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CEILING ON LANDHOLDINGS

==== A NOTE ====



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FOREWORD

The question of ceiling on landholdings is being actively discussed in wide circles in the country today. Every school of thought and the Government of India are wedded to this principle. The Second Five Year Plan is being drafted and in it the Government should come out with its plan for ceiling in all its details.

Therefore, in order to place before the country and the Government the views of the All-India Kisan Sabha, I am explaining the stand of the AIKS through this pamphlet.

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N. Prasada Rao.

INTRODUCTION

Even today, Indian economy remains essentially an agrarian economy, where 58 per cent of the national income is derived from agriculture. In what is usually described as the industrial sector also, real large-scale and modern industry is very meagrely developed, with hardly 2 per cent of the country's total population forming the industrial working class employed in organised industry. Consequently, the country suffers from an extremely backward economy and "we are still living in a cow dung age," as was aptly described by the Prime Minister, Mr. Nehru, where the overwhelming majority of the population, particularly the rural agricultural population, lives in abject poverty, wretchedness and ignorance unparalleled in any other modern country of the size, and history as India. The liquidation of this colossal backwardness and the rapid industrial and agricultural development has become the prime concern of and urgent need for the nation. The working out of the Five Year Plans, the various development schemes and projects contemplated, the proposed agrarian reforms, etc., are to be viewed as nothing except a big effort intended towards that direction. I am of the opinion that the agrarian question is the key link and forms the axis around which all other problems of genuine national reconstruction and advance revolve. Hence it is from this angle that one has to approach the various aspects of ceiling on landholdings.

The All-India Kisan Sabha was the first to raise this slogan of ceiling on landholdings. In the meeting of the Central Kisan Council, held in Bombay from September 7, 1945, it adopted a "Charter of Kisan Demands," which, for the first time, raised the slogan that a maximum limit on land possessed

be put. This was further emphasised and concretised by another resolution of the Central Kisan Council in its meeting of November 26, 1946, held in Calcutta, which reads thus :

“With a view to abolish landlordism on the basis of social justice, the Council urges upon all Provincial Governments to adopt immediately comprehensive legislation on the following principles. . . .

“(4) The existing landholders, both in the zamindari and ryotwari areas, shall be allowed to possess land for self-cultivation only up to the maximum limit of 25 acres per landholder. Such land for self-cultivation should in no case be acquired in zamindari areas by ejecting tenants or share-croppers but should be taken only from that part of landlord's estate which has hitherto been directly under his own cultivation.”

As recently as in September, 1954, in its Twelfth Annual Session, the All-India Kisan Sabha, has passed a resolution reiterating its stand on ceiling on landholdings, which guides all the activities of the Kisan Sabhas today.

Ever since the demand was first raised by the AIKS, it began gaining strength and when, later on, the Congress Agrarian Reforms Committee, popularly called “Kumarappa Committee,” also voiced the same demand in 1949, it had assumed a national character. The First Five Year Plan also recommended a ceiling on landholdings and thus raised it to the level of State policy. Though nothing noteworthy has been done so far in concrete terms, there is no going back on it. The task of the Planning Commission is now to see how and in what concrete terms ceiling on landholdings be applied and work out details for it.

WHY CEILING?

Arguments are advanced that there is no justification in putting a ceiling on landholdings when there is no ceiling on other properties in the urban areas. But there is no comparison at all between the two. We want to put a ceiling on landholdings because landlordism is a fetter on the productive forces and is the basic factor retarding the development not only of productive forces in agriculture but also of industry, trade, etc. Industrial profits, save the monopoly profits, in the present phase of our social development, do not stand in the same category. Hence, whereas a ceiling on landholdings is the immediate and primary demand, a ceiling on industrial profits, in the present context of things, is not so. The two should not be counterposed and on that score ceiling on landholdings be denied.

Why do we advocate ceiling on landholdings? It is a universally accepted fact that today vast amount of land is monopolised by a handful of landlords and the overwhelming majority of the actual cultivators are either completely devoid of any land or possess bits of land insufficient to give them even a meal a day or to give work even for a few months in the year. Unless landlordism is abolished, unless land monopoly is broken up, the productive forces in the rural side cannot develop and any reorganisation of agriculture on a rational basis would not be possible. Ceiling on landholdings will be a step in this direction. It will break monopoly of land by the landlords and greatly weaken their grip on agrarian economy; it will give land to the poor peasants and agricultural labourers, who are the actual tillers of the soil; and it will give higher returns for the work done by a landless peasant in land, in that he, and not any landlord, appropriates all that is produced on land.

Hence a ceiling on landholdings, must be imposed here and now, so that no person owns land above the ceiling. *However, the ceiling should not be applied to enable landlords, as is being done today, to resume land which has been leased out to tenants; these lands should be given over free of any charge to the peasants who are in cultivating possession of*

them, provided the small landowners, who have no other substantial means of living and who lease out their lands and take to other professions like school-teachers, petty traders, shop employees, etc., should be given the option, either to resume land for self-cultivation or to continue to lease out their land, subject to the compliance of the tenancy laws. Ceiling should apply to all other land under personal cultivation of the landlords.

FAMILY HOLDING

There was discussion as to what should be the basis in terms of which the ceiling could be fixed—a family holding or an economic holding. Family holding, in my view, is a plough unit, i.e., the area of land which an average-sized family of five could cultivate with a pair of bullocks and with the assistance of wage labour customary in the locality. This holding would keep the family labour as well as its bullocks and other implements fully engaged. Generally it would give throughout the country, an income sufficient for the maintenance of the family in reasonable comfort. But doubts were raised that in some cases, as in areas of poor soils or rocky soils, such a family holding may not give enough income even up to the national minimum. So, it can be agreed that either a family holding or a unit, which gives an annual nett income of Rs. 1,200, whichever is greater, should be the unit. The reasons for putting Rs. 1,200 nett per annum is that it corresponds to the average *per capita* national agricultural income of Rs. 500.

CEILING AT TWO FAMILY HOLDINGS

What should be the ceiling?—this is *the* question. The angle from which the question of ceiling is looked at gives the answer. If you look from the angle of giving greater encouragement to capitalist farmers and large-scale mechanised cultivation, the ceiling would be necessarily high; from the angle of removing glaring inequalities in agricultural incomes, high taxes would serve the purpose. But neither of these would

be of benefit to the overwhelming majority of the people living on land today. It may give greater help to the biggest landlords for mechanisation and so on or it can pour greater tax revenues to the State; but neither a single peasant nor a single agricultural labourer or tenant would be benefited by such ceiling. Therefore, the only criterion in deciding the limit at which the ceiling should be put is whether it helps eliminating landlordism and gives land to the poor landowners, tenants and agricultural labourers, thereby releasing the productive forces in agriculture from the shackles of landlordism and developing the purchasing power of the masses and expanding the home market or not. If it is not for this purpose, there is no purpose in putting a ceiling on landholdings except to put it in the show-room of land reforms and boast about it.

An argument usually made by landlord sections who oppose any ceiling at all is that there is not enough land to go round for distribution to peasants and agricultural labourers. But figures prove this to be completely baseless. The following will give us a sample as to how much land will be available for distribution and how much land each family can get.

(In this connection I would like to point out that the census of landholdings recently taken is extremely unsatisfactory. I do not want to dilate on it here, but wish to point out only one defect. It does not give us the census of holdings below 10 acre size. In the absence of these figures it is impossible to find out the percentage of big landholdings and percentage of land held by them.

For the purpose of argumentation I have taken 20 standard acres as roughly equal to two family holdings or economic holdings. This is just a very rough calculation.)

PEPSU (Plain tracts)

Number of landholders having 20 standard acres each and more	...	16,287
Land held by them under personal cultivation (in standard acres)	...	6,44,846

Excess land, if ceiling is put at 20 standard acres	...	3,19,006
Agricultural labour families in the State as per the estimate of the Agricultural Labour Enquiry	...	70,000
Number of poor peasants, having less than a basic holding, i.e., one-third of a family holding each, will be about 5,000 (holdings below 5 acres being 6,632)	...	5,000
Total families of both categories may be	...	75,000
Land that can be distributed per family (in standard acres)	...	4.25

Saurashtra

Number of landholders having more than 20 standard acres each	...	94,249
Land held by them under personal cultivation (in standard acres)	...	30,96,393
Excess land, with ceiling at 20 standard acres	...	12,11,413
Number of agricultural labour families in the State	...	99,000
Families of poor peasants may be (holdings below 2.5 acres each being 20,430)	...	25,000
Total families of poor peasants and agricultural labourers may be	...	1,24,000
Land that can be distributed per family (in standard acres)	...	9.7

For the other States, either the number of agricultural labour families or the number of poor peasant families are not available for me from the sources; but the same picture, with some margin, can be assumed in those States also. So to get a rough idea only, the following figures are being quoted. (In all cases, for purposes of comparison, I am assuming the ceiling at 20 standard acres.)

Punjab

Surplus land (in standard acres)	...	5,58,000
Number of holdings affected	...	42,000
Number of agricultural labour families	...	1,83,000

Madhya Pradesh

Surplus land	...	25,16,000
Number of holdings affected	...	1,10,000
Number of agricultural labour families	...	14,96,000

Bhopal

Surplus	...	4,97,000
Number of holdings affected	...	21,000

It is a matter of regret that census on landholdings for other major States like Uttar Pradesh, Bihar, West Bengal, Madras, Andhra, Travancore-Cochin, Mysore and Orissa are not available, but they would make an interesting study and I hope the census figures would be made available soon.

These figures show that the argument made that no land is available for distribution is baseless and false.

Usually, another argument brought against ceiling is that it would result in a fall in production. This is again a false argument and is proved by the living example of People's China. The following extract from the Report of Mr. Teng Tse-hui, Director of Department of Rural Work of the Central Committee of the Communist Party of China, will show that abolition of landlordism and distribution of land will, instead of retarding agricultural development and production, in reality increase it.

"The physical changes were striking in themselves. In the whole course of reform 47 million hectares of land, countless draught animals, farm implements, houses and food stocks changed hands. Changed that is, from the hands of the landlord class, to be distributed to some 300 million peasants who had previously held little or no land, and lacked means of

production. Available statistics for the later liberated areas of East China, Central-South China, Northwest China and Southwest China show that, in the agrarian reform movement from 1950 to 1953, in addition to land, more than 2,960,000 head of draught animals, 39,440,000 pieces of farming tools, houses containing 37,950,000 rooms and over five million metric tons of foodstuffs were confiscated from the landlord class. With the liberation of the peasants from feudal land relationships, the productive forces in the countryside obtained a new lease of life. Now that the peasants possessed land and other means of production of their own and tilled their own soil, their enthusiasm knew no bounds. Productivity has increased markedly. With the abolition of exorbitant rents, harvests now yielded a 'profit' to be ploughed back, equipment could be bought or repaired, and irrigation schemes initiated or increased. The people's government stood behind them, with financial and technical help—in 1953, for instance, the total loans granted amounted to ten million million yuan, and in the same year, major irrigation works were started and pest control teams sent out on a large scale. In consequence there was now a firm basis on which production could develop rapidly. In 1952, grain production on a national scale exceeded the highest figures ever reached before the War of Resistance to Japanese Aggression. Naturally, with this went an increase in the purchasing power of the peasants. Already in 1951, the purchasing power of the nation as a whole increased by some 25 per cent as compared with 1950. All these factors make it possible to go forward on the broad road of socialist industrialisation of our country. The average peasants' standard of living improved generally, as may be seen by the proportionate rate of increase in the number of middle peasants. In the areas where agrarian reform had long been carried out—the old liberated areas—they constituted 80 per cent of the rural population, while the proportion rapidly grew to over half in the areas where reform came later.

“Through agrarian reform the peasant masses were aroused, organised, and led to become the ruling power in the countryside: the worker-peasant alliance was strengthened and the foundation of the people's democratic dictatorship was broadened and consolidated.

“Inestimable benefits such as the subsequent elevation of the living standard of the peasants flowed from agrarian reform. More schools were opened, more reading facilities provided, and more scope given for the development of other cultural activities in the countryside. Adults, who were illiterate before, now 'go to school' and learn to read, both in special winter schools, when they can be spared from the land, or to

year-round people's schools. Of more than 55 million children now attending school, the majority are boys and girls of the peasants. New life burst out. Plays, folk songs, dances came back in strength—recreation in the true sense of the word came to the peasants. Modern scientific knowledge, understanding of hygiene was spread, and labour, instead of being regarded as drudgery, came to be regarded as a matter of honour.

“Such is the harvest of agrarian reform, the new face of China's countryside after agrarian reform.” (*The Outstanding Success of the Agrarian Reform Movement in China*, pp. 15-17.)

I am of the definite opinion that the stock arguments made against ceiling need not deter us from putting a ceiling at an appropriate level. This level should be such that, as demanded by the All-India Kisan Sabha, it breaks the land monopoly of the landlords and gives land to the landless and land poor peasants. Also it should be such that it would not touch the land of actual working peasants, which should be completely and fully protected. Hence, *I am in favour of ceiling at two family holdings or economic holdings as defined above.* This would leave all peasant holdings intact and give them enough scope to take up to intensive cultivation, even with the help of improved technique and machinery at our disposal today and increase production.

PRODUCTIVE FORCES WILL DEVELOP

We also often come across a stock-in-trade argument that abolition and distribution of land to tillers would adversely affect the agricultural production and hence, there should be no ceiling or distribution of land. This argument is more vigorously advanced against ceiling being applied to mechanised farms, as in their opinion, the parcelling of such farms would undermine the greater productivity in such farms. These objections are utterly untenable and hence have to be rejected because of the pertinent reasons I give below. First of all, when we talk of unleashing the productive forces of the country, we mean the development of our overall national production of wealth, but *not of any particular branch in any particular transitional period.* In the final analysis, greater

production can be obtained by the speedy industrialisation of the country; and real development of agricultural production also can take place when the advanced, modern technical means are applied to it, which again is possible only under highly developed, modern industrial economy. Such a big scale industrialisation demands a vast and powerful home market for the consumption of the constantly increasing production of industrial goods and it can and has to be created only by giving land to the millions of poor peasants and agricultural labourers and releasing the tenants from the burden of rent and thus develop the purchasing capacity of the overwhelming majority of our people. Once this overriding consideration for agrarian reforms is set aside and forgotten, then it is certain that the entire scheme of our national planning falls to the ground.

Secondly, there is hardly even 1 per cent of the total cultivated land in our country which can be called large-scale farming, where real and modern technical means are applied and as such, the argument that large-scale farming is technically superior to small farming reduces itself to a mere academic debate. In practice, the exclusion of such so-called efficient and large-scale farms would result in the exclusion of a number of big landed estates, on the plea that each one of them possesses either a tractor or a tube-well or an oil engine and so on.

Thirdly, admitting from a theoretical point of view that large-scale, mechanised farming is more productive, yet, I am of opinion that it could not be advanced against the more fundamental interests of national production as a whole, which will be immensely helped and enlarged by the distribution of land and the creation of a stable home market. The temporary and transitional setback in production by a very small percentage by the break-up of such large-scale farms, would in turn be compensated several fold by the increased production as a result of land distribution.

Hence under the spurious plea for mechanisation, use of improved technique, attracting enterprising persons into agriculture, etc., the question of putting a proper ceiling so as to break the monopoly over land and distribute land to the

landless and land poor, should not be sacrificed or made a caricature of.

Superficially weighty argument against ceiling on landholdings or at least, on a reasonable ceiling, is made on the score of investment and disinvestment in agriculture and capital formation. Observations of the Committee of Direction in the Rural Credit Survey have been quoted in this connection. It has been tried to make out that (a) capital formation is larger in the case of larger landholdings, (b) investment also is greater in this category of landholdings, and (c) expenditure per unit is greater in small landholdings, and on that basis ceiling opposed. But a careful study of the Rural Credit Survey Report and the observations made therein do not lead us to the conclusion that ceiling on landholdings would retard either capital formation or greater investment in agriculture. Hence it is necessary that we go into these points a little more deeply.

The Rural Credit Survey Report says about 'Investment and Disinvestment' that :

"As regards cultivators, the broad position is that in nearly three-fourths of the districts the big cultivators showed a positive balance. In two-thirds of the districts, the large cultivators showed a positive balance and in all except a few districts, the small cultivators showed a negative balance position; for the medium cultivators, negative balance emerged in the case of a large majority of the districts." (Vol. I, page 61.)

But what are the items included in the 'Investment' and 'Disinvestment'? They include borrowings and repayments and purchase and sale of assets, etc. So, moneylending, purchase or sale of house or house-site, etc., form part of this investment or disinvestment. These do not strictly relate to agriculture and so do not show the real state of affairs with regard to investment in agriculture. Generally, it is the big landholders — landlords — that carry on such transactions — moneylending, paddy loans, etc., and all these transactions come in their favour as investment. Hence, investment by big landholders does not necessarily mean investment in land and agriculture.

Regarding the argument that the larger the size of holding the greater the output per unit, the following observation is quoted from the Rural Credit Survey Report:

“The value of gross produce per cultivating family generally increased with the increase in the average area sown. An increase in the value of gross produce per acre was also associated with an increase in the total value of gross produce. The average area sown per cultivating family increased from about 5 acres to about 60 acres between cultivating families with value of gross produce less than Rs. 200 and those with value of gross produce above Rs. 5000; at the same time the value of gross produce per acre increased continuously from about Rs. 20 in the former group to about Rs. 135 in the latter.” (*Ibid*, pages 67-68.)

But this conclusion itself is based on weak facts. The Survey Report itself says:

“The data relating to farm business have been classified into a number of divisions on the basis of the value of produce. On comparing the classification of cultivating families on the basis of value of gross produce with that on the basis of cultivated holdings which gives the division into deciles and into the lower and upper strata, it is found that the two do not correspond completely.” (*Ibid*, page 66.)

Thus the Survey Report itself admits that the divisions on the basis of value of gross produce do not correspond to the divisions on the basis of size of landholdings. Then, why cling to them to prove an important fact?

My practical knowledge of current Indian agriculture shows me a different picture. The large size of a holding does not necessarily show a larger yield per unit. This can be explained by the fact that though the holding is big, the technique used therein is the same. Though big landlords have the advantage of commanding more capital, securing aid, etc., the small peasant will substitute this by intensive labour, greater attention to the farm, etc., and gets, often, a higher yield per acre also. Anyhow, the difference will not be between Rs. 20 and Rs. 135 per acre gross produce as the Survey Report averages show. I can cite any number of examples

where the per acre yield is greater in the small peasant holdings than in those of big landlords.

I would like to draw attention to the ceiling imposed in Japan in 1946. I will quote the provisions from the Land Reform Law, summarised by Kaki Gwada, Minister for Agriculture and Forestry, Japan, (taken from the paper "Ceiling on Landholdings in Other Countries," circulated by the Land Reforms Division of the Planning Commission).

"The main provisions are as follows :

"(1) The Government purchased all absentee-owned land.

"(2) Resident landowners were permitted to retain an average of 2.5 acres of tenant-cultivated land; and in Hokkaido, where land is more plentiful, an average of 10 acres; everything above that limit had to be sold to the Government.

"(3) Owner cultivators were restricted to the ownership of an average of 7.15 acres in the islands of Honshu, Shikoku and Kyushu and to an average of 30 acres in Hokkaido. However, they may be permitted to cultivate more if the productivity of land is lowered by sub-division or if the holding is cultivated by family labour."

This shows that in Japan, in general, the ceiling is put at 7.15 acres and yet Japan's productivity of land is much higher than ours. Therefore, it is futile to argue against ceiling on landholdings of large-size on the score of production.

CAPITAL FORMATION WILL NOT BE RETARDED

Lastly, an argument has been made on the point of capital formation. It was argued that capital formation is greater in large farms and very small in small farms. The figures quoted are the following :

Capital formation in the large farms is two-thirds of the total.

Capital formation in the big farms alone is two-fifths of the total.

Since figures are quoted, let us examine them more closely.

The Rural Credit Survey Report says that :

"Of the total gross expenditure by cultivators on capital formation for the country as a whole, nearly two-fifths was by the big cultivators and about two-thirds by the large cultivators." (Vol. I, page 53.)

Who are these big cultivators and large cultivators? The Survey Report itself says of this :

"Some of the Survey data pertain to the size of cultivation of different classes of cultivators, that is to say (in the sense explained in the introductory chapter) of the 'large' cultivator (first 30 per cent in the village), the 'medium' cultivator (middle 40 per cent) and the 'small' cultivator (last 30 per cent), besides the 'big' cultivator who represents the top 10 per cent that is included in the first group. Certain all-India averages may be mentioned, subject to the caution that the variations from these for different States are considerable. The large cultivator cultivates 58 per cent of the total sown area. (Within this group, the corresponding figure for the big cultivator is 30 per cent.) The medium cultivator, numerically two-fifths of the cultivators, has less than a third of the sown area under him. There is an even steeper descent when we come to the small cultivator. Though he constitutes 30 per cent of the total number of cultivators, his sown area is just a little more than a tenth of the total area sown by all cultivators." (Vol. II, page 22.)

Let us analyse now. The big cultivators, who form 10 per cent of all the cultivators, hold 30 per cent of the total sown land and the capital formation in their case is 40 per cent. The large cultivators, among whom are included the big cultivators also, form 30 per cent of the total cultivators and possess 58 per cent of the total sown land and their capital formation is 67 per cent of the total. If we exclude the big cultivators from this category, then the other large cultivators will be 20 per cent of the total cultivators, possessing 28 per cent of the total sown area and their capital formation will be 27 per cent of the total. So what is the resultant picture ?

40 per cent of total capital formation is formed on 30 per cent of the total sown area possessed by the big cultivators.

27 per cent of the total capital formation is formed on 28 per cent of the total sown area possessed by other large cultivators.

Together, 67 per cent of the total capital formation is formed on 58 per cent of the total sown area, possessed by all large cultivators.

What is spectacular about it? Does it conclusively prove that larger capital formation is being formed on large cultivation holdings. It is wrong to hide the land concerned and show only that 67 per cent of capital formation is formed in 30 per cent of the holdings. The truth is that 67 per cent of capital formation is formed on 58 per cent of the total land, which is no wonder at all. Hence the question of capital formation should not be made an argument against ceiling, or against a ceiling at a reasonable level.

There is another relevant question to be considered in this connection. How is this greater volume of capital formation formed in large holdings? Is it because of greater efficiency, higher yield and lower costs, etc.? No figures are available for this. Actual experience does not bear this out. The largest number of large farms are cultivated by the same technique as the small farms and so larger capital formation cannot be accounted for by the use of higher technique. The other factors may contribute a little but not necessarily. My opinion is that this larger capital formation on large farms is mainly due to State's assistance largely going to them. The Rural Credit Survey Report itself says how the big landlords are bagging the *taccavi* loans:

"If this distribution of these small amounts (*taccavi* loans —N.P.) is considered class-wise for the cultivators, considerable inequalities in favour of the big and large cultivators is noticeable." (Vol. II, page 202.)

The Survey Report shows that out of total *taccavi* that is given by the State, 34.5 per cent is netted by the big cultivators, 58.1 per cent by the big plus large cultivators, 32.1 per cent by the medium cultivators and 9.8 per cent by the small cultivators. The Survey Report further says that even

the cooperative credit societies finance the large landowners in preference to others. Besides, there are a number of aids and assistance coming from the State. Land Reclamation in Travancore-Cochin State (*kayal* land cultivation) is heavily subsidised and aided by the State. Jungle clearance in *tarai* areas in Uttar Pradesh is done by the State. Manures and chemical fertilisers are supplied at concessional rates; loans for purchasing tractors, etc., are given liberally. In these and other cases it is the big landowners that pocket the lion's share of the financial assistance by the State and semi-official organisations. The 10 per cent difference in the land-capital formation ratio is mainly due to this and hence, the little higher percentage of capital formation in their case is no wonder.

The argument that capital formation will not take place if holdings are not quite big is, thus not conclusively proved by facts in our country today.

NO EXEMPTIONS

The question of exempting certain categories of lands from the application of ceiling has been discussed at great length. I am of the firm opinion that except lands under actual plantations of tea, coffee and rubber, and also land actually serving dairy farms, cattle farms, wool-raising farms which are genuine and are so recognised by the Government, no other land should be exempted from ceiling. In respect of these other lands, I am expressing my opinion, one by one.

There are large tracts of land in the plantation areas which are lying uncultivated and fallow or which are being cultivated with crops. There is no reason why ceiling should not apply to them. The argument that those lands may be needed for expansion of the plantation does not hold good. Such tracts of land are lying fallow for a number of years and are not used for cultivation of plantations. Secondly, the argument that admitting outsiders inside the plantations would be harmful to the plantations is also not valid since already hundreds of peasants are admitted as tenants and no harm is done to plantations.

As regards orchards, I do not think they merit any exemption. They are more remunerative and hence must have a lower ceiling. The argument that their split up would reduce production and affect their operational efficiency is proved false by facts. In Punjab, in all garden colonies, the Government had assigned land at 17 standard acres or less per family on an average. When the Government itself considers that an orchard of 17 acres is an economic unit, where is the justification to exempt orchards from ceiling?

The following will show that the orchards in Punjab colonies are below 20 standard acres in size.

27 garden colonies have been set up in various districts on the evacuee lands. Their total area is 19,038 standard acres, allotted to 1143 persons. This works out at 16.66 standard acres per allottee.

It should also be noted here that almost the entire area in the garden colonies is intercultivated. Up to this day, although allotments were made in 1949-50, out of the area allotted for gardens, hardly 15 per cent of the area has been covered by fruit trees.

Tube wells are in use in the garden colonies where the average allotment per allottee as seen above comes to 16.66 standard acres.

Also, it is a reality that the greatest number of orchards in other States also are smaller than the size of two economic holdings and unless it is conclusively proved that their yield is lower than in large orchards, we need not think of exempting them from ceiling.

I am of the definite opinion that *kayal* lands and *poonja* lands do not merit exemption. They are already heavily subsidised and financed by the Government and the so-called enterprising nature and heavy investment of the big capitalist farmers is largely due to this large State assistance. Their operational efficiency would not suffer if they are split up, since, in many cases, the lands are already being cultivated in small plots by tenants. So far as the maintenance of bunds and working pump sets are concerned, they can be maintained on a cooperative basis, for, they are already maintained so by the landlords and the State.

It has been argued that efficiently run farms should be exempted from ceiling. But, how are these big farms efficiently run? Today, the State is extending aid through loans, subsidies, etc., to the landowners and it is no secret that this aid is generally reaching the big landlords who are influential in the Government circles.

The following figures from Punjab will prove this. *Taccavi* loans given to cultivators since partition amount to Rs. 3,92,99,218 up to 1953-54, of which 15,520 (1 per cent) recipients getting more than Rs. 500 each received a total of Rs. 1,37,77,467 (35.5 per cent) and 13,69,635 (99 per cent) recipients getting less than Rs. 500 each received a total of Rs. 2,55,21,751 (64.5 per cent). Furthermore, those who received a *taccavi* loan of more than Rs. 500 each have returned up to the end of 1953-54 only Rs. 28,81,056, i.e., 21 per cent whereas Rs. 72,83,643, i.e., 28.5 per cent has been realised back from those who received below Rs. 500 each as *taccavi* loans. (This is the information given by the Revenue Secretary of Punjab, on February 2, 1955 to the Secretary, Punjab Legislative Assembly, *vide* No. 1137-A (Ch)-54.)

In this case, it may be noted that ordinarily loans of Rs. 500 each or more were given to such owners who owned more than 20 standard acres.

“Punjab Government has been advancing loans for the purchase of tractors under the G. M. F. Schemes from the year 1951-52. Total amount of Rs. 44,79,612 has so far been advanced as loan for this purpose among 472 persons only and 411 tractors have been purchased so far with this loan.” (Reply given by the Development Minister to the starred question No. 3885 by Shri Wadhawaram, MLA, in March 1955 session.)

This shows that each person got, on an average, a loan of Rs. 9,500 for purchasing tractors, i.e., almost the whole price!

If this State aid had reached others also as profusely, they would not have remained less efficient.

A big argument is being made that mechanisation requires a fairly big operation unit or otherwise, such mechanisation would be uneconomic and nobody would take up to it. This

is just mocking at the question. Real mechanisation can take place in agriculture on a large scale on the basis of a highly developed industrial sector and collectivisation of agriculture. But, the protagonists of mechanisation today are concerned only about use of tractors and tube-wells, etc., by a few big landlords alone but not as to how to create a really highly mechanised, large-scale agriculture. This point need not be dilated here, as it has been already dealt with before.

Let us look at this from another angle. How are the tractors, tube-wells, etc., being used? Is their use necessarily dependent on the size of holdings? No. This can be showed by any number of instances. The State is running a large number of tube-wells and supplying water to the peasants. When this is so, there is no point in arguing that splitting up mechanised farms will lead to fall in production. Even after the splitting up of such farms, the present level of mechanisation can still go on by the machinery, tube-wells, etc., which can be taken over by the State or the peasants themselves jointly and put them to use just as when the single big farm existed.

The point that greater financial resources would be available with the big landowners and the splitting up of their big farms would lead to fall in production has already been answered. If the State extends its aid to all landowners and if all the schemes suggested by the Committee of Direction are implemented, the small landowners also would be able to invest in land in all the forms in which the big landlord was investing—use of fertilisers and improved seeds, use of tractors, tube-wells, growing of specialised crops, etc. Also what they lack in terms of financial capital, they will invest in terms of more enthusiasm and labour on the land.

Thus, I am of the opinion that the lands which are described above should be subjected to ceiling and there is no point in their exemption. However, if there are any such farms which, in the opinion of the Government, are found necessary to be kept in their present size in the national interests, like special seed farms, experimental farms, etc., they can be taken over by the State and kept as such or as Demonstration Farms.

I oppose the exemption of these mechanised farms from another angle also. Land Reforms have to be carried out in practice in the shortest possible time and for this, the cooperation of the entire peasantry, agricultural labourers and tenants and other rural masses is quite necessary. Such cooperation can be obtained if they get confidence in the objectives and mode of implementation of land reforms. Such confidence cannot be obtained if the biggest of the landlords, who generally are the most powerful and have a firm grip on the entire rural economy and are the biggest exploiters, are excluded from the operation of the ceiling. What justification is there for exempting them, who climb to such position largely with the aid extended by the State and protected by the State, and putting a ceiling on others? Hence, from this social point of view and in the interests of the success of land reforms, such lands should not be exempted.

This does not mean that I argue that, under all circumstances, small-scale farming is better than large-scale farming. This is far from my view. What I want to say is that in the context of present agrarian conditions and consciousness of the mass of peasantry, the first and foremost duty of any land reform is, taking over land of the landlords and giving it to the poor peasants and agricultural labourers. This will be the first step and not the *finale* of land reforms. Gradually by education, persuasion, encouragement through experimenting and State farms, cultivators should be induced to take up to cooperative farming which may come about through a series of intermediary stages. This is how land reforms are being implemented in China and People's Democratic countries of Europe. Thus, in the name of economics of large-scale cultivation, either to leave big farms untouched or to rush to compulsory cooperative farming would prove disastrous to the successful implementation of land reforms.

There was a suggestion made that sugarcane plantations owned by the sugar mills should be exempted from ceiling. There is no reason why they should be exempted. The mill areas are determined under law and the mills are assured of cane supply under the rules of the law. Moreover, there is nothing on record to show that these cane farms owned by the mills

are better yielding than those of the peasants. For instance, the cane farm owned by the sugar factory of Pithapuram (Andhra) produces 30 tons per acre (refer to the Note supplied by the Land Reforms Division) but in that same area, any individual cultivator can produce much more than that. In Bombay, the farms owned by the mills, with perhaps the exception of Malinagar and Belwandi, are producing less than the average yield for the State. In Bihar and Uttar Pradesh, the mill farms are producing as low a yield as 7.5 tons, 9.8 tons and so on and the maximum yield is 21 tons per acre! In such cases, on what grounds should they be exempted? I do not agree to their exemption.

The *bona fides* of land reforms would be judged from the fact that whether ceiling would be applied to all lands of the landlords or exemptions would be made to the biggest and best of the holdings of the landlords on one pretext or another.

CEILING ON ENTIRE FAMILY LAND

The question has been raised as to whether the ceiling should apply to the land possessed by the entire family or to each holding owned separately by individuals and if it is to the entire land held by a family, what is a family. In this connection, I wish to draw attention to a few facts. First, even though the land may be held by individual members of a family as separate holdings, the entire land is today being treated as constituting the family property and is used and enjoyed as such. Secondly, there are a large number of transfers made since the publication of the Kumarappa Committee Report, with a view to frustrate and circumvent any land reforms. Transfers have been made in the name of wives, daughters, sons and so on. If each holding is taken up separately, the very purpose for which ceiling is put would be defeated. Hence, the entire property of the family should be taken as one unit for the purpose of putting ceiling on land-holdings.

What is a family? It is inconceivable that a daughter or a minor son living together with parents constitutes a separate family, simply because she or he has a right to a share in the

property. Family has to be defined not in terms of legal rights in property but as a human social unit. The Government has got its own definition while conducting census enumeration or Agricultural Labour Enquiry or similar enquiries. The average size of a family for every State is also known. Therefore, for the purposes of land reforms, the normal and universally accepted size of the family should be taken as the basis. A family may be considered to be a unit comprising a landowner and his wife, his dependent parents and three dependent children. The wife or one or more of the children may be holding land as a separate holding but that should not be a hindrance to accept all of them as one unit, one family, and all the land held by them as constituting family property.

COLOSSAL BURDEN OF COMPENSATION

The question of compensation is a matter of basic social policy. On the one hand is a small number of big landlords both feudal and capitalist, absentee and managerial, who sit over a vast extent of land, and, on the other hand, there is a vast number of poor peasants and agricultural labourers who have absolutely no land or have small, extremely insufficient amount of land. A rational use of land demands the taking over of excess land from big owners and giving it to the landless and land poor, who are already cultivating the land, living on land and are completely dependent on land. This second category is extremely poor and already overburdened. How can they bear the heavy load round their neck and yet carry on cultivation?

Secondly, in the case of tenants, it is they who are the real cultivators and are in cultivating possession of land for a number of years. For the fault of the Government which has not recognised his rights over land so far, the tenant need not be penalised.

Thirdly, the landlords are not completely expropriated. Sufficient land will be left for cultivation which would be quite sufficient for their maintenance at a fairly high standard. Therefore, there is no necessity to pay any other compensation.

We want industrial development and one of the basic needs for it is a large internal market. The vast rural side is an unlimited, expansive, but yet undeveloped market and it is this that has been and is still the target of exploitation by the British imperialists and feudal lords. It is this underdevelopment of the internal market that is one of the primary causes for the limitations of industrial growth. We, who are speaking in terms of Five Year Plans for national reconstruction, should want and stress upon the development of this internal market and this cannot be developed unless and until we increase the purchasing power of the masses. Payment of compensation just prevents this. Instead of increasing the purchasing power of the vast number of rural people, instead of using the increased production for greater production, it will be used, by payment of compensation, to feed a new parasitic class of rentiers who, instead of collecting the rents from the individual peasants, now collect it from the State.

What does compensation mean to the nation? Especially to the peasants and agricultural labourers? Let us take the case of PEPSU only. Here, in PEPSU, in the plains, there is surplus of 3,19,000 standard acres from the land under personal cultivation alone of the landlords. Even at the rate of Rs. 200 per acre as compensation, as was fixed by the Tenancy Law there in the case of tenants-at-will, the total comes to Rs. 6,38,00,000. This has to be paid by about 75,000 recipients, i.e., Rs. 850 per beneficiary. Is it fair to ask a small peasant to produce more with this millstone around his neck and then turn back and say "Since you cannot properly cultivate, your land will be taken over under land management legislation and so on."

Let us see how much compensation has to be paid, if the principle of payment of compensation is accepted.

PEPSU (Plains)

Compensation for excess land (with ceiling at 20 standard acres) acquired from the land under personal cultivation — @ Rs. 200 per acre Rs. 6,38,00,000

Compensation for land held by the tenants from landowners owning more than 10 acres each which is 3,05,790 standard acres Rs. 6,11,58,000

Total (nearly) Rs. 12,50,00,000

If compensation is paid in 20 annual instalments with 3 per cent interest, each annual instalment will be about Rs. 80,00,000.

The total income of the PEPSU State from land revenue in 1953-54 (revised estimates) as given by the Taxation Enquiry Commission, was Rs. 1,31,00,000. *That means a handful of landlords will get an unearned annual income for 20 years which will be equal to 61 per cent of the total revenue of the whole State!*

Let us take the case of Saurashtra, for which figures are available.

Excess land, with ceiling at 20 standard acres, for land under personal cultivation (in acres) 12,11,500

Area held by tenants under owners owning more than 10 standard acres each (in acres) 63,800

Compensation at Rs. 200 per acre ... Rs. 25,50,60,000

If paid in 20 annual instalments, per annum compensation with 3 per cent interest (roughly) Rs. 1,70,00,000

In 1953-54, as per the Taxation Enquiry Commission Report, the land revenue in the State was Rs. 2,85,00,000. *This means the landlords will be getting in Saurashtra also more*

than 55 per cent of the State's land revenue for 20 years to come by simply sitting in their houses and doing nothing!

Let us take another case and see. In Bombay, compensation has been fixed for tenants at 6 times the rent in the case of occupancy tenants and protected tenants, and 20 to 200 times the land revenue in the case of other tenants. Let us for the sake of argument take 50 times the land revenue or 10 times the rent (rent being 5 times the land revenue, as fixed by law) as average rate of compensation in the case of the second category. Now, let us work out the compensation.

Rent payable by occupancy tenants, per annum	...	Rs. 1,33,34,392
Rent payable by protected tenants, per annum		Rs. 11,59,09,393
Total	...	Rs. 12,92,43,785
<i>Compensation at 6 times, as fixed by law</i>		
		Rs. 77,54,62,710
Rent payable by ordinary tenants, per annum	...	Rs. 4,23,04,761
Rent payable by sub-tenants, per annum		Rs. 79,66,252
Rent payable by share-croppers, per annum		Rs. 3,34,79,448
Rent payable by others	...	Rs. 58,20,444
Total	...	Rs. 8,95,70,905

Even if some landowners resume land for personal cultivation and thereby the rent-roll is reduced, it may stand at:

	...	Rs. 6,00,00,000
<i>Compensation at 10 times</i>	...	Rs. 60,00,00,000
<i>Total compensation, to be paid by all tenants</i>		Rs. 137,54,62,710

It should be remembered that this amount has to be paid for the land under tenants only and does not include interest charges also and does not further include compensation to be paid for excess land acquired from land under personal cultivation.

Let us now see Malabar. The land under personal cul-

cultivation in holdings above 30 ordinary acres is as follows, as per the recent census of landholdings (in round figures).

<i>Size of holdings</i>	<i>No. of holdings</i>	<i>Area in acres</i>
30—35 acres	5000	1,72,000
35—40 "	3600	1,37,000
40—45 "	2800	1,19,000
45—50 "	2200	1,03,000
50—60 "	2600	1,26,000
60—75 "	2200	1,48,000
75—100 "	1900	1,65,000
100—150 "	1400	1,75,000
150—200 "	500	86,000
200—300 "	300	82,000
300—500 "	183	73,500
500—1000 "	114	78,900
Above—1000 "	92	3,42,000
Total	22,889	18,08,000

Let us take the ceiling as 30 acres, in view of the pressure on land in that district. Let us also assume Rs. 500 as the market price, on an average (for irrigated and coconut gardens and pepper plantations, it may be high and for dry lands and tapioca lands, it may be less, but we have assumed an average only). The compensation will work out like this :

Excess land (acres)	11,21,330
Compensation @ Rs. 500 per acre	Rs. 56,06,65,000

Remember that it is to be paid for excess land of the landlords under personal cultivation and does not include interest charges and also does not include compensation to be paid by tenants.

Will this be "socialistic pattern of society," where a handful of landlords get as much as half the total land revenue of

the State, to be paid by peasants, who hardly get one square meal a day!

What does this huge compensation mean to the nation? In PEPSU, the total expenditure on social services, i.e., education, public health, medical, scientific departments and miscellaneous departments on revenue account is Rs. 1,45,00,000 (revised estimates) and in Saurashtra, it is Rs. 2,08,00,000. That is, a handful of landlords will get in PEPSU about 50 per cent of the total that the whole people in the State get on social services and in Saurashtra, about 75 per cent of the same. What a colossal tragedy?

During the year 1953-54, the amount spent on irrigation in all the 7 Part 'B' States (Hyderabad, Madhya Bharat, Mysore, PEPSU, Rajasthan, Saurashtra, Travancore-Cochin) was Rs. 4,00,00,000 (revised estimates) as given by the Taxation Enquiry Commission, on public health, Rs. 2,42,00,000; on medical Rs. 5,74,00,000; on community development projects Rs. 2,23,00,000. If the compensation amount is not paid, the amount saved will equal several times more than any item of the above expenditure taken separately. Why then such a heavy burden on the peasantry?

Let us take the country as a whole. It will work out as follows: (all figures to the nearest thousand)

Total sown area as per Agricultural Labour Enquiry (ALE) (in acres)	26,75,46,000
Landowners, including tenants having heritable rights (as per 1951 census)	16,73,27,000
In terms of families of 5.5 average size (5.5 is the average size of landowners' families as per ALE)	3,04,23,000
Number of owners owning more than 25 acres each (5.6 per cent of total as per ALE)	17,04,000
Land held by them (34.4 per cent of total land as per ALE) (in acres)	9,20,36,000
With ceiling at 30 acres (ordinary), land required by this group (in acres)	5,11,20,000
Surplus land (in acres)	4,09,16,000

Roughly acres	4,00,00,000
Of which irrigated land may be (17.8 per cent of the total)	71,60,000
<i>Compensation at the market rate (on an average Rs. 1500 per acre)</i>	Rs. 1074,00,00,000
Unirrigated land, including land under commercial crops (in acres)	3,28,40,000
<i>Compensation at market rate (on the average @ Rs. 200 per acre)</i>	Rs. 656,80,00,000
<i>Total compensation at market rate</i>	Rs. 1730,00,00,000
Interest charges for 20 years (roughly)	Rs. 600,00,00,000
Overall compensation	Rs. 2330,00,00,000
Compensation to be paid today to zamindars and jagirdars, etc.	Rs. 550,00,00,000
Total compensation from land	Rs. 2880,00,00,000

More than the investment made in the First Five Year Plan!

The latest Progress Report puts the figure of sown area at 3 crore acres more. Actually the cultivated land, including fallows, is a little above 40 crores of acres. So the surplus will be much larger and the compensation nearly double this amount and even more.

INDEBTEDNESS AND PAYMENT OF COMPENSATION RUIN AGRICULTURE

Add to this the rural debt which itself has reached a colossal figure. There is no authentic estimate of the outstanding rural debt at present but that its burden has increased on the lower sections of the peasantry and the tenants and agricultural labourers, who, under the scheme of compensation after ceiling has been applied to landholdings, have to pay that compensation, is not disputed by anybody. The follow-

ing extract from the Report of the Rural Banking Enquiry Committee, 1950, is worth quoting in this connection :

“A fairly large portion of the total agricultural income has gone into the hands of the small minority of big landholders who have also of late benefited from increased participation in moneylending and trade in agricultural produce and live-stock. The benefit of debt-reduction too has largely accrued to this class while higher direct taxation which has seriously encroached on urban incomes has not touched them, except to a very small extent. Taking the country as a whole, the major part of rural surpluses and consequent savings, in one form or another, should be found with the bigger landholders and with some non-agriculturists, such as village moneylenders, traders, owners of mills, etc.” (Summary of Recommendations, pages 145-46.)

About the smaller sections, the Report says :

“So far as other classes, such as small landholders, tenants and labourers, are concerned, the general view is that although their money incomes have increased, the extent to which such increases reflect a real improvement in their position is extremely doubtful.” (Report, page 40.)

By 1938, the total rural debt had been estimated to be Rs. 1800 crores. Even if we think that, due to war-time prices, this amount has come down by 20 per cent as in Madras (according to the Enquiry by Dr. B. V. Narayanaswami Naidu, who says that the total debt in Madras province came down to Rs. 217 crores from Rs. 270 crores in 1939), the post-war rural indebtedness will stand at about Rs. 1500 crores. This may possibly have increased of late, as per the Reports of the Banking Enquiry Committees in Bombay, Hyderabad and West Bengal. The Rural Credit Survey reports thus, in its chapter on “Trend in Indebtedness since 1929-30” :

“Enquiries on debt were conducted in the post-war period in West Bengal, Bombay and Hyderabad. The Bengal enquiry which covered part of the War and post-war periods indicated a rising trend in debt. The evidence contained in the data available for Bombay points to a similar conclusion. This is not surprising in view of the fact that all debts contracted for current purposes in the post-war period would be at

steadily higher levels because of the continuing increase in prices. After the burden of past debts had been materially lessened—and this appears to have happened by about 1945-46—any debt survey would show debts being contracted at higher and higher levels. It is, however, important to note that none of the three enquiries at the end of the War or during the post-war period revealed a level of debt as high as that revealed by the Rural Credit Survey. *The year of the Survey saw, for the first time in a period of over ten years, a sharp decline in agricultural prices and it also probably recorded on that account a higher increase in debt than in any previous year for a long time past.*” (Survey Report, Vol. I, page 20. Emphasis mine—N. P.)

Thus rural indebtedness is growing and might have reached the pre-war level. But, even taking Rs. 1500 crores as outstanding, which is a very conservative estimate, the total amount to be paid by the poor peasants, tenants and agricultural labourers would be—both compensation and rural debt put together—Rs. 4000 crores and more ! What a stupendous burden on the peasantry, the backbone of Indian economy ! Can productive forces in agriculture grow and prosper, with such a colossal burden oppressing it ?

Hence, I am opposed to payment of compensation to landlords, either for the surplus lands taken from the land under their personal cultivation or for the lands under the tenants. (Landowners, in my view, who have land below one family holding and have no other substantial means of living and who want to take up personal cultivation, should be allowed to resume land, provided the tenant is given land from the pool, so the question of compensation does not arise in their case.)

In Kashmir, one of the component States of our country, ceiling on landholdings has been put, excess land acquired by the State without payment of compensation and distributed to poor peasants and agricultural labourers. Heavens have not fallen by not paying compensation and no constitutional provisions prevented the State from confiscating the excess land. Hence too much fuss about the compensation amount need not be made.

Thus, it is as a matter of policy that I am opposed to payment of compensation but not as retribution. In the case

of really hard cases, as for example, small landowners who may lose land, rehabilitation grants for a fixed period can be paid and appropriate measures can be taken for absorbing them in productive employment.

As I have said in an earlier paragraph, a large number of bogus transfers and partitions have been made with a view to defeat the purpose of ceiling to landholdings. These transfers take a number of forms. Besides these, bogus cooperatives, dairy and cattle farms, etc., were recently formed with the same ulterior motive. All such transfers and partitions should be made void and organisations ignored. This should be done to all transfers, etc., made since the Report of the Kumarappa Committee was published.

LAND TO POOR PEASANTS AND AGRICULTURAL LABOURERS

The utilisation of surplus land is a question actively discussed. Various suggestions have been made, namely that land should be given to small landowners to make their holding come to the size of economic holding, that land should be given for cooperative farming, that land should be distributed to small landowners to make their holdings come up to the size of basic holding and the rest to be distributed to attached labour only, at a basic holding each and so on. But does any one of these serve the basic aim of ceiling on landholdings?

I stand for the distribution of land to all poor peasants holding less than a basic holding, i.e., one-third of a family holding each, and agricultural labourers including attached labourers, equally, after providing land to the tenants who may be dispossessed by the exercise of right of resumption by small landowners.

These people are already living on land and so the question of increasing the pressure on land does not arise. They are already sharing the produce in the form of wages or otherwise and redistribution does not mean distribution of poverty but of giving more security to the means of livelihood and adding a little more to it.

In the tours in the various States, enquires were made from the landless people whether they want land. Their universal reply is that even a small piece of land as their own will give them better security from complete want, an economic status which is now completely absent and better bargaining power. Today, even the village *sowkar* refuses to sell even the daily necessities like salt, chillies, etc., on credit to the agricultural labourer, because he is landless. The little cooperative credit movement that has developed completely ignores this vast section, simply because they are propertyless and can provide no security for the repayment of even the small loan. Hence, even a small piece of land would give them the needed creditworthiness. Similarly, their bargaining power with the employers for fair wages, for better conditions of living, would increase by the possession of even a small piece of land. This is why the agricultural labourers must be given land along with the poor peasants.

The question that these landless and land poor peasants have no capital, bullocks, etc., to carry on cultivation, need not deter us. This is a question that concerns 90 per cent of the holdings that exist today which are less than an economic holding. So far it is this section that is neglected completely by the State and the demand is already there which is, in theory at least, accepted by the State that more and more assistance should be given to them in the form of subsidies, loans, price-supports for the farm produce, fertilisers and agricultural implements at concessional rates, etc. Hence, the question of resources is a larger issue which does not concern this landless poor alone and which has to be and must be tackled by other means.

How can the State, with its limited resources, come to the aid of such innumerable small landholders who will be created by such land distribution, when it is not able to extend such help satisfactorily even to the existing small landholders, is a question often put. It is true that the State cannot provide such help so long as it continues to pay huge sums as privy purses to feudal princes and as compensation to zamindars and jagirdars, so long as it allows the multi-millionaires

to evade tax payments and still go scot-free, so long as it refuses to control profits, so long as corruption, waste and defalcations are not checked, so long as huge salaries and allowances are paid to the top officials, so long as the feudal princes and other such interests are allowed to hoard their riches and so on. Stop this, pool all the resources from these sources and any amount of finance will be available for coming to the aid of these small landowners to carry on their cultivation.

GLORIOUS LAND DISTRIBUTION IN PEOPLE'S CHINA

This point we need not discuss too much. For we are not discussing in a void. We have got the living example of China, where one of the first things that the People's Democratic Government has done is taking up and completing land reforms. There, 30 crores of peasants who had previously held little or no land and lacked means of production, were given 11,28,00,000 acres of land, i.e., less than one-third of an acre *per capita*. Has it resulted in fall in production, famines, starvations and deaths? Nothing of that sort. On the other hand, agricultural development made rapid strides. Shri Bhan Chandra Varma, Professor of Hindi language, Oriental Languages Department of the Peking National University (China), reports of it in facts and figures thus :

CHANGE IN AGRARIAN STRUCTURE

"The following illustration from the village of Yungkwei, Hulan Hsien of Sungkiang province, will give some idea of the change the land reform has brought about in the Chinese agrarian structure.

Before the Land Reform

	Population	Land (shang)	Houses	Horses	Carts					
Hired peasants	283	41.9%	NIL	NIL	NIL					
Poor peasants	117	17.3%	0.4	0.06%	14	6.1%	10	7.2%	2	10.5%
Middle peasants	82	12.1%	45.3	6.90%	20	8.8%	29	21.2%	4	21.1%
Rich peasants	131	19.4%	315.7	47.84%	92	40.8%	55	39.9%	3	47.3%
Landlords	63	9.3%	208.4	45.20%	102	53.7%	44	31.9%	4	21.1%
	676	100%	569.8	100%	228	100%	138	100%	19	100%

After the Land Reform

	Population	Land (shang)	Houses	Horses	Carts					
Hired peasants	285	37%	189.26	36.9%	95	41.7%	47	44.4%	13	62.0%
Poor peasants	166	22%	110.22	21.4%	52	22.8%	21	19.9%	3	14.2%
Middle peasants	93	12%	62.93	12.3%	36	15.8%	17	16.0%	5	23.8%
Rich peasants	146	19%	96.94	18.8%	32	14.0%	16	15.0%	NIL	NIL
Landlords	82	10%	54.45	10.6%	13	5.7%	5	4.7%	NIL	NIL
	772	100%	513.80	100%	228	100%	106	100%	21	100%

AGRICULTURAL PRODUCTION

“As a result of land reform, there has been a tremendous release of productive forces, an upsurge of labour enthusiasm leading to better forms of labour organisation and rapid technical improvements in farming. This has led to a great increase in agricultural production.

“Compared with the bumper crops of 1936, when the pre-war production reached its peak figure, the output of some important agricultural products since liberation presents the following picture:

	1936	1950	1951
<i>Foodstuffs</i>	100	87.0	92.8
1. Rice	100	96.5	99.4
2. Wheat	100	80.4	88.5
3. Soyabean	100	58.8	63.3
<i>Cotton</i>	100	83.7	133.0
<i>Tobacco</i>	100	24.1	130.5
<i>Hemp</i>	100	114.7	227.1

“Total grain production in 1950 was estimated at 125,000,000 tons, an increase of 12,250,000 tons over 1949's grain harvest. China now no longer needs import-grain from abroad. During the Kuomintang regime, the imports rose up to 2,000,000 tons per year.

“Now, China not only does not import but she also exports to needy and starving countries like India. In 1951, China exported 516,000 tons of rice to India and in 1951, she has agreed to export 100,000 tons.

“Since liberation, cotton production has been increasing from year to year. 1950 figures show that it has exceeded the pre-war peak figure. The following shows the rate of progress in cotton production:

1933-37	637,500 tons
1947	550,000 ”
1948	500,000 ”
1949	425,000 ”
1950	700,000 ”

"Agricultural plans drawn up by administrative areas for the current year indicate that the nation's 1952 plan for an increase of 8 per cent in grain and 29 per cent in cotton crop yields above the 1951 figures, will be fulfilled and possibly surpassed." (*People's China—An Introduction*, pages 66-68)

The fear that production would fall by land distribution is thus completely disproved by the living example of People's China.

Hence, I once again urge that the land acquired by the State should be distributed to all poor peasants, holding less than a basic holding each and agricultural labourers, without any discrimination and equally to all.

I am not in favour of putting a floor on landholdings for the following reasons:

So far, in several States, floors have been fixed but proved ineffective and inoperative for the simple reason that they go against real life and conditions in the rural side. In spite of the ban on fragmentation and subdivisions, they are continuing; only they are not being recorded in the land registers. How can subdivisions and partitions be prevented so long as alternate occupations are not open and so long as pressure on land goes on increasing? Implementation of such measures to prevent subdivisions by police methods will only result in small peasants losing land. The laws say that in order to prevent subdivisions below floor, the holding should be kept intact and given only to one shareholder, others getting compensation and that when no one is prepared to accept this, the land should be auctioned and the proceeds distributed, *pro rata*, to the shareholders—and this results in turning them hostile to land reform measures.

Secondly, a floor on landholdings means the compulsory amalgamation of the present small holdings into cooperatives or collectives, which, in the present context of land relation and level of peasant consciousness, will prove impracticable.

PROVE BONA FIDES OF AGRARIAN REFORMS

Ceiling on landholdings is a test to the land reforms and to the *bona fides* of the Government. Any tinkering with the

matter any delay or postponement will not only incur the great disappointment and displeasure of the mass of the peasantry and agricultural labourers, but will also jeopardise the agricultural economy and thus prevent any further industrial development to its full length. Experience so far has shown that, even though the First Five Year Plan recommended a ceiling on landholdings at three times a family holding, in no State was it put into practice. The only States where a caricature of it was attempted, viz., Hyderabad and Himachal Pradesh, have not yet implemented even those extremely unsatisfactory land reforms and only just now, after more than two years, the Hyderabad Government is attempting to enforce them in one district. This kind of progress with land reforms may help in mesmerising the kisans for some time, but not for ever. Sooner or later, they will realise the real nature of them and rise against them. Hence it is the bounden duty of the Government to fix ceiling on landholdings immediately and implement it with the assistance and active cooperation of the peasants and agricultural labourers.

This raises the other important problem of implementation of land reforms and the machinery to do that. From the findings during the tours, it was found that even the relatively good Tenancy Reforms in Hyderabad State completely failed and 57 per cent of the protected tenants were dispossessed from 59 per cent of the total land. Hence, for the successful implementation of land reforms, it is essential that peasant committees consisting of peasants, tenants and agricultural labourers or their representatives should be formed at the village, taluk or area and district levels from which the landlords should be excluded and which should be vested with full authority for the implementation of land reforms. So far as ceiling on landholdings goes, it is these peasant committees that should decide all matters relating to ceiling from beginning to end. Only then can the successful implementation of land reforms be assured.