kangle has published a PtII, translation, and a PtIII, a study of the work.
- <sup>48</sup> *Arthasastra*, PtIII, p 171.
- <sup>49</sup> G X, 39-42.
- <sup>50</sup> *The Wonder that was India*, London, (reprint) 1961, pp 109, 110.
- <sup>51</sup> SBE XXV, p 259-260. Realizing he is twisting the Sanskrit, Bühler feels the need to put a justification in his note.
- <sup>52</sup> Levin. Also R S Sharma, *Indian Feudalism*, Univ Calcutta, 1965. Also H. P. Ray, *Monasteries and Guilds*, OUP Delhi, 1986, for royal-grants of the Sātavāhanas.
- <sup>53</sup> ch II, end.
- <sup>54</sup> *Mauryan India*, p 146 and 217, n 158.
- <sup>55</sup> Winternitz (vol III, p 511) places Jaimini's sutras in 4th cent BC, at latest.
- <sup>56</sup> Quoted by K P Jayaswal, *Hindu Polity* (1924), Bangalore 1967, pp 331-2, giving Sanskrit text also.
- <sup>57</sup> Quoted by Jayaswal, pp 332-3, giving Sanskrit text also.

- <sup>58</sup> See previous section (f): Jayaswal's interpretation of this couplet is quite different from ours, taking *Kuṭumbin* as "relative of the King" and not the more usual sense "householder, family-man".
- <sup>59</sup> Atharvaveda III, 4, 2.
- <sup>60</sup> Ṛgveda X, 173 and 174; Atharvaveda VI, 86 and 87; etc.
- <sup>61</sup> Atharvaveda III, 3, etc.
- <sup>62</sup> The details of the Coronation are given in full in the 5th Kāṇḍa of *Śatapatha Brāhmaṇa*. This part is V, 2, 1, 21.
- <sup>63</sup> ŚB, V, 2, 1, 21: *iyam te rāt/...kṛṣyai tvā kṣemāya tvā rayyai tvā poṣāya tvā/* The lines are from *Yajurveda* (White) IX, 22.
- <sup>64</sup> *Aitareya Brāhmaṇa*, VIII, 15.
- <sup>65</sup> Artharva, III, 5, 6. For more about the origin, see also A.K.Majumdar, *Concise History of Ancient India*, Vol II, *Political Theory...* Munshiram Manoharlal, Delhi, 1983, pp 40, 43.
- <sup>66</sup> See J. Gonda's 1966 *Ancient Indian Kingship from the Religious Point of View*, Leiden, Brill, pp 65, 71-2, 74-5, 78-9.
- <sup>67</sup> Quoted in Jayaswal, p 321. It is a late text.
- <sup>68</sup> P. V. Kane, *History of the Dharma-Sāstras*, Poona, 1930-62, Vol, III, p57. The bracket is ours.
- <sup>69</sup> Chāndogya Upaniṣat, V, 11, 5-6.
- <sup>70</sup> M, VIII, 27-28; Vi III, 6-; G X, 48; etc.
- <sup>71</sup> M, VII, 87-8 and 121-4; VI III, 43-44 and Y I, 337; etc.
- <sup>72</sup> M, VIII, 335; Y I, 357.
- <sup>73</sup> M, VII, 60-65.
- <sup>74</sup> Bühler and commentators add "after death". Why? If this was meant, the original would not say *sadyas* (=quickly) but *mṛtaḥ* or *mṛtvā* or *pretāḥ* (= when dead)! Also VII 142-4 and X, 114.
- <sup>75</sup> BK XI, ch 57 (or 56), 43-45. Also M, IV 61 and G IX, 65.
- <sup>76</sup> VII, 27-8 and III, 2.
- <sup>77</sup> Y, II, 278, 297; V, 174. Also *Arthasāstra* II, 1, 38-39 and III, 8.
- <sup>78</sup> Bṛ XIX 25-29; N XI, 15.
- <sup>79</sup> S. Nigam, *Economic Organisation in Ancient India*, M Manoharlal, Delhi, 1975, pp 229, 291-5.
- <sup>80</sup> M, VIII, 41-2; G XI 20-21; Ap II, 6, 15, 1; etc.
- <sup>81</sup> II, 2, 4, 25-6.
- <sup>82</sup> M, IX, 133
- <sup>83</sup> Diodorus Siculus (or Sikeliotes), Bk 17,11 36: quoted by R.C.Majumdar, *Classical Accounts of India*, Calcutta 1960.
- <sup>84</sup> Ap II, 15, 1; G XI, 20; M VIII, 40-41; etc.
- <sup>85</sup> G XII, 29; V, II, 51; et al.
- <sup>86</sup> This word 'debt' *ṛṇa* occurs often, but not once *vṛddhi* or *vārdhuṣya* (=interest, usury). Only in the somewhat late *Taittiriya Saṃhitā* occurs *kusida*, which could mean loan-with-interest or usurer, but its use here is uncertain. In the *Śatapatha Brāhmaṇa* (XIII, 4, 3, 11) occurs *kusidi*, but in a context of black magic rituals!
- <sup>87</sup> The word came to denote a coin much later.
- <sup>88</sup> Ba, 1, 5, 10, 20ff.
- <sup>89</sup> SBE XIV, p175.
- <sup>90</sup> V, II, 51.
- <sup>91</sup> M, VII, 128-9
- <sup>92</sup> XII, Śāntiparvan, 88, 4-8; also 87, 18-21. Also Manu, VII, 139.

<sup>93</sup> Ibid, 38, 12.

<sup>94</sup> Ibid, 87, 16.

<sup>95</sup> *Wealth of Nations*, BKV, ch II, pt 2, article 1.

Smith's canons: –

- I) The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities, [i.e.] to the revenue they enjoy under the protection of the state. (Smith does not distinguish between a land owner who hires out his unimproved land and his income is wholly unearned and any man who actually works and his income is earned.)
- II) The tax ... ought to be certain and not arbitrary ...
- III) Every tax ought to be levied at the time, or in the manner, in which it is ... convenient for the contributor to pay it.
- IV) [Taxes ought to be such that the expense of collecting them should be the lowest possible.]

Henry George's four canons (1879/1979: 408): the best tax is one that should I) ... bear as lightly as possible upon production – so as least to check the increase of the general fund [= production] from which taxes must be paid ... (Here we note a marked difference from Smith. George wants the tax to fall on the unearned incomes or surplus produce or economic rent and not according to ability or revenue only.)

George's other three canons are like those of Smith and, of course, like those in the ancient Indic texts.

<sup>96</sup> Ap II, 10, 26, 10-13

<sup>97</sup> Kauṭilya, II, 16, 21end, 25 etc.

<sup>98</sup> Bühler inserts: of "increment of" cattle. Others: "addition to stock" etc. Here these clarifications seem quite in order.

<sup>99</sup> Quoted by S.Nigam, also, SBEII, p227, note 24.

<sup>100</sup> 10 A.K.Majumdar, 1983, pp 308-9.

<sup>101</sup> Manu VIII, 394; et al.

<sup>102</sup> Ibid, VII, 137.

<sup>103</sup> VIII, 138 and X, 120.

<sup>104</sup> G X, 31; Vas XIX, 28.

<sup>105</sup> Saletore, p459. This eminent historian gives no further details.

<sup>106</sup> Bali is also a sacrificial offering to gods; also a payment to, or from, religious bodies, like monasteries or priestly authorities. Kauṭilya refers to it as a religious tax in *Arthaśāstra* II, 6. The commentator on Pāṇini's grammar, (*Aṣṭādhyāyī* II, 1, 36 – on tatpuruṣa compounds) in late classical times notes two examples: *Kuberabali*, i.e. sacrificial offering to god Kubera; *mahārājabali* offering or payment to the king or emperor. Despite the lapse of many centuries, *bali* retained its meaning.

<sup>107</sup> In all justice, it should not be overlooked that K does stress spiritual aspects like donations to deserving *brāhmaṇas* and mokṣa, and has excellent provisions for care of workers and slaves and all those who are incapable of fending for themselves.

<sup>108</sup> II, 1, ff.

<sup>109</sup> For the sake of completion, we should refer to Vasiṣṭha. This sage's code has two sūtras (XIX, 14-15) which definitely have to do with a tax on property. Unfortunately they can not be translated very meaningfully. Sūtra 16 is so utterly corrupt as to be unreadable. But according to commentators the sūtras may ordain a tax on the value of property. (SBE XXXIII, P 97-8 notes 14-16.)

- <sup>110</sup> So the philosophical systems Vedānta, Yoga, Sāṅkhya etc.
- <sup>111</sup> This subject has been examined very fully in N.D. Kazanas's *Democracy: Freedom under the Law*, Omilos Meleton, Athens 1981, pp 184-208, (in Modern Greek).
- <sup>112</sup> The exact writing composed by Thomas Jefferson is as follows: "We hold these truths to be self-evident: that all men... are endowed by their Creator with certain [inherent and] inalienable rights: that among these are life, liberty and the pursuit of happiness."
- <sup>113</sup> It is ironic that "action" in this case means "inaction", cessation of industrial action!
- <sup>114</sup> Leviticus, ch 25: 23 ff in the *Old Testament*.
- <sup>115</sup> Laws, 740, see ch II, above.
- <sup>116</sup> N XI, 42; see above, ch II.
- <sup>117</sup> Locke, *ibid*, paras 31-2.
- <sup>118</sup> H. George, *Progress and Poverty*, N.Y. 1879; many subsequent eds.
- <sup>119</sup> *Human Events*, Nov 18, quoted in R.Noyes (ed), *Now the Synthesis*, N.Y. 1991, p 94.
- <sup>120</sup> F. Harrisson, *The Power in the Land*, London, 1983, p 297 ff; also Adam Smith and others.
- <sup>121</sup> See above, ch V, g, and notes 15ff.
- <sup>122</sup> See above, ch VIII, e.